

P.K. SINGH & ASSOCIATES

RZA-17, Sitapuri Extension, Part-I, Gali No.1, Delhi-110045

Ph. +91+11+25610543, Mob.: +91+9891210543

E-mail: prakashca77@gmail.com

Auditors' Report

To The Members of Franklin Leasing and Finance Private Limited

We have audited the attached Balance Sheet as at 31st March, 2011 and also the Profit and Loss Account for the year 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 made by management, as well as evaluation the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion:

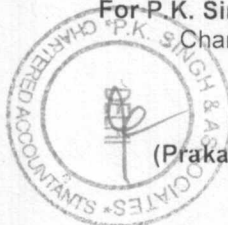
As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

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

- (i) 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;
- (ii) 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.
- (iii) The Balance Sheet and profit and Loss Account dealt with by this report are in agreement with the books of account.
- (iv) In our opinion, the Balance Sheet and Profit and Loss Account dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- (v) On the basis of written representations received from the directors, as on 31st March, 2011 and taken on records by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) section 274 of the Companies Act, 1956.
- (vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, 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 31st March, 2011; and
 - (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date.

Place : New Delhi
Date : 25.08.2011

For P.K. Singh & Associates
Chartered Accountants



(Prakash Kumar Singh)
Proprietor

P.K. SINGH & ASSOCIATES

RZA-17, Sitapuri Extension, Part-I, Gali No.1, Delhi-110045

Ph.: +91+11+25610543, Mob.: +91+9891210543

E-mail: prakashca77@gmail.com

STATEMENT REFERRED TO IN PARAGRAPH ABOVE OF OUR REPORT OF EVEN DATE

1. a) Proper records showing full particulars including quantitative details and situation of fixed assets are under preparation.
b) As explained to us by the management, the fixed assets of the company have been physically verified at the year-end by management and no material discrepancies have been noticed on such verification.
c) There is a small disposal of fixed assets, which is not going to effect the going concern aspect of the company.
2. The Company do not having any inventory during the year.
3. We are informed that the Company has not granted/taken any loans, secured or unsecured, from/to companies, firms or other parties listed in the register maintained under Section 301 of the Companies Act, 1956 during the year.
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 inventory and fixed assets and for the sale of goods or services. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct major weaknesses in internal control.
5. As explained and according to information given to us there has not been any contract or arrangement referred to in section 301 of the Act, particulars of which need to be entered in the register required to be maintained under section 301 of the Companies Act, 1956.
6. According to the information and explanations given to us, the Company has not accepted any deposits from the public.
7. In our opinion, the company does not have an Internal Audit System.
8. The Central Government has not prescribed for maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956.
9. According to the information and explanations given to us, there are no undisputed statutory dues payable in respect of Provident Fund, Investor Education and Protection Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth Tax, Custom Duty, Excise Duty, service tax, cess which are outstanding as at 31.03.2011 for a period of more than six months from the date they became payable.
10. There are no accumulated losses at the end of financial year and company has not incurred any cash losses during the financial year and in the immediately preceding financial year.
11. According to the information and explanations given to us the company has not taken any loan from any financial institution or bank or debenture holder.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities, and in our opinion, adequate documents and records are maintained.
13. The Company is not a Chit Fund, Nidhi or mutual benefit Society. Hence the requirements of item (xiii) of paragraph 4 of the Order is not applicable to the Company.

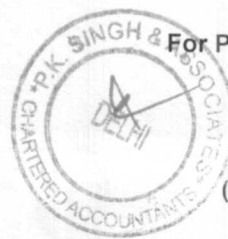


14. The Company has kept adequate records of its transactions and contracts in shares, securities, debentures and other investments and timely entries have been made therein. The shares, securities, debentures and other investments held by the company, in its own name.
15. According to the information and explanations given to us, the company has not given any guarantee for loans taken by other from bank or financial institutions.
16. As per information and explanations given to us, term loans were applied for the purpose of which loans were obtained.
17. According to the information and explanations given to us, 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 made preferential allotment of shares to companies, firms or other parties listed in the register maintained under section 301 of the Companies Act, 1956.
19. The company has not issued any debentures. Hence the requirements of clause (xix) of paragraph 4 of the Order is not applicable to the company.
20. As explained to us, the management has disclosed on the end use of money raised by public issues and the same has been verified.
21. According to the information and explanations given to us, a fraud on or by the company has not been noticed or reported during the year.

As per Non-Banking Financial Companies Auditors Report (Reserve Bank) Directions, 1998 issued by Reserve Bank of India vide Notification No. DFC 117/DG(SPT)-98 dated January 2, 1998, we further report to the extent to which matters specified therein are applicable to the company that :

- (i) The company is a Non-Banking Financial Company not accepting public deposit and the certificate of registration no. B-14-02383 dated 22.05.2001 from Reserve Bank of India has been issued to the company.
- (ii) The Board of Directors of the company has passed a resolution for the non-acceptance of any public deposits.
- (iii) The company has not accepted any public deposits during the relevant year.
- (iv) The company has complied with the prudential norms relating to income recognition, accounting standards, assets classification and provisioning for bad and doubtful debts as applicable to it.

Place : New Delhi
Date : 25.08.2011



For P.K. Singh & Associates
Chartered Accountants

Prakash
(Prakash Kumar Singh)
Proprietor

FRANKLIN LEASING & FINANCE PRIVATE LIMITED

BALANCE SHEET AS AT MARCH 31ST' 2011

PARTICULARS	Schedule	Amount (Rs.) as at 31st' March 2011	Amount (Rs.) as at 31st' March 2010
SOURCES OF FUNDS			
Share holder's Funds			
Share Capital	1	7,224,000.00	2,059,000.00
Reserve & Surplus	2	285,615,000.00	32,530,000.00
		292,839,000.00	34,589,000.00
APPLICATION OF FUNDS			
Fixed Assets			
Gross Block	3	168,329.00	168,329.00
Less : Depreciation		141,681.00	137,345.00
		26,648.00	30,984.00
Investments	4	290,950,000.00	32,750,000.00
Current Assets, Loan & Advances			
Current Assets	5	993,509.00	398,736.00
Loans & Advances	6	-	550,396.00
		993,509.00	949,132.00
Less : Current Liabilities & Provisions	7	2,885.00	13,816.00
Net Current Assets		990,624.00	935,316.00
Profit & Loss Account		870,040.00	871,794.00
Deffered Tax Assets		1,688.00	906.00
		292,839,000.00	34,589,000.00
Notes to the Accounts	8		

As per our report of even date attached

For P.K. Singh & Associates
Chartered Accountants


(Prakash Kumar Singh)

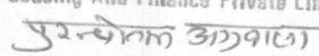
Proprietor

Place : New Delhi

Dated : 25.08.2011

For & On Behalf of the Board

Franklin Leasing And Finance Private Limited



(Purushotam Agrawal)

Director

Franklin Leasing And Finance Private Limited



(Dhurmam Agarwala)

Director

Director.

FRANKLIN LEASING & FINANCE PRIVATE LIMITED

PROFIT & LOSS A/C FOR THE YEAR ENDED 31ST MARCH' 2011

PARTICULARS	Schedule	Amount (Rs.) For the Year ended March 31st' 2011	Amount (Rs.) For the Year ended March 31st' 2010
INCOME			
Income Received		18,500.00	17,420.00
		<u>18,500.00</u>	<u>17,420.00</u>
EXPENDITURES			
Audit Fee		2,000.00	2,000.00
Bank Charges		969.00	-
Filing Fee		5,050.00	1,500.00
Legal & Professional Charges		2,500.00	1,000.00
Misc. Expenses		-	1,916.00
Printing & Stationary		781.00	2,240.00
Repair & Maintenance		-	1,080.00
Depreciation	3	4,336.00	5,044.00
		<u>15,636.00</u>	<u>14,780.00</u>
Profit before tax		2,864.00	2,640.00
Less : Provision for taxation :-			
Current Tax		885.00	816.00
Deffered Tax		(782.00)	(906.00)
Profit after tax		<u>2,761.00</u>	<u>2,730.00</u>
Add: Last year adjustments		(1,007.00)	-
Add: Opening balance of P & L A/c		(871,794.00)	(874,524.00)
Balance C/F to Reserve & Surplus		<u>(870,040.00)</u>	<u>(871,794.00)</u>
Notes to Accounts	8		

As per our report of even date attached

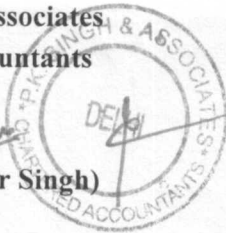
For P.K. Singh & Associates
Chartered Accountants

(Prakash Kumar Singh)

Proprietor

Place : New Delhi

Dated : 25.08.2011



For & On Behalf of the Board

Franklin Leasing And Finance Private Limited

(Purushotam Agrawal) (Dhurmam Agarwala)

Director

Director

FRANKLIN LEASING & FINANCE PRIVATE LIMITED

PARTICULARS	Amount (Rs.) as at 31st' March 2011	Amount (Rs.) as at 31st' March 2010
SCHEDULE - 1		
<u>Share Capital</u>		
<u>Authorise Capital</u>		
72,250 (P.Y.25,000) Equity Shares of Rs.100/-each	7,225,000.00	2,500,000.00
<u>Issued, Subscribed & Paid Up</u>		
72,240 (P.Y.20,590) Equity Shares of Rs.100/- each fully paid up	7,224,000.00	2,059,000.00
	<u>7,224,000.00</u>	<u>2,059,000.00</u>
SCHEDULE - 2		
<u>Reserve & Surplus</u>		
Capital Reserve Fund	435,000.00	435,000.00
Security Premium A/c	285,180,000.00	32,095,000.00
	<u>285,615,000.00</u>	<u>32,530,000.00</u>
SCHEDULE - 4		
<u>Investments</u>		
<u>Investment in Unquoted Shares</u>		
Chamundaji Merchandise (P) Ltd	19,600,000.00	19,600,000.00
Chandraghanta Advisory (P) Ltd	7,000,000.00	8,150,000.00
Chandraghanta Bargain (P) Ltd	8,500,000.00	-
Chandraghanta Dealers (P) Ltd	5,950,000.00	-
Chandraghanta Financial Consultants (P) Ltd	3,900,000.00	-
Chandraghanta Merchants (P) Ltd	9,500,000.00	-
Chinpurni Advisory (P) Ltd	7,750,000.00	-
Dankuni Steels Ltd	5,000,000.00	5,000,000.00
Everlink Multimedia Advisors (P) Ltd	70,600,000.00	-
Hi-Fashion Apparels (P) Ltd	2,600,000.00	-
Keynote Pharmaceutical Traders (P) Ltd	150,550,000.00	-
	<u>290,950,000.00</u>	<u>32,750,000.00</u>

As per our report of even date attached

For P.K. Singh & Associates
Chartered Accountants

(Prakash Kumar Singh)

Proprietor

Place : New Delhi

Dated : 25.08.2011

For & On Behalf of the Board

Franklin Leasing And Finance Private Limited

पुरुषोत्तम अग्रवाल (Purushotam Agrawal) धूर्मल अग्रवाल (Dhurmam Agarwala)

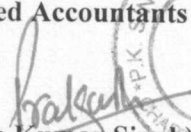
Director

Director

FRANKLIN LEASING & FINANCE PRIVATE LIMITED

PARTICULARS	Amount (Rs.) as at 31st' March 2011	Amount (Rs.) as at 31st' March 2010
SCHEDULE - 5		
<u>Current Assets</u>		
Cash in hand	956,089.00	33,847.00
Balance with scheduled bank in Current A/c	20,000.00	347,469.00
Sundry Debtors	17,420.00	17,420.00
	993,509.00	398,736.00
SCHEDULE - 6		
<u>Loans & Advances (Unsecured, Considered good)</u>		
<small>(amount recoverable in cash or in kind or for value to be received)</small>		
Lease Rent Receivable	-	54,000.00
Sundry Advances	-	496,396.00
	-	550,396.00
SCHEDULE - 7		
<u>Current Liabilities & Provisions</u>		
<u>Current Liabilities</u>		
Sundry Creditors for Expenses	2,000.00	13,000.00
<u>Provisions</u>		
Provision for Income Tax	885.00	816.00
	2,885.00	13,816.00

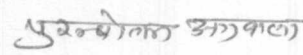
As per our report of even date attached
For P.K. Singh & Associates
Chartered Accountants


(Prakash Kumar Singh)
Proprietor

Place : New Delhi
Dated : 25.08.2011

For & On Behalf of the Board

Franklin Leasing And Finance Private Limited


(Purushotam Agrawal)

Director

Franklin Leasing and Finance Private Limited


(Dhurmal Agarwala)

Director

Director

FRANKLIN LEASING & FINANCE PRIVATE LIMITED

Schedule: 3

Fixed Assets Chart under The Companies Act, 1956

Particulars	Rate	GROSS BLOCK			DEPRECIATION			NET BLOCK	
		Balance as on 01.04.2010	Addition / (Deletion)	Balance as on 31.03.2011	Balance as on 01.04.2010	Depreciation during the year	Balance as on 31.03.2011	W.D.V. as on 31.03.2011	W.D.V. as on 31.03.2010
Air Conditioners	13.91%	63,000.00	-	63,000.00	56,096.00	960.00	57,056.00	5,944.00	6,904.00
T.V. Sets	13.91%	59,700.00	-	59,700.00	44,194.00	2,157.00	46,351.00	13,349.00	15,506.00
Office Equipments	13.91%	33,195.00	-	33,195.00	25,243.00	1,106.00	26,349.00	6,846.00	7,952.00
Furniture & Fixtures	18.10%	12,434.00	-	12,434.00	11,812.00	113.00	11,925.00	509.00	622.00
Total		168,329.00	-	168,329.00	137,345.00	4,336.00	141,681.00	26,648.00	30,984.00
Previous Year		168,329.00	-	168,329.00	132,301.00	5,044.00	137,345.00	30,984.00	36,028.00

As per our report of even date attached

For P.K. Singh & Associates

Chartered Accountants

(Prakash Kumar Singh)

Proprietor

Place : New Delhi

Dated : 25.08.2011

For and on behalf of the Board

Franklin Leasing And Finance Private Limited

Franklin Leasing and Finance Private Limited

पुरुषोत्तम अग्रवाल

(Purushotam Agarwal)

Director

धर्मल अग्रवाल

(Dharmal Agarwala)

Director

Director

FRANKLIN LEASING & FINANCE PRIVATE LIMITED

Fixed Assets Chart under The Income Tax Act, 1961

Particulars	Rate	Balance as on 01.04.2010	Add. / (Del.) more than 180 days	Add. / (Del.) less than 180 days	Balance as on 31.03.2011	Depreciation during the year	Net Value as on 31.03.2011	Net Value as on 31.03.2010
Plant & Machinery	15.00%	10,685.00	-	-	10,685.00	1,603.00	9,082.00	10,685.00
Furniture & Fixtures	10.00%	2,033.00	-	-	2,033.00	203.00	1,830.00	2,033.00
Total		12,718.00	-	-	12,718.00	1,806.00	10,912.00	12,718.00

As per our report of even date attached

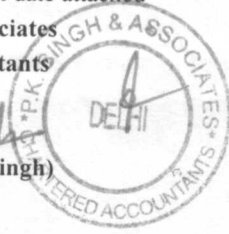
For P.K. Singh & Associates
Chartered Accountants

(Prakash Kumar Singh)

Proprietor

Place : New Delhi

Dated : 25.08.2011



For and on behalf of the Board

Franklin Leasing and Finance Private Limited

पुरुषोत्तम अग्रवाल धूर्मल अग्रवाल

(Purushotam Agarwal) (Dhurmam Agarwala)

Director

Director

Director

FRANKLIN LEASING & FINANCE PRIVATE LIMITED

Deffered Tax Liabilities/Assets calculation as on 31.03.2011

Depreciation as per Income-tax Act, 1961	1,806.00
Less: Depreciation as per Companies Act, 1956	4,336.00
Deffered Liabilities	(2,530.00)
Deffered Tax Liabilities @30.9%	(782.00)

Franklin Leasing And Finance Private Limited

ਪੁਰਮ ਅਮਰਿੰਦਰ

Director.

Franklin Leasing And Finance Private Limited

ਪੁਰਮ ਅਮਰਿੰਦਰ

Director.



FRANKLIN LEASING & FINANCE PRIVATE LIMITED

SCHEDULE - 08

NOTES TO ACCOUNTS

Schedule 08 of Notes to Accounts annexed to and forming part of the Balance Sheet as at 31st March, 2011 and Profit & Loss Account for the year ended on that date.

1 SIGNIFICANT ACCOUNTING POLICIES:

a. GENERAL

The assessee follows "Mercantile System" of accounting and recognised Income & Expenditure on accrual basis unless otherwise disclosed by way of notes.

These accounts have been prepared on the historical cost convention basis and on the accounting principle of a going concern.

Accounting policies unless specifically stated to be otherwise are consistent and are in accordance with generally accepted accounting principles.

b. MISCELLANEOUS EXPENDITURE :

- 1 1/5 of Preliminary expenses expenditures have been w/off
- 2 Previous Year figures have been regrouped and re- aranged wherever considered necessary.
- 3 In the opinion of the Directors Current Assets, Loans and Advance have a Value at least to the extent stated in the accounts.
- 4 No employee was in receipt of remuneration aggregating to more then Rs. 12,00,000.00 per annum, if employed month, if employed for part of the year.
- 5 Earning and Expenditure in Foreign Currency NIL
- 6 Taxes on Income :-
Deffered tax liability is because of difference in Depreciation as per Companies Act and Depreciation as per Income Tax Act, 1961
- 7 Additional information Pursuant to Part -II & Part IV of Sch.VI of the Companies Act, 1956 :- NIL

For and on behalf of the Board

Franklin Leasing And Finance Private Limited
Franklin Leasing And Finance Private Limited

(Purushotam Agrawal) (Dharmal Agarwala)

Director

Director

Director

Place : New Delhi

Date : 25.08.2011

As per our report of even date attached

**For P.K. Singh & Associates
Chartered Accountants**

(Prakash Kumar Singh)

Propreitor

