

# P.K. SINGH & ASSOCIATES

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## AUDITOR'S REPORT

To the Members of,  
**Stellar Capital Services Private Limited**

We have audited the attached Balance Sheet of **M/s Stellar Capital Services Private Limited** as at **31<sup>st</sup> March, 2011** and the Profit and Loss Account ending on that date annexed thereto. These financial statements are the responsibility of the management of the company. Our responsibility is to express an opinion on these financial statements based on our audit.

We 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 the reasonable assurance about whether the financial statements are free from material misstatements. 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 expressed herein.

We have to report that,

- a) 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.
- 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 and Profit and Loss Account dealt with by this Report are in agreement with the books of account and with the audited returns from the branches.
- d) In our opinion, the Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the accounting standards referred to in subsection (3C) of section 211 of The Companies Act, 1956 to the extent applicable.
- e) On the basis of written representations received from the directors as on 31.03.2011 and taken on record by the Board of Directors, we report that none of the directors of the Company is prima facie disqualified in terms of clause (g) of sub-section (1) section 274 of The Companies Act, 1956 as on 31.03.2011 from being appointed as director of the company.
- f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts, read with the notes on 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.
  - i) In the case of the Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March, 2011.
  - ii) In the case of Profit and Loss Account of the **PROFIT** for the year ended on that date and

As required by Companies (Auditor's Report) Order, 2003, issued by the Company Law Board in terms of sub-section (4A) of section 227 of The Companies Act, 1956 and on the basis of such checks of the books and records as we considered appropriate, and according to the information & explanations given to us, We further report that;

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- 1) Proper records showing full particulars including quantitative details and situation of fixed assets are under preparation.
- 2) 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.
- 3) There is a small disposal of fixed assets, which is not going to effect the going concern aspect of the company.
- 4) The Company do not having any inventory during the year.
- 5) a) According to the information and explanations given to us, the company has not taken any loan from any of the parties covered in the register maintained U/S 301 of The Companies Act, 1956.  
b) According to the information and explanations given to us the company has not given any loan to any of the parties covered in the register maintained U/S 301 of The Companies Act, 1956.
- 6) 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 it's business with regard to purchases of inventory including fixed assets and with regard to sales of goods or services. During the course of audit no major weakness has been noticed in these internal controls.
- 7) Based on the audit procedures applied by us and according to the information and explanations provided by the management, there are no transaction exceeding Rs. 5,00,000/- in case of each of the parties which need to be entered into the register maintained under section 301 of The Companies Act, 1956.
- 8) The company has not accepted deposits from public except corporate deposits and has followed the directives issued by the Reserve Bank of India, and the provisions of section 58A and 58AA of The Companies Act, 1956 and the Rules framed there under.
- 9) In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business. However it needs certain improvements.
- 10) In our opinion and according to the information and explanations given to us, the company has made and maintained accounts and records prescribed by central government U/S 209(1)(d) of The Companies Act, 1956 in respect of textile and power generation units. However we have not carried a detailed examination of these records.
- 11) As informed to us, the company in general is regular in depositing undisputed statutory dues including Provident fund dues and Employees State Insurance Dues, Income Tax Sales Tax, Wealth Tax, Custom Duty, Excise Duty, Service Tax, Cess and other statutory dues with the appropriate authorities and according to information and explanations given to us, there is no undisputed amount payable in respect of above said statutory dues outstanding as on 31.03.2011 for a period of more than six months from the date they become payable.
- 12) As informed to us, there are no disputed amounts payable in respect of sales tax, income tax, custom duty, wealth tax, excise duty, service tax and cess.
- 13) The company is registered for a period not less than five years and there is no accumulated losses at the end of the financial year and it has not incurred cash losses either in the financial year under consideration or in preceding financial year.
- 14) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to any Bank. The company has not taken any credit facility from any financial institution or issued any debenture.
- 15) According to the information and explanations given to us, the company has not granted any loan or advances on the basis of security by way of pledge of shares, debentures and other securities.

- 16) 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 for the year under audit.
- 17) 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 it's own name.
- 18) According to the information and explanation given to us, the company has not given any guarantee for loans taken by others from Banks or financial institutions.
- 19) In our opinion and according to the information and explanations given to us the term loan have been applied for the purposes for which they were raised.
- 20) On the basis of information and explanations given to us, and on an overall examination of the Balance Sheet of the company, we report that during the year the company has not used funds of long term sources for short term purposes.
- 21) According to the information and explanations given to us the company has made preferential allotment of shares to parties and companies covered in the register maintained U/S 301 of The Companies Act, 1956 at the prices which are not prejudicial to the interest of the company.
- 22) The company has not issued any debentures. Hence the requirements of clause (xix) of paragraph 4 of the order are not applicable to the company.
- 23) As explained to us, the management has disclosed on the end use of money raised through public issues and the same has been verified during the year under audit.
- 24) Based on the audit procedure performed and on the basis of information and explanations provided by the management no fraud on or by the company has been noticed or reported during the course of the audit.
- 25) 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-14-02359 dated 23.03.2001 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.

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

**(Prakash Kumar Singh)  
Proprietor  
M.No. 504180**

Place: New Delhi  
Date : 10.08.2011

# STELLAR CAPITAL SERVICES 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
<b>SOURCES OF FUNDS</b>			
<b>Share holder's Funds</b>			
Share Capital	1	6,349,000.00	2,550,000.00
Share Application Money		1,000,000.00	-
Reserve & Surplus	2	186,210,311.50	(33,831.00)
Defferd Tax Liability		33,297.00	8,757.00
		<u>193,592,608.50</u>	<u>2,524,926.00</u>
<b>APPLICATION OF FUNDS</b>			
<b>Fixed Assets</b>			
Gross Block	3	316,405.00	-
Less : Depreciation		15,506.00	-
		<u>300,899.00</u>	-
<b>Current Assets, Loan &amp; Advances</b>			
Cash & Bank Balances	4	22,493,779.50	148,502.00
Loans & Advances	5	172,316,119.00	2,421,009.00
		<u>194,809,898.50</u>	<u>2,569,511.00</u>
Less : Current Liabilities & Provisions	6	1,518,189.00	44,585.00
Net Current Assets		<u>193,291,709.50</u>	<u>2,524,926.00</u>
		<u>193,592,608.50</u>	<u>2,524,926.00</u>
Notes to the Accounts	9		

As per our report of even date attached

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

*(Prakash Kumar Singh)*  
**(Prakash Kumar Singh)**  
Proprietor

**For & On Behalf of the Board**

*(Sushil Kumar Sharma)*      *(Sunil Gaur)*  
**(Sushil Kumar Sharma)**      **(Sunil Gaur)**  
Director                              Director

Place : New Delhi

Dated : 10.08.2011

# STELLAR CAPITAL SERVICES 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
<b>INCOME</b>			
Sales		1,025,000.00	-
Interest Income		2,136,146.00	199,900.00
		<u>3,161,146.00</u>	<u>199,900.00</u>
<b>EXPENDITURES</b>			
Purchases		1,000,000.00	-
Payment & Provision for Employees	7	1,534,740.00	126,600.00
Administrative Expenses	8	466,433.50	68,332.00
Depriciation	3	15,506.00	-
		<u>3,016,679.50</u>	<u>194,932.00</u>
<b>Profit before tax</b>		144,466.50	4,968.00
Less : Provision for taxation :-			
Current Tax		26,784.00	1,535.00
Defferd Tax		24,540.00	(1,535.00)
<b>Profit after tax</b>		93,142.50	4,968.00
Less : Transfered to General Reserve		18,629.00	-
		74,513.50	4,968.00
Add: Opening balance of P & L A/c		(33,831.00)	(38,799.00)
<b>Balance C/F to Reserve &amp; Surplus</b>		<u>40,682.50</u>	<u>(33,831.00)</u>

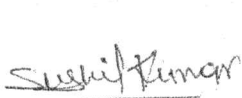
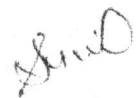
Notes to Accounts

9

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

(Prakash Kumar Singh)  
 Proprietor

**For & On Behalf of the Board**

  
 (Sushil Kumar Sharma) Director  
  
 (Sunil Gaur) Director

Place : New Delhi  
 Dated : 10.08.2011

## STELLAR CAPITAL SERVICES PRIVATE LIMITED

PARTICULARS	Amount (Rs.) as at 31st March 2011	Amount (Rs.) as at 31st March 2010
<b>SCHEDULE - 1</b>		
<b><u>Share Capital</u></b>		
<b><u>Authorise Capital</u></b>		
6,37,000 (P.Y.4,00,000) Equity Shares of Rs.10/- each	6,370,000.00	4,000,000.00
<b><u>Issued, Subscribed &amp; Paid Up</u></b>		
6,34,900 (P.Y.2,55,000) Equity shares of Rs.10/- each fully paid up in cash or kind	6,349,000.00	2,550,000.00
	<u>6,349,000.00</u>	<u>2,550,000.00</u>
<b>SCHEDULE - 2</b>		
<b><u>Reserve &amp; Surplus</u></b>		
General Reserve	18,629.00	-
Profit & Loss A/c	40,682.50	(33,831.00)
Security Premium A/c	186,151,000.00	-
	<u>186,210,311.50</u>	<u>(33,831.00)</u>
<b>SCHEDULE - 4</b>		
<b><u>Cash &amp; Bank Balance</u></b>		
Cash in hand	49,584.00	148,502.00
Balance with bank's in Current A/c	22,444,195.50	-
	<u>22,493,779.50</u>	<u>148,502.00</u>
<b>SCHEDULE - 5</b>		
<b><u>Loans &amp; Advances (Unsecured, Considered good)</u></b> (amount recoverable in cash or in kind or for value to be received)		
Loan & Advances to Bodies Corporates	82,337,472.00	-
Loan & Advances to Other than Bodies Corporates	89,801,288.00	2,421,009.00
Tax Deducted at Source	177,359.00	-
	<u>172,316,119.00</u>	<u>2,421,009.00</u>
<b>SCHEDULE - 6</b>		
<b><u>Current Liabilities &amp; Provisions</u></b>		
<b><u>Current Liabilities</u></b>		
Expenses Payable	175,000.00	43,050.00
Sundry Creditors	1,316,405.00	-
<b><u>Provisions</u></b>		
Provision for Income Tax	26,784.00	1,535.00
	<u>1,518,189.00</u>	<u>44,585.00</u>


As per our report of even date attached

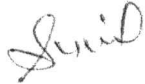
For P.K. Singh & Associates  
Chartered Accountants

(Prakash Kumar Singh)  
Proprietor

Place : New Delhi  
Dated : 10.08.2011

For & On Behalf of the Board

  
 (Sushil Kumar Sharma) Director

  
 (Sunil Gaur) Director

## STELLAR CAPITAL SERVICES PRIVATE LIMITED

PARTICULARS	Amount (Rs.) as at 31st' March 2011	Amount (Rs.) as at 31st' March 2010
<b>SCHEDULE - 7</b>		
<b>Payment &amp; Provision for Employees</b>		
Salary & Bonus Expenses	1,420,300.00	126,600.00
Staff Welfare	114,440.00	-
	<u>1,534,740.00</u>	<u>126,600.00</u>

### SCHEDULE - 8

#### Administrative Expenses

Audit Fee	28,000.00	17,500.00
Accounting Charges	-	18,000.00
Bank Charges	1,340.50	-
Books & Periodicals	4,580.00	-
Conveyance Allowance	90,720.00	-
Diwali Expenses	58,500.00	-
Filling Fee	115,100.00	-
Interest Paid	61.00	-
Misc. Expenses	-	9,805.00
Printing & Stationery	75,712.00	3,027.00
Professional Charges	46,000.00	20,000.00
Telephone Expenses	46,420.00	-
	<u>466,433.50</u>	<u>68,332.00</u>

As per our report of even date attached

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

*(Signature)*  
**(Prakash Kumar Singh)**  
**Proprietor**

**For & On Behalf of the Board**

*(Signature)*      *(Signature)*  
**(Sushil Kumar Sharma)**      **(Sunil Gaur)**  
**Director**      **Director**

Place : New Delhi

Dated : 10.08.2011



## STELLAR CAPITAL SERVICES 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 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
Computer	40.00%	-	316,405.00	-	15,506.00	15,506.00	300,899.00	-
<b>Total</b>		-	<b>316,405.00</b>	-	<b>15,506.00</b>	<b>15,506.00</b>	<b>300,899.00</b>	-
Previous Year		-	-	-	-	-	-	-

For P.K. Singh & Associates  
Chartered Accountants

(Prakash Kumar Singh)  
Proprietor

Place : New Delhi  
Dated : 10.08.2011

For and on behalf of the Board

*Sushil Kumar*

(Sushil Kumar Sharma) (Sunil Gaur)  
Director Director



## STELLAR CAPITAL SERVICES 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
Computer	60.00%	-	-	316,405.00	316,405.00	94,922.00	221,483.00	-
<b>Total</b>		-	-	<b>316,405.00</b>	<b>316,405.00</b>	<b>94,922.00</b>	<b>221,483.00</b>	<b>-</b>

For P.K. Singh & Associates  
Chartered Accountants

(Prakash Kumar Singh)  
Proprietor

Place : New Delhi  
Dated : 10.08.2011

For and on behalf of the Board

*Sushil Kumar*

(Sushil Kumar Sharma)

Director

*Sunil Gaur*

(Sunil Gaur)

Director

# STELLAR CAPITAL SERVICES PRIVATE LIMITED

## SCHEDULE -9

### NOTES TO ACCOUNTS

Schedule 9 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

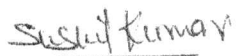
The assessee follows "Mercantile System" of accounting and recognised Income & Expenditure on accrual basis unless otherwise disclosed by way of notes.

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.


- 2 Previous Year figures have been regrouped and re-arranged 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 than 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

  
(Sushil Kumar Sharma)  
Director

  
(Sunil Gaur)  
Director

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

  
(Prakash Kumar Singh)  
Proprietor

Place : New Delhi  
Date : 10.08.2011