



**D.GALHOTRA & ASSOCIATES
CHARTERED ACCOUNTANTS
302, 16/3, W.E.A, AJIESH HOUSE,
ABDUL AZIZ ROAD, KAROL BAGH,
NEW DELHI-110005.
TEL:-011-28754655, 28750147**

AUDITORS REPORT

To
The Shareholders,
M/s GDL Leasing & Finance Ltd.
New Delhi.

We have audited the attached Balance Sheet of GDL Leasing & Finance Ltd. Ltd. as at 31st March, 2012 and also the Profit & Loss account for the year ended on that date, annexed there to. 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 evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government in terms of Section 227 (4A) of the Companies Act, 1956, we annexed a statement on the matters specified in paragraph 4 and 5 of the said order.
2. Further to our comments in Annexure referred to in paragraph (1) above, we report that:
 - A) We have obtained all the information and explanations which to the best of our knowledge & belief were necessary for the purpose of our audit.
 - B) 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 the books of accounts.
 - C) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the Books of Accounts.
 - D) In our opinion, the Balance Sheet and Profit & Loss Account dealt with by this report are in compliance with Accounting Standards (AS) referred to in Section 211(3C) of the Companies Act, 1956.

E) In our opinion and as per the information and according to the explanations given to us, no director is disqualified from being appointed as director under Section 274(1)(g) of the Companies Act, 1956.

F) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies act, 1956, in the manner so required, and present a true and fair view in conformity with the accounting principles generally accepted in India

i) In so far as it relates to balance Sheet, of the state of affairs of the Company as at 31st March, 2012.

ii) In so far as it relates to the Profit & Loss Account, of the profit of the Company for the year ended on that date: and

For : D.Galhotra & Associates
Chartered Accountants

Place: New Delhi
Date: 16.08.2012

(DARSHAN LAL GALHOTRA)
M.No. 088863
FRN 010126N
Sd/-



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ANNEXURE A
ANNEXURE TO AUDITOR'S REPORT

Referred to in paragraph 1 of our report of even date.

1. In respect of fixed assets:

- a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis available information.
- b) As explained to us, the management during the year has physically verified the fixed assets in a phased periodical manner, which in our opinion is reasonable, having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such physical verifications.
- c) The Company has not disposed off substantial part of fixed assets during the year, which affect the going concern concept.

2. In respect of Inventories:

- a) As explained to us, the management at regular intervals during the year has physically verified inventories.
- b) In our opinion and according to information and explanations given to us, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to size of the Company and nature of its business.
- c) The Company has maintained proper records of inventory and the discrepancies noticed on verification between physical stocks and book records were not material in relation to the operation of the company.

3. Company has not granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the act.

4. In our opinion and according to information and explanation given to us, there are adequate internal control procedures commensurate with size of the company and nature of business for purpose of inventory and fixed assets and sale of goods. During the course of our Audit, we have not observed any major weakness in internal controls.

5. In our opinion and according to the information and explanation given to us, transactions that need to be entered into register in pursuance of section 301 of the act have been so entered and according to the information and explanation given to us, such transactions of each party have been made at prices which are reasonable having regard to prevailing market prices at the relevant time

6. The company has not accepted any deposits from the public.

7. In our opinion, the company has adequate internal audit systems commensurate with the size of the company and nature of its business

8. The company is not required maintaining cost records as required under section 209 (1)(d) of the companies act 1956.

9. In respect of fixed assets:

a) According to the records of the company, Provident Fund dues, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty and other undisputed statutory dues have been regularly deposited with appropriate authorities and according to the information and explanations given to us, no undisputable amount payable in respect of aforesaid dues were outstanding as at 31st March 2011 for a period of more than 6 months from the date of becoming payable.

10. The Company does not have any accumulated losses at the end of the financial year.

11. Based on our Audit procedure and according to the information and explanation given to us, we are of the opinion that the Company has not defaulted in repayment of any dues to any Financial Institution or Bank or Debenture holders.

12. In our opinion and according to the information and explanation given to us, the Company has granted Loans and Advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion & explanation provided to us, the Company is not a Chit Fund or Nidhi/Mutual Benefit Fund/Society, therefore Clause 4(xiii) of the companies (Auditor's Report) Order 2003 is not applicable to the company.

14. The Company is engaged in the business of trading in Shares, Securities, Debentures and other Investments.

15. As explained to us, the Company has not given any guarantee for loans, taken by others, from bank or Financial Institutions.
16. In our opinion and according to the information and explanation given to us, the Company has not accepted or taken any Term Loans during the year.
17. According to the Information and explanation given to us, and on overall examination of the Balance Sheet of the Company, we are of the opinion that the funds raised on Short-term basis have not been used for long-term investments and vice-versa.
18. During the year, 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.
19. The Company has not issued any debentures during the financial year.
20. The Company has not raised money by way of public issue during the year.
21. According to records of the company, in our opinion and according to information and explanation given to us, there was no fraud on or by the Company that has been noticed or reported during the year.

For : D.Galhotra & Associates
Chartered Accountants

Place : New Delhi
Date : 16.08.2012

(DARSHAN LAL GALHOTRA)
Proprietor
M.NO. :- 088863
FRN :-010126N