



SWAMY & CHHABRA

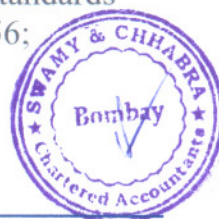
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To:

The Shareholders of Euro Multivision Limited

1. We have audited the attached Balance Sheet of Euro Multivision Limited, as at 31st March 2009, the Profit and Loss account and the Cash Flow Statement 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.
2. We conducted our audit in accordance with auditing standards generally accepted in India. These 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 (Auditors' Report) Order, 2003 issued by the Central Government of India in terms of Section 227 (4A) 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.
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 examination of such books ;
 - (c) The Balance Sheet, Profit and Loss account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Profit and Loss account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;





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(e) On the basis of the written representations received from the Directors as on 31st March 2009, and taken on record by the Board of Directors, we report that none of the Directors are disqualified as on March 31, 2009 from being appointed as a Director in terms of 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 accounts together with the notes thereon 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, 2009;

(ii) in the case of the Profit and Loss account, the profit for the year ended on March 31, 2009 and

(iii) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For Swamy & Chhabra
Chartered Accountants**

**C. Ayyaswamy
Partner
Membership No: 21754
Mumbai,
Dated: 17th July, 2009**





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ANNEXURE TO AUDITORS' REPORT

Referred to in Paragraph 3 of our Report of even date.

1. (a) The Company has maintained proper records to show full particulars including quantitative details and situation of Fixed Assets.

(b) As explained to us, these Fixed Assets have been physically verified by the Management once during the year and no material discrepancies have been noticed on such verification.
2. (a) The stocks of Finished Goods, Stores, Spares, and Raw Materials have been physically verified quarterly during the year by the management. In our opinion, the frequency of verification is reasonable.

(b) As per the information given to us, the procedure of physical verification of the stocks followed by the management is generally reasonable and adequate in relation to the size of the company and the nature of its business.

(c) The Company has maintained proper records to show full particulars including quantitative details of inventory. No material discrepancies have been noticed on physical verification of stocks as compared to book records. The discrepancies noticed, if any, have been properly dealt with in the books of accounts.
3. (a) The Company has not granted loans to any party listed in the register maintained under section 301 of the Companies Act, 1956. The Company has taken unsecured loans from twelve parties listed in the register maintained under section 301 of the Companies Act, 1956. The balance outstanding at the year end is Rs. 3539.82 lakhs.

(b) The rate of interest and other terms and conditions of such loans taken are prima facie not prejudicial to the interest of the company.

(c) There are no stipulations made regarding repayment of Principal amount. The payment of interest has been regular.

(d) The company has not given any loan. Hence the clause relating to overdue amounts is not applicable.





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4. In our opinion, the company has an adequate internal control system commensurate with the size of the company and the nature of its business for purchase of inventory, fixed assets and also for the sale of goods and services.
5. (a) We are of the opinion that the transactions made in pursuance of contracts or arrangements that needed to be entered in the register maintained under section 301 of the Companies Act, 1956 have been so entered.

(b) We are of the opinion that the transactions of purchase of goods, materials and services made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 and aggregating during the year to Rs.571.77 lakhs or more have been generally made at prices which are reasonable having regard to prevailing market prices of such goods, materials and services, where such market prices are available with the company or the prices at which transactions for similar goods or services have been made with other parties.
6. During the period, the Company has not accepted any deposits from the public within the meaning of Section 58A and Section 58AA of Companies Act, 1956.
7. The company has internal audit system commensurate with its size and nature of its business.
8. As per the information given to us, the Central Government has not prescribed the maintenance of the cost records under section 209(1) (d) of the Companies Act, 1956.
9. (a) The Company has been generally regular in depositing the statutory dues payable to appropriate authorities. There are no Undisputed tax liabilities outstanding as at March 31, 2009, for a period of more than six months from the date they became payable.

(b) There are no dues outstanding of Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty and Cess on account of any dispute as on March 31, 2009. The dues outstanding of Income Tax are as follows:





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Name of the statute	Nature of dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	13,28,911	F.Y. 2006-07	Commissioner of Income Tax (Appeals).
Income Tax Act, 1961	Income Tax	40,732	F.Y. 2005-06	Commissioner of Income Tax (Appeals).
	TOTAL	13,69,643		

10. The Company has not been registered for a period of five years and hence the provisions of this clause are not applicable.
11. The Company has been generally regular in repayment of dues to financial institutions and banks during the current financial year.
12. According to the information and explanations given to us and based on the documents and records produced to us the company has not granted loans and advances on the basis of security by way of pledge of shares or debentures or any other securities.
13. The provisions of any special statute applicable to chit funds, nidhi or mutual benefit society, do not apply to the Company.
14. During the year, the Company did not deal or trade in shares, securities, debentures and other investments.
15. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. The Term Loans taken during the year were applied for the purpose for which they were obtained.
17. Based on the information and explanations given to us and on an overall examination of the Balance sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investments.
18. The Company has not made any preferential allotment of shares to parties covered in the register maintained under section 301 of the Companies Act, 1956 during the year.





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19. The Company has not issued any debentures during the year.
20. The Company has not raised any money through public issue during the year.
21. Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.

**For Swamy & Chhabra
Chartered Accountants**

**C. Ayyaswamy
Partner
Membership No: 21754
Mumbai,
Dated: 17th July, 2009**

