

AUDITORS REPORT

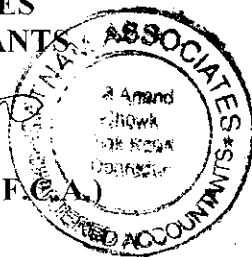
We have audited the attached Balance Sheet of M/S KRISHNA HYDRO PROJECTS (P) LTD. as at 31st March 2014 and the Profit and Loss Account of the Company for the period ended on that date annexed thereto. These financial statements of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our audit.

We have 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.

1. As required by the Companies (Auditors 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.
2. Further to our Comments in the 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 and belief were necessary for the purposes 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 those books;
 - (c) The Balance Sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts;
 - (d) 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;
 - (e) On the basis of written representations received from the Directors, as on 31st March, 2014 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2014 from being appointed as a director in terms of Clause (g) of Sub-Section (1) of Section 274 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 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 31st March, 2014;
 - (ii) In the case of the Profit and Loss Account, of the Profit for the year ended on that date;

FOR SATNAM ASSOCIATES
CHARTERED ACCOUNTANTS

Satnam Singh Anand



SATNAM SINGH ANAND (F.C.A.)

DATE: 22.08.2014

PLACE: DEHRADUN

ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in paragraph 1 of our report

- (1) (a) The Company maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) Some of the fixed assets were physically verified during the year by the management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (2) As per information & explanations give to us, there are no stocks of manufactured goods, raw materials & component stores & spares
- (3) According to the information and explanations given to us, the Company has not granted or taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintain under Section. 301 of the Companies Act, 1956.
- (4) 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 its business for the purchase of inventory and fixed assets and for the provide services and we have not observed any continuing failure to correct major weaknesses in such internal controls.
- (5) (a) According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered into the register maintained under Section 301 of the Companies Act, 1956 have been so entered.
(b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under Section 301 of the Companies Act, 1956 have been made at prices which are reasonable having regard to prevailing market prices at the relevant time.
- (6) In our opinion the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and the nature of its business.
- (7) (a) According to the information and explanations given to us, the Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and any other material statutory dues with the appropriate authorities during the year.
(b) According to the information and explanations given to us, no undisputed amounts payable in respect of Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess were in arrears, as at 31st March, 2014 for a period of more than six months from the date they became payable.
(c) According to the information and explanation given to us, there are no dues of Sales Tax, Income Tax, Customs Duty, Wealth Tax, Excise Duty and Cess, which have not been deposited on account of any dispute.
- (8) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions or banks.
- (9) In our opinion, the terms and conditions on which the company has given guarantees for loans taken by others from banks or financial institutions are not prejudicial to the interest of the Company.
- (10) To the best of our knowledge and belief and according to the information and explanations given to us, the term loans availed by the Company were prima facie, applied by the Company for the purpose for which they were raised.
- (11) According to the information and explanation given to us and on and overall examinations of the Balance Sheet of the Company, no funds raised on short-term basis have been used for long-term investment. No long-term funds have been used to finance short-term assets except permanent working capital.
- (12) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the course of our audit.
- (13) The nature of the Company's business/activities during the year is such that clauses (vi), (x), (xiii), (xiv), (xvii), (xix), (xx) of paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

FOR & ON BEHALF OF THE BOARD


DILIP DUA


OM PRAKASH DUA