

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
CONNECT.1 LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **Connect.1 Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and the cash flows statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The management and Board of Directors of the Company are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014. This responsibility includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that are operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements, that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's management and Board of Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and Fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31st March 2015, its **Profit** for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters Specified in paragraphs 3 and 4 of the Order, to the extend applicable.

As required by section 143(3) of the Act, we further report that:

- a. We have sought and 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 those books;
- c. The Balance Sheet, Statement of Profit and Loss and cash flow statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the applicable Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.

- e. On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise
 - iii. There has not been an occasion in case of the Company during the year under report to transfer any Sums to the Investor Education and Protection Fund. The question of delay in transferring such sums does not arise.

For MVK Associates

Chartered Accountants

Firm Registration No. 120222W

CA. Vishnu Garg

Partner

Membership No. 045560

Place: Mumbai

Date: 26th May 2015

Annexure referred to in our Report of even date to the members of Connect.1 Limited on the accounts of the company for the year ended 31st March, 2015.

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of our audit, we report that:

1. In respect of fixed assets of company:
 - a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b. As explained to us, fixed assets have been physically verified by the management at regular intervals; as informed to us no material discrepancies were noticed on such verification.
2. The company does not have any inventory and hence this clause is not applicable. Therefore the provisions of this clause 3(ii) of the Companies (Auditor's Report) order are not applicable to the company.
3. The company has not granted any loans, secured or unsecured to companies, firm & other parties covered in the register maintained under section 189 of the Companies Act.
4. In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, no major weakness has not been noticed or reported.
5. The Company has not accepted any deposits from the public covered under Section 73 to 76 of the Companies Act, 2013. Therefore the provisions of this clause 3(v) of the companies (Auditor's Report) order are not applicable to the company.
6. As informed to us, the Central Government has not prescribed maintenance of cost records under sub-section (1) of Section 148 of the Act.
7. In respect of statutory dues of the company:
 - a. According to the information and explanations given to us and based on the records of the company examined by us, the company is regular in depositing the undisputed statutory dues, including Provident Fund, 'Employees' State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and other material statutory dues, as applicable, with the appropriate authorities in India;

According to the information and explanations given to us, no undisputed amounts payable in respect of aforesaid dues were in arrears, as at March 31, 2015 for a period of more than six months from the date they became payable.

- b. According to the information and explanations given to us and based on the records of the company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, Sales Tax, Customs Duty and Excise Duty which have not been deposited on account of any disputes.
 - c. There has not been an occasion in case of the Company during the year under report to transfer any sums to the Investor Education and Protection Fund. The question of reporting delay in transferring such sums does not arise.
8. The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
9. According to the records of the company examined by us and as per the information and explanations given to us, the company does not have any outstanding dues to any financial institution or banks and has not issued debentures.
10. In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loan taken by others from a bank or financial institution during the year.
11. In our opinion, and according to the information and explanations given to us, the company has not raised any term loans during the year.
12. During the course of our examination of the books and records of the company, carried in accordance with the auditing standards generally accepted in India, we have neither come across any instance of any material fraud on or by the Company noticed or reported during the course of our audit nor have we been informed of any such instance by the Management.

For MVK Associates

Chartered Accountants

Firm Registration No. 120222W

CA. Vishnu Garg

Partner

Membership No. 045560

Place: Mumbai

Date: 26th May 2015

CONNECT.1 LIMITED					
Balance Sheet as at 31st March 2015					(Currency: Indian Rupees)
Particulars	Note No.	As at 31st March 2015		As At 31st March 2014	
I. EQUITY AND LIABILITIES					
(1) Shareholders' funds					
(a) Share capital	2.1	600,000		600,000	
(b) Reserves and surplus	2.2	474,727		458,998	
(c) Money received against share warrants		-	1,074,727	-	1,058,998
(2) Share application money pending allotment					
(3) Non-current liabilities					
(a) Long-term borrowings		-		-	
(b) Deferred tax liabilities (Net)		-		-	
(c) Other Long term liabilities	2.3	1,950,000		1,950,000	
(d) Long-term provisions		-	1,950,000	-	1,950,000
(4) Current liabilities					
(a) Short-term borrowings		-		-	
(b) Trade payables	2.4	18,436		6,742	
(c) Other current liabilities		-		-	
(d) Short-term provisions	2.5	164,343	182,779	210,503	217,245
TOTAL			3,207,506		3,226,243
II. ASSETS					
Non-current assets					
(1) (a) Fixed assets					
(i) Tangible assets	2.6	2,067,363		2,255,603	
(ii) Intangible assets		-		-	
(iii) Capital work-in-progress		-		-	
(iv) Intangible assets under development		-		-	
(b) Non-current investments	2.7	250		250	
(c) Deferred tax assets (net)	2.8	23,927		-	
(d) Long-term loans and advances		-		-	
(e) Other non-current assets	2.9	590,000	2,681,540	-	2,255,853
(2) Current assets					
(a) Current investments		-		-	
(b) Inventories		-		-	
(c) Trade receivables	2.10	216,000		608,000	
(d) Cash and cash equivalents	2.11	5,287		11,924	
(e) Short-term loans and advances	2.12	304,679		350,466	
(f) Other current assets		-	525,966	-	970,390
TOTAL			3,207,506		3,226,243
Summary of significant accounting policies					
See accompanying notes to the financial statement					
The accompanying notes are an integral part of the financial statements.2.1 to 2.17					
As per our report of even date attached.			For and on behalf of the Board of Directors		
For MVK ASSOCIATES					
Chartered Accountants				Subhash Ghai	
Firm Registration No. 120222 W				Chairman	
Vishnu Garg					
Partner				Parvez A. Farooqui	
Membership No. 045560				Director	
Mumbai					
26 May 2015				Meghna Ghai Puri	
				Director	

CONNECT.1 LIMITED			
Profit and loss statement for the year ended on 31st March 2015			
		(Currency: Indian Rupees)	
Particulars	Note No.	for the year ended on 31st March 2015	for the year ended on 31st March 2014
Income			
Revenue from operations		-	-
Other income	2.13	240,250	240,000
Total Revenue		240,250	240,000
Expenses:			
Cost of materials consumed		-	-
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods work-in-progress and Stock-in-Trade		-	-
Employee benefits expense Finance costs		-	-
Depreciation and amortization expense	2.6	188,240	118,716
Other expenses	2.14	29,700	13,590
Total expenses		217,940	132,306
Profit before exceptional and extraordinary items and tax		22,310	107,694
Exceptional items		-	-
Profit before extraordinary items and tax		22,310	107,694
Extraordinary items		-	-
Profit before tax		22,310	107,694
Tax expense:			
(1) Current tax		30,508	33,591
(2) Deferred tax asset /(Liability)		23,927	-
Profit (Loss) for the Year		15,729	74,103
Earnings per equity share:			
(1) Basic	2.15	26.21	123.51
(2) Diluted		26.21	123.51
Summary of significant accounting policies			
	1		
The accompanying notes are an integral part of the financial statements. 2.1 to 2.17			
As per our report of even date attached.		For and on behalf of the Board of Directors	
For MVK ASSOCIATES		Subhash Ghai	
<i>Chartered Accountants</i>		<i>Chairman</i>	
Firm Registration No. 120222 W			
Vishnu Garg		Parvez A. Farooqui	
<i>Partner</i>		<i>Director</i>	
Membership No. 045560			
Mumbai		Meghna Ghai Puri	
26 May 2015		<i>Director</i>	

CONNECT.1 LIMITED			
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH 2015			
		Current Year	Previous Year
		31-Mar-15	31-Mar-14
		(Rupees)	(Rupees)
A. CASH FROM OPERATING ACTIVITIES			
Net Profit before tax and extraordinary items :		22,310	107,694
Adjustments for :			
Depreciation		188,240	118,716
Interest, dividend, etc., received		-	-
Miscellaneous expenditure written off		-	-
Deferred Tax Assets		(23,927)	-
Operating profit before working capital changes		186,623	226,410
Adjustments for :			
(Increase)/ Decrease in Trade Receivable		(198,000)	(216,000)
(Increase)/ Decrease in Short Term Loan & Advances		45,787	(24,000)
Increase/ (Decrease) in Trade Payable		11,694	(1,686)
Increase/ (Decrease) in Other Current Liabilities & Provision		(46,160)	33,591
Cash generated from/(used in) operations		(56)	18,315
Cash flow before extraordinary items		(56)	18,315
Direct Taxes paid		(6,581)	(33,591)
		(6,637)	(15,276)
Net Cash Generated from/(used in) Operating Activities		(6,637)	(15,276)
B. CASH FLOW FROM INVESTING ACTIVITIES			
(Addition to)/ Redemption of Investments		-	-
Interest, dividend, etc., received		-	-
Net cash generated from/(used in) investing activities		-	-
C. CASH FLOW FROM FINANCING ACTIVITIES			
Increase/ (Decrease) in Other Long Term Liabilities		-	-
Net cash recovered from/(used in) financing activities		-	-
Net increase/(decrease) in cash and cash equivalents (A+B+C)		(6,637)	(15,276)
Cash and cash equivalents (opening)		11,924	27,200
Cash and cash equivalents (closing)		5,287	11,924
As per our report of even date attached.		For and on behalf of the Board of Directors	
For MVK ASSOCIATES		Subhash Ghai	
<i>Chartered Accountants</i>		<i>Chairman</i>	
Firm Registration No. 120222 W			
Vishnu Garg		Parvez A. Farooqui	
<i>Partner</i>		<i>Director</i>	
Membership No. 045560			
Mumbai		Meghna Ghai Puri	
26 May 2015		<i>Director</i>	

CONNECT.1 LIMITED						
Notes to accounts						
(Currency: Indian Rupees)						
			Current year		Previous Year	
			As at March 31, 2015		As at March 31, 2014	
2.1	Share capital	Face value per share	No. of Shares	Amount in Rs.	No. of Shares	Amount in Rs.
	Authorised capital					
	Equity shares	1,000	5,000	5,000,000	5,000	5,000,000
	Total	1,000	5,000	5,000,000	5,000	5,000,000
	Issued, subscribed and paid-up share capital					
	Equity shares					
	Issued	1,000	600	600,000	600	600,000
	Total	1,000	600	600,000	600	600,000
	Subscribed paid up					
	Fully paid up	1,000	600	600,000	600	600,000
	Total	1,000	600	600,000	600	600,000
	Reconciliation of shares					
	Shares outstanding at beginning	1,000	600	600,000	600	600,000
	Add : Issued during the year	-	-	-	-	-
	Less: Reduction in shares during the year	-	-	-	-	-
	Shares outstanding at year end	1,000	600	600,000	600	600,000
	Shareholders holding more than 5% of paid -up share capital					
		%				
	M/s Mukta Arts Limited	99	594	594,000	594	594,000
	Total		594	594,000	594	594,000
	Shares held by holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate.					
		%				
	M/s Mukta Arts Limited	99	594	594,000	594	594,000
	Total		594	594,000	594	594,000
				As at March 31, 2015	As at March 31, 2014	
2.2	Reserves and surplus					
	Surplus/(deficit) in the statement of profit and loss					
	At the beginning of the period			458,998	384,895	
	Profit/(loss) for the year			15,729	74,103	
	Total			474,727	458,998	
2.3	Other long term liabilities					
	Security deposits received (Mukta Arts Limited)			1,950,000	1,950,000	
	Total			1,950,000	1,950,000	
2.4	Trade payables					
	Trade payable			18,436	6,742	
	Total			18,436	6,742	
2.5	Provisions					
				Long term	Short term	
				31-Mar-15	31-Mar-14	31-Mar-15
	Provision for taxation	-	-	164,343	210,503	-
	Provision for Deferred Tax	-	-	-	-	-
	Total	-	-	164,343	210,503	-

CONNECT.1 LIMITED					
Notes to accounts					
				(Currency: Indian Rupees)	
		Current year		Previous Year	
		As at		As at	
		March 31, 2015		March 31, 2014	
		As at		As at	
		March 31, 2015		March 31, 2014	
2.7	Non - current investment				
	Investment in unquoted equity instruments in others				
	Bait-Ush-Sharaf Co. Op. Housing Society Limited 5 Shares (2014 : 5) of Rs. 50 each		250		250
			250		250
2.8	Deferred Tax Asset				
	Provision for Deferred Tax Asset		23,927		-
			23,927		-
2.9	Other non-current assets				
	Trade Receivables				
	Considered good		590,000		-
	Considered doubtful		-		-
	Provision for doubtful receivables		-		-
		A	590,000		-
			590,000		-
2.10	Trade receivable				
	Outstanding for a period exceeding six months from the date they are due for payment				
	Considered good		-		392,000
	Considered doubtful		-		-
	Provision for doubtful receivables		-		392,000
		(A)	-		392,000
	Other receivables				
	Considered good		216,000		216,000
	Considered doubtful		-		-
	Provision for doubtful receivables		-		-
		(B)	216,000		216,000
		(A+B)	216,000		608,000
2.11	Cash and cash equivalents				
	Balance with banks				
	-On current accounts		4,763		9,284
	Cash in hand		524		2,640
			5,287		11,924
2.12	Short term loans & advances				
	Other loans & advances				
	Advance tax				
	(a) Secured, considered good;		-		-
	(b) Unsecured, considered good;		304,679		350,466
	(c) Doubtful.		-		-
			304,679		350,466

CONNECT.1 LIMITED				
Notes to accounts				
				(Currency: Indian Rupees)
			Current year	Previous Year
			As at	As at
			March 31, 2015	March 31, 2014
			As at	As at
			March 31, 2015	March 31, 2014
2.13	Other income			
	Rent Income		240,000	240,000
	Interest on IT refund		250	-
			240,250	240,000
2.14	Other expenses			
	Filing Fees		2,116	-
	Bank Charges		6,052	167
	Payment to auditor		11,236	6,742
	Professional fees		1,672	5,257
	Insurance		1,424	1,424
	Society Charges		7,200	-
			29,700	13,590
2.15	Earning per equity share:			
	a) Net profit/(loss) after tax		15,729	74,103
	b) Weighted average number of equity shares outstanding during the year for basic EPS		600	600
	c) Weighted average number of equity shares outstanding during the year for dilutive EPS		600	600
	d) Basic EPS		26.21	123.51
	e) Dilutive EPS		26.21	123.51
	f) Nominal value per share		1,000	1,000
2.16	Related Party Disclosure			
	As per Accounting Standard 18, the disclosures of transactions with the related parties are given below:			
	a) List of related parties where control exists and related parties with whom transactions have taken place and relationships:			
	S.no.	Name of Related Party	Relationship	
	1	Mukta Arts Limited	Holding Company	
	b) Transactions during the year with related parties :			
			As at	As at
		Relationship	March 31, 2015	March 31, 2014
	1	Other Income - Rent		
		Mukta Arts Limited	Holding Company	240,000
	2	Balances as at 31st March, 2015		
	a	Other Long Term Liabilities: Seucurity Deposit		
		Mukta Arts Limited	Holding Company	1,950,000
	b	Other Non Current Assets : Trade Receivables		
		Mukta Arts Limited	Holding Company	590,000
	c	Current Assets : Trade Receivables		
		Mukta Arts Limited	Holding Company	216,000
			608,000	
2.17	Contingent Liabilities		Current Year	Previous Year
			Nil	Nil
	As per our report of even date attached.			
	For and on behalf of the Board of Directors			
	For MVK ASSOCIATES			
	<i>Chartered Accountants</i>			
	Firm Registration No. 120222 W		Subhash Ghai	
			<i>Chairman</i>	
	Vishnu Garg		Parvez A. Farooqui	
	<i>Partner</i>		<i>Director</i>	
	Membership No. 045560			
	Mumbai		Meghna Ghai Puri	
	26 May 2015		<i>Director</i>	

CONNECT.1 LIMITED		
Schedules to the financial statements (Continued)		
<i>as at 31 March 2015</i>		
		(Currency: Indian Rupees)
2.6 Fixed Assets		Tangible assets
Particular		Ownership premises
Gross Block		
<i>At 1 April 2013</i>		3,931,700
Additions		-
Disposals		-
Other adjustment		-
<i>At 31 March 2014</i>		3,931,700
Additions		-
Disposals		-
Other adjustment		-
<i>At 31 March 2015</i>		3,931,700
Depreciation/Amortisation		
<i>At 1 April 2013</i>		1,557,381
Charges for the year		118,716
Disposals		-
Other adjustment		-
<i>At 31 March 2014</i>		1,676,097
Charges for the year		188,240
Disposals		-
Other adjustment		-
<i>At 31 March 2015</i>		1,864,337
Net block		
<i>As at 31 March 2015</i>		2,067,363
<i>At 31 March 2014</i>		2,255,603
<i>Note:</i>		
<p>Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/ remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted net of tax, in the opening balance of Profit and Loss Account amounting to NIL</p>		

Connect.1 Limited

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH,2015

1 Summary of significant accounting policies

1.1 Basis of Preparation of Accounts

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting, in accordance with the provisions of the Companies Act,2013, 2013 and accounting principles generally accepted in India ('Indian GAAP') and comply with the accounting standards notified under the relevant provisions if the Act. The financial statements are presented in Indian Rupees, except where mentioned otherwise.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act 2013. The Company has identified its operating cycle as twelve months

1.2 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management believes that the estimates and assumptions made in the preparation of financial statements are prudent and reasonable. Actual results may differ from the estimates used in preparing the accompanying financial statements. Any revision to accounting estimates is recognised prospectively in current and future periods.

1.3 Fixed assets

Tangible assets

Tangible fixed assets are stated at cost of acquisition less accumulated depreciation and any provision for impairment. Cost includes freight, duties, taxes (other than those recoverable from tax authorities) and other expenses directly attributable to the acquisition/ construction and installation of the fixed assets for bringing the asset to its working condition for its intended use. Cost incurred on fixed assets not ready for their intended use is disclosed under capital work-in-progress. Capital work-in-progress includes estimates of work completed, as certified by the management.

1 Summary of significant accounting policies (Continued)

1.4 Depreciation/ amortisation

Tangible assets

Depreciation on Fixed Assets is provided to the extent of depreciable amount on the Written Down Value (WDV) Method. Depreciation is provided based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013.

1.5 IMPAIRMENT

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Profit and Loss Statement in the year in which an asset is identified as impaired.

1.6 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company, revenue can be reliably measured and recoverability is reasonably certain. The amount recognized as income is exclusive of value added tax, service tax and net of trade discounts. Unbilled revenue represents costs incurred and revenues recognized on contracts to be billed in subsequent periods as per the terms of the contract.

1.7 Investments

Long-term investments and current maturities of long term investments are stated at cost less any provision for diminution, which is other than temporary, in value.

1.8 Employee benefits

There are no employees earning salary from the Company, hence there are no benefit plans defined or cost to be accounted in account during the year.

1.9 Taxation

Income-tax expense comprises current tax expense and deferred tax charge or credit.

Current tax

Provision for current tax is recognised in accordance with the provisions of the Income-tax Act, 1961 and is made based on the tax liability after taking credit for tax allowances and exemptions.

Minimum Alternative Tax Credit entitlement

Minimum Alternative Tax ('MAT') credit is recognised only to the extent there is convincing evidence that the Company will pay normal income tax in excess of MAT during the specified period.

1 Summary of significant accounting policies (Continued)

MAT credit entitlement is reviewed as at each Balance sheet date and written down to the extent there is no longer convincing evidence that the Company will pay normal income tax during the specified period.

Deferred tax

Deferred tax liability or asset is recognised for timing differences between the profits or losses offered for income taxes and profits/losses as per the financial statements. Deferred tax assets and liabilities and the corresponding deferred tax credit or charge are measured using the tax rates and tax laws that have been enacted or substantively enacted as at the Balance sheet date.

1.10 Provisions and contingencies

A provision is made when there is a present obligation as a result of a past event that probably requires an outflow of resources and a reliable estimate can be made of the amount of the obligation. A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. When there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions are reviewed at each Balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources would be required to settle the obligation, the provision is reversed.

As per our report of even date attached.

**For and on behalf of the Board of
Directors**

For MVK ASSOCIATES
Chartered Accountants
Firm Registration No. 120222 W

Subhash Ghai
Chairman

Vishnu Garg
Partner
Membership No. 045560

Parvez A. Farooqui
Director

Mumbai
26 May 2015

Meghna Ghai Puri
Director