

INDEPENDENT AUDITOR'S REPORT

TO MEMBERS OF SIEL INFRASTRUCTURE & ESTATE DEVELOPERS PRIVATE LIMITED (FORMERLY KNOWN AS AVRO SALES PRIVATE LIMITED)

Report on the Financial Statements

We have audited the accompanying financial statements of SIEL Infrastructure & Estate Developers Private Limited (formerly known as Avro Sales Private Limited ("*the Company*"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

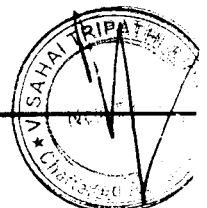
Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("*the Act*") read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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



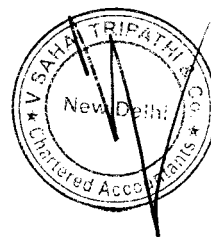
Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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.:-

- (a) in the case of the Balance Sheet, of the State of Affairs of the Company as at March 31, 2014;
- (b) in the case of statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, 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 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013.



- e. on the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For V Sahai Tripathi & Co.

Chartered Accountants

Firm's Registration Number : 000262N

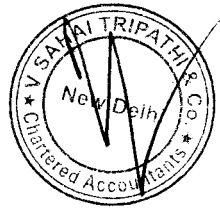

(Manish Mohan)

Partner

Membership No. 91607

Place : New Delhi

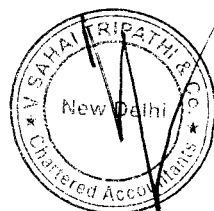
Dated : 05-sept.-2014



ANNEXURE TO AUDITORS' REPORT
(Referred to in paragraph (1) of our report on other legal and regulatory requirements of Independent Auditor's Report of even date)

Annexure referred to in paragraph (1) of the report on other legal and regulatory requirements of Independent Auditor's Report to the members of SIEL Infrastructure & Estate Developers Private Limited (formerly known as Avro Sales Private Limited on the financial statements for the year ended March 31, 2014

- 1) In respect of Fixed Assets:-
 - a) There are no fixed assets in the Company during the financial year ending 31st March, 2014. Accordingly the clause regarding maintaining proper records showing full particulars, including quantitative details & situation of fixed assets, does not apply to the Company during the financial year ending 31st March, 2014.
 - b) Accordingly, the rest of the clauses do not apply during the financial year ending 31st March, 2014.
- 2) In respect of Inventories:
 - a) During the financial year ending 31-March-2014, there were no Inventories maintained by the Company. Accordingly, clause 4(ii) of the Companies (Auditor's Report) Order, 2003 ('the Order') in respect of Inventories is not applicable during the reporting year ending 31-March-2014.
 - b) The clause regarding physical verification of Inventory is not applicable on the Company during the reporting year ended 31-March-2014.
3. In respect of loans, secured or unsecured, granted or taken by the company to/ from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956: -
 - a) To the best of our knowledge and according to the information and explanations given to us, the Company has not taken any unsecured loan from the Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956, during the financial year ending 31-March-2014.



- b) To the best of our knowledge and according to the information and explanations given to us, the Company has not granted any unsecured loan(s) to any party, firms or Companies covered in the register maintained under Section 301 of the Companies Act, 1956, during the financial year ending 31-March-2014.
4. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the company and nature of its business with regard to purchases and sales of stocks of shares and purchase of fixed assets. There is no sale of services. Further, on the basis of our examination and according to the information and explanations given to us, we have neither come across nor have been informed of any instance of major weaknesses in the aforesaid internal control system.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956 :-
- a. In our opinion and according to the information and explanations given to us, the particulars of contracts or arrangements referred to in section 301 of the Act have been entered in the register required to be maintained under that section.
- b. However, no transaction covered under Section 301 of the Companies Act, 1956, have been entered during the year ending 31-March-2014. Accordingly the rest of the clause is not applicable.
6. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 to the extent applicable with regard to the deposits accepted from the public. As per the information and explanations given to us, no order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India, any other court or any other tribunal with regard to fixed deposits.
7. The company does not have an average annual turnover exceeding five crore rupees for a period of three consecutive financial years immediately preceding the financial year concerned, however the paid up capital & reserves of the Company are more than Rs 50 Lacs. Accordingly it is mandatory for the Company to conduct Internal Audit or have Internal Audit System commensurate with its size and nature of business. *No Internal Audit as mandated by this clause has been conducted by the management of the Company since insignificant volume of work and accordingly, we are unable to comment on the same.*
8. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956.

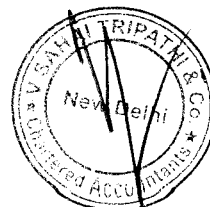


9. In respect of statutory dues:

- a) According to the information and explanations given to us and the records of the company examined by us, in our opinion, the company is generally regular in depositing the undisputed statutory dues including Income Tax and other material statutory dues as applicable, with the appropriate authorities. According to the information and explanations given to us, no undisputed amount payable in respect of the aforesaid dues where outstanding as at 31st March, 2014 for a period of more than six months from the date of becoming payable.
- (b) According to the information and explanations given to us and the records of the company produced before us, there were no dues in respect of Sales Tax, Income-tax, Custom Duty, Wealth Tax, Excise Duty, and Cess as at March 31, 2014, which have not been deposited on account of a dispute and pending before appropriate authorities

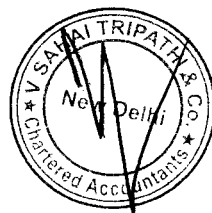
10. According to the records of the company, the Company's have accumulated losses as at 31st March, 2014. The company has incurred cash losses during the financial year ended March 31, 2014 as well as during the financial year ending 31st March, 2013.
11. The Company has no borrowings from financial institutions, banks, or debenture holders. Accordingly, the clause is not applicable to the Company.
12. The Company has not granted loans and advances on the basis of security by way of pledge of shares and other securities. Accordingly, clause 4(xii) of the order is not applicable.
13. The company is not a chit fund or a nidhi / mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the company.
14. According to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, clause 4(xiv) of the order is not applicable.

However, the shares, securities, debentures and other long-term investments which have been held by Company as Long-Term Investments, have been held by the company in its own name.



15. In our opinion, and 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 during the year. Accordingly, clause 4(xv) of the order is not applicable.
16. In our opinion and based on the information and explanation given to us, no term loans were borrowed during the year and consequently, the provisions of clause 4 (xvi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
17. According to the information and explanation given to us, the Company has not raised any funds on short-term basis. All assets have been funded by shareholder's funds.
18. During the year, the company has not made any preferential allotment of share to parties and companies covered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, clause 4(xviii) of the order is not applicable.
19. The company has not issued any debentures. Accordingly, clause 4(xix) of the order is not applicable.
20. The company has not raised any money by way of public issue during the year. Accordingly, clause 4(xx) of the order is not applicable.
21. During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor we have been informed of such case by the management.

For V Sahai Tripathi & Co.
Chartered Accountants
Firm's Registration Number : 000262N



(Manish Mohan)
Partner

Membership No. 91607

Place : New Delhi

Dated : 05-sep.-2014

Siel Infrastructure & Estate Developers Private Limited
(Formerly Known as Avro Sales Private Limited)

BALANCE SHEET AS AT MARCH 31, 2014

	Notes	As at 31st March 2014 Rs.	As at 31st March 2013 Rs.
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	1	1,376,161,700	1,376,161,700
Reserves and surplus	2	(9,772,312)	(9,704,591)
		1,366,389,388	1,366,457,109
Current Liabilities			
Other Current Liabilities	3	44,047	52,706
		44,047	52,706
Total		1,366,433,435	1,366,509,815
ASSETS			
Non-current Assets			
Non-current Investments	4	1,365,704,361	1,365,706,065
Long term loans and advances	5	330,494	362,090
		1,366,034,855	1,366,068,155
Current assets			
Cash and Bank balances	6	377,423	441,660
Other Current assets	7	21,157	-
		398,580	441,660
Total		1,366,433,435	1,366,509,815
Accompanying Notes are an integral part of Financials		1-22	

As per our report attached to the Financial Statements

For V Sahai Tripathi & Co.

Firm Registration Number : 000262N

Chartered Accountants

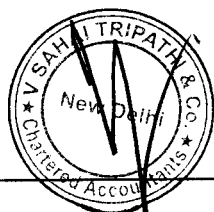
MANISH MOHAN

Partner

M. N.-091607

Place : New Delhi

Dated : 05-Sep-2014



For and on behalf of Board of Directors

Director

Director

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Siel Infrastructure & Estate Developers Private Limited
(Formerly Known as Avro Sales Private Limited)

STATEMENT OF PROFIT AND LOSS FOR YEAR ENDED MARCH 31, 2014

	Notes	Year ended 31st March 2014 Rs	Year ended 31st March 2013 Rs
Income			
Other income	8	31,618	-
Total Revenue		31,618	-
Expenditure			
Other expenses	9	65,299	9,108,332
		65,299	9,108,332
Loss before exceptional and extraordinary items and tax			
Exceptional Items		-	-
Loss before tax			
Current tax		-	-
Less : Prior Period Tax Adjustments		34,040	-
Loss from continuing operations			
		(67,721)	(9,108,332)
Basic and diluted earning per share (Rs.)			
	19	(0.005)	(1.20)
Accompanying Notes are an integral part of Financials		1-22	

As per our report attached to the financial Statements

For V Sahai Tripathi & Co.

Firm Registration Number : 000262N

Chartered Accountants

For and on behalf of Board of Directors

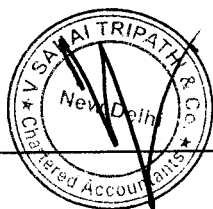
MANISH MOHAN

Partner

M. N.-091607

Place : New Delhi

Dated : 05-Sep.-2014



Director

Director

Handwritten initials/signature

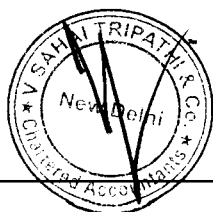
SIEL INFRASTRUCTURE & ESTATE DEVELOPERS PRIVATE LIMITED
(Formerly Known as Avro Sales Private Limited)

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

Particulars	Year ended 31st March 2014 Rs.	Year ended 31st March 2013 Rs.
A. Cash flow from operating activities :		
Net profit / (loss) before extra-ordinary items and tax	(67,721)	(9,108,332)
Extra ordinary Items (income)	-	-
Net profit / (loss) after extra-ordinary items but before tax	(67,721)	(9,108,332)
Add:-		
Depreciation	-	-
Provision for diminution of Long term Investment	1,705	50,124
Less:-		
Provision / Liabilities no longer required written back	7,186	-
Interest/Dividend income	24,432	-
Operating profit/(loss) before working capital changes	(97,634)	(9,058,208)
Adjustment for :-		
(Increase)/ Decrease in trade and other receivables	(21,157)	-
(Increase) / Decrease in stock in trade	-	-
Increase / (Decrease) in trade / other payables	(1,473)	(53,172)
Cash generated from operations	(120,264)	(9,111,380)
Direct taxes paid	-	-
Net cash inflow/(outflow) from operations	(120,264)	(9,111,380)
B. Cash flow from investing activities :		
Interest/Dividend income	24,432	-
Increase/Decrease in investment	-	(15,500,039)
Net cash inflow / (outflow) from investing activities	56,028	(15,500,039)
C. Cash flow from financing activities :		
Proceed from issue of Share	-	25,000,000
Net cash inflow/(outflow) from financing activities	-	25,000,000
D. Net increase/(decrease) in cash and cash equivalents	(64,236)	388,581
E. Cash and cash equivalents as at opening	441,660	53,079
F. Cash and cash equivalents as at closing	377,423	441,660

Accompanying Notes are an integral part of Financials
As per our report attached to the financial Statements
For V.Sahai Tripathi & Co.
Firm Registration Number : 000262N
Chartered Accountants

MANISH MOHAN
Partner
M. N.-091607
Place : New Delhi
Date: 05-sep.-2014



1-22

For and on behalf of Board of Directors

Director

Director

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Siel Infrastructure & Estate Developers Private Limited

(Formerly Known as Avro Sales Private Limited)

Note 1 - Share Capital

	As at 31st March 2014	As at 31st March 2013
	Rs.	Rs.
Authorised		
- 15,000,000 Equity Shares of Rs. 100 each	1,500,000,000	1,500,000,000
(Previous Year 15,000,000 Equity shares of Rs. 100 each)	1,500,000,000	1,500,000,000
Issued, subscribed and fully paid up		
- 13,761,617 Equity Shares of Rs. 100 each	1,376,161,700	1,376,161,700
(Previous Year 13,761,617 Equity shares of Rs. 100 each)	1,376,161,700	1,376,161,700

(i) Reconciliation of equity shares :

Number of outstanding shares at the beginning of the period

Shares issued during the period

Number of outstanding shares as at the end of the period

	Nos.	Nos.
	13,761,617	9,667
	-	13,751,950
	13,761,617	13,761,617

(ii) Equity Shares:- The company has only one class of equity shares having a face value of Rs 100/- each. Each holder of equity share is entitled to one vote per share. Share holders are entitled to dividend if any declared by the company. The dividend is payable in Indian rupees. The dividend, if any, declared by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Re-payment of equity share capital shall be made at the time of winding-up of the company in accordance with the provisions of Companies Act, 1956. In event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportionate to the number of equity shares held by the shareholders

(iii) Shares held by its holding company and their subsidiary:

Out of the equity shares issued by the Company, shares held by its holding and their subsidiaries are as below:

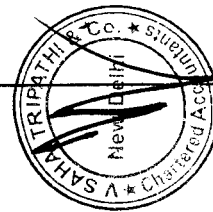
	As at 31st March 2014	As at 31st March 2013
	No. of Shares held	No. of Shares held
Mawana Sugars Limited (Equity shares of Rs. 100 each fully paid up)	13,761,617	13,761,617

(iv) Details of shareholders holding more than 5% equity shares in the Company:

Name of shareholders	As at 31st March 2014		As at 31st March 2013	
	No. of Shares held	%age of holding	No. of Shares held	%age of holding
Mawana Sugars Limited	13,761,617	100	13,761,617	100
Total	13,761,617	100	13,761,617	100

(v) Detail of shares allotted as fully paid up without payment being received in cash:

Equity Shares :- The Company on 13th September, 2012 has acquired 49% stake in M/s Siel Industrial Estate Limited (the wholly owned subsidiary of Mawana Sugars Ltd.) from Mawana Sugars Limited for Rs. 135,01,95,000/-. The consideration for purchase of aforesaid shares has been discharged by way of issuance of 13501950 Equity Shares of the Rs. 100/- each of the company to Mawana Sugars Limited. Such shares has been issued other than cash.

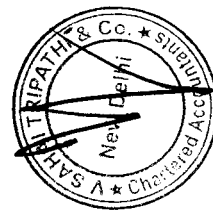




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Siel Infrastructure & Estate Developers Private Limited
(Formerly Known as Avro Sales Private Limited)

Note 2 - Reserves and Surplus				
Particulars	As at 1st April 2013 (Rs)	Additions During the Year (Rs)	Deductions During the Year (Rs)	As at 31st March 2014 (Rs)
Securities Premium	132,888	-	-	132,888
General Reserve	1,348,527	-	-	1,348,527
Profit / (Loss) Account	(11,186,006)	(67,721)	-	(11,253,727)
Total	(9,704,591)	(67,721)	-	(9,772,312)

Note 3 Other Current Liabilities		
Particulars	As at 31st March 2014 (Rs)	As at 31st March 2013 (Rs)
<u>Other payables</u>		
- Others	44,047	52,706
Total	44,047	52,706



Siel Infrastructure & Estate Developers Private Limited
(Formerly Known as Avro Sales Private Limited)

**Note 4 NON CURRENT INVESTMENTS
LONG TERM INVESTMENTS - AT COST**

4 (a)	Particular	As at 31st March 2014	As at 31st March 2013
	Non-Trade Investments (Refer Note 4 (b))	1,365,756,190	1,365,756,190
	Investment in Equity Shares	51,829	50,124
	Less : Provision for diminution in value		
	Total	1,365,704,361	1,365,706,065

Non current investments consist of the following :

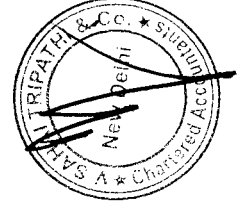
4 (b) Details of Non-Trade Investments

Sr. No.	Particulars	Subsidiary / Associate / JV/ Controlled Special Purpose Entity / Others	No. of Shares / Units		Quoted / Unquoted	Partly Paid / Fully paid	Amount in Rs.		Basis of Valuation
			As at 31st March 2014	As at 31st March 2013			As at 31st March 2014	As at 31st March 2013	
(a)	Investments in Equity Shares								
i	Mawana Sugars Limited (Face value of Rs. 10/- each)	Holding Co.	1,192	1,192	Quoted	Fully Paid	61,150	61,150	At Cost
ii	Siel Industrial Estates Ltd (Face value of Rs. 10/- each) (Refer Note 4 c & d)	Associate Co	13,629,691	13,629,691	Unquoted	Fully Paid	1,365,695,040	1,365,695,040	At Cost
	Total		13,630,883	13,630,883			1,365,756,190	1,365,756,190	

Particulars	As at 31st March 2014	As at 31st March 2013
Market value of quoted investment	9,321	11,026

4 (c) The Company on 13th September, 2012 has acquired 49% stake (13475000 equity shares of Rs. 10/- each fully paid-up) in M/s Siel Industrial Estate Limited (the wholly owned subsidiary of Mawana Sugars Ltd.) from Mawana Sugars Limited for Rs. 135,01,95,000/-. The consideration for purchase of aforesaid shares has been discharged by way of issuance of 135,01,950 Equity Shares of the Rs. 100/- each of the company to Mawana Sugars Limited. Such shares has been issued other than cash.

4 (d) Considering the accumulated losses, yearly performance, future scenario in Sugar Industry and current market price of equity shares of Mawana Sugars Limited, Company has provided diminution which is other than temporary in value of shares of Mawana Sugars Limited. The same has been reduced to market price prevailing as at 31st March 2014.



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Siel Infrastructure & Estate Developers Private Limited

(Formerly Known as Avro Sales Private Limited)

Note 5 - Long Term Loans and Advances

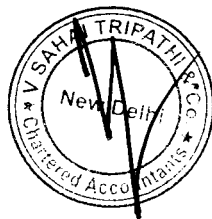
Particulars	As at 31 March 2014 Rs.	As at 31 March 2013 Rs.
Security Deposits		
- Unsecured considered Good	143,423	143,423
Other Loans & Advances		
- Advance Tax/TDS receivable .	187,071	218,667
Total	330,494	362,090

Note 6 - Cash and Bank Balances

Particulars	As at 31 March 2014 Rs.	As at 31 March 2013 Rs.
Cash and cash equivalents		
Cash in hand	7,246	7,316
In Current Accounts	60,177	434,344
Deposit with banks	310,000	-
(Maturity within 3 months from the date of Balance sheet)	-	-
Total	377,423	441,660

Note 7 - Other Current Assets

Particulars	As at 31 March 2014 Rs.	As at 31 March 2013 Rs.
Interest accrued on investment and deposits	21,157	-
Total	21,157	-

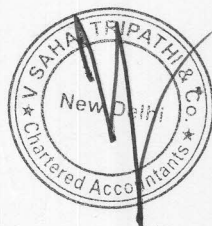


Siel Infrastructure & Estate Developers Private Limited

(Formerly Known as Avro Sales Private Limited)

Note 8 : Other Income		
Particulars	Year ended	Year ended
	31st March 2014	31st March 2013
	Rs	Rs
Interest	24,432	-
Sundry balance Written back	7,186	-
Total	31,618	-

Note 9 : Other Expenses		
Particulars	Year ended	Year ended
	31st March 2014	31st March 2013
	Rs	Rs
Auditors' remuneration		
- Audit fee	25,745	22,828
- Out -of-pocket expenses	-	-
Bank Charges	10	6,544
Legal & Professional expenses	37,839	9,028,476
Printing & Stationery	-	360
Diminution in value of Long Term Investment	1,705	50,124
Total	65,299	9,108,332



Note 10 Significant Accounting Policies:-

A. Basis of Preparation of Financial Statements

The Financial statements have been prepared in accordance with Indian generally Accepted Accounting Principles ("GAAP") under the historical cost convention on accrual basis and are in accordance with the applicable accounting standards issued & prescribed in the Companies (Accounting Standards) Rules, 2006. These Accounting policies have been consistently applied, except where a newly issued accounting standard is initially adopted by the company. Management evaluates the effect of accounting standards issued on a going basis and ensures that they are adopted as mandated by the said rules.

As required & mandated by relevant guidelines prescribed under Companies Act, 1956, Company has prepared its financials as per Revised Schedule VI. 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 revised Schedule VI to the Companies Act, 1956. Based on the nature of products/services and the time between the acquisition of assets/services for processing and their realization in cash and cash equivalents, the Company has considered a period of twelve months for the purposes of classification of assets and liabilities as current and non-current.

B. Investment

Investments are classified into current and non-current (long-term) investments. Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as non-current (long-term) investments. Current investments are stated at the lower of cost and fair value determined on an individual basis. A provision for diminution in value is made to recognize a decline other than temporary in the value of non-current (long-term) investments.

C. Revenue recognition:

- i) Revenue is being recognized on accrual basis in accordance with the Accounting Standard-9 on 'Revenue Recognition'.
- ii) Dividend income is recognized if the right to receive the payment is established by the Balance Sheet date.
- iii) Interest is recognized on a time proportion basis in accordance with agreement taking into account the amount outstanding and the rate applicable.

