

Chirau Finance Investment & Leasing Company Limited

19TH ANNUAL REPORT

2012-2013

CHIRAU FINANCE INVESTMENT & LEASING
COMPANY LIMITED

Regd. Office: 16B/9, D. B. Gupta Road, Karol Bagh,
Delhi-110005

Chirau Finance Investment & Leasing Company Limited

-: CORPORATE INFORMATION:-

Board of Directors:	Mr. Mukesh Kumar	Director
	Mr. Saroj Gupta	Director
	Mr. Bharat Gupta	Director

Registered Office:

16B/9, D. B. Gupta Road,
Karol Bagh, Delhi-110005

Auditors:

M/s J Kumar & Associates
Chartered Accountants
MZ-40, Ansal Fortune Arcade,
Sector-18, Noida-201301

Listed With Stock Exchange:

**DELHI STOCK EXCHANGE
LIMITED**
DSE House, 3/1, Asaf Ali Road,
New Delhi-110002

Chirau Finance Investment & Leasing Company Limited

NOTICE

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Chirau Finance Investment & Leasing Company Limited

NOTICE

NOTICE is hereby given that the **19th Annual General Meeting** of the members of **Chirau Finance Investment & Leasing Company Limited** will be held at Registered Office of the Company at 16B/9, D. B. Gupta Road, Karol Bagh, Delhi-110005 on **Saturday, September 28, 2013 at 09:00 A.M.** to transact the following business:-

ORDINARY BUSINESSES:

1. To receive, consider and adopt the Audited Balance Sheet for the year as at 31st March, 2013 and Statement of Profit and Loss of the company for the year ended 31st March, 2013 and the Report's of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Mukesh Kumar, who retires by rotation and being eligible, offers him for re-appointment.
3. To appoint M/s J. Kumar & Associates, Chartered Accountants as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board
-For Chirau Finance Investment & Leasing Company Limited

Place: New Delhi
Date: 30.08.2013

Sd/-
(Saroj Gupta)
Director
DIN No. 00033430

Chirau Finance Investment & Leasing Company Limited

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ABOVE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY IN ORDER TO BE EFFECTIVE SHOULD BE DULY STAMPED, COMPLETED AND SIGNED AND MUST BE DEPOSITED, AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING. A BLANK PROXY FORM IS ATTACHED.
2. All documents referred to in the accompanying notice and explanatory statement are open for inspection at the Registered Office of the Company during the office hours on all working days between 11: 00 A.M. to 1: 00 P.M up to the date of this Annual General Meeting.
3. Members / Proxies should bring the attendance slip sent herewith, duly filled in, for attending the meeting.
4. The Register of Members and Share Transfer Books shall remain closed on 26th September, 2013 to 28th September, 2013 (Both days inclusive).
5. Shareholders seeking any information with regard to accounts are requested to write to the Company at the earliest to keep the information ready. _
6. Shareholders are requested to bring their copy of Annual Report to the Annual General Meeting.
7. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the meeting.
8. Members may kindly note that no gift/gift coupons will be distributed at Annual General Meeting.
9. The Ministry of Corporate Affairs has introduced "Green Initiative" by allowing paperless compliances by the companies and has issued circulars stating the service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of Government in full measure, member who have not registered their e-mail addresses, so far are requested to register their e-mail addresses, in respect of electronic holdings with Depository through their concerned Depository Participant whereby the documents are permitted to be served on the members through electronic mode i.e. e-mail. This initiative is a step toward protection of environment and enabling faster communication with members.

Chirau Finance Investment & Leasing Company Limited

10. Information to Shareholders in pursuance of Clause 49(IV) (G) of Listing Agreement with reference to Appointment/ Re-appointment of Directors.

1.	Name	Mukesh Kumar
	Date of Birth	07/03/1973
	Expertise in Specific Functional Area	Has an experience in share trading and Administration, Financial Management.
	Directorship in other Company	1. Hotline Securities And Credit Private Limited
	Date of Appointment	15/07/1997
	Shareholding in the Company	Nil

By Order of the Board of Directors

Place: New Delhi
Date: 30.08.2013

Sd/-
(Saroj Gupta)
Director
DIN No. 00033430

DIRECTOR'S REPORT

TO THE MEMBERS

Your Directors have immense pleasure in presenting the 19th Annual Report on the business and operations of the Company together with the Audited Statement of Accounts for the year ended March 31, 2013.

FINANCIAL HIGHLIGHTS

	Current Year 2012-13 (Rs. In Thousands)	Previous Year 2011-12 (Rs. in Thousands)
Turnover	NIL	NIL
Expenditure	22.809	28.298
Profit / Loss before Tax	(22.809)	(28.298)
Less: Provision for Tax	NIL	NIL
Net Profit/ (Loss) after Tax	(22.809)	(28.298)

REVIEW OF OPERATIONS

During the year, your Company has no turnover. Your directors expect that the initiatives undertaken will result in improvement in financial results in the coming years.

DIVIDEND

For the year under review, your Company does not recommend any dividend in the absence of profits.

DIRECTORS

Mr. Mukesh Kumar retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for re- appointment.

Cessation of Director

Mr. Prakash Chand Baid has resigned from the Board of the Company with effect from July, 19, 2013.

Chirau Finance Investment & Leasing Company Limited

AUDITORS

M/s. J KUMAR & ASSOCIATES, Chartered Accountants, Statutory Auditors of the Company, retire at the ensuing AGM and are eligible for reappointment. The company has received a letter from them to the effect that their appointment, if made would be within the limits prescribed u/s 224(1B) of the Companies Act, 1956 and they are not disqualified for such an appointment, within the meaning of Sub-Section (3) and (4) of Section 226 of the Companies Act, 1956. Accordingly, J KUMAR & ASSOCIATES, Chartered Accountants are required to be re appointed as Statutory Auditors of the company at the ensuing Annual General Meeting.

The Audit Committee and your Board recommends their appointment as Statutory Auditors of the Company.

AUDITOR'S REPORT

The Auditors Report is self explanantory and there are no adverse remarks or qualification in the Report.

SECRETARIAL COMPLIANCE CERTIFICATE

The directors have gone through the Compliance Certificate made by the practicing Company Secretary under Section 383A (1) of the Companies Act, 1956 and are in agreement and copy of compliance certificate is attached herewith.

LISTING OF SECURITIES

The Company's Equity Shares are listed on the Delhi Stock Exchange Limited.

PARTICULARS OF EMPLOYEES PURSUANT TO THE PROVISIONS OF SECTION 217 (2A) OF THE COMPANIES ACT, 1956

As required by the provisions of Section 217 (2A) of the Companies Act, 1956 read wit Companies (Particulars of Employees) Rules, 1975 as amended, no employee of the company is in receipt of remuneration in excess of the limits prescribed there under.

Chirau Finance Investment & Leasing Company Limited

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT AND FOREIGN EXCHANGE EARNINGS AND OUTGO

ENERGY CONSERVATION

There is no manufacturing activity carried on in the company. The company has done its best efforts to save electricity & energy.

TECHNOLOGY ABSORPTION AND RESEARCH & DEVELOPMENT

No research & development or technical absorption in the company during the Financial Year 2012-2013.

FOREIGN EXCHANGE EARNINGS & OUTGO

As your Company does not deal in Foreign Exchange, there fore.the particulars relating to Foreign Exchange Earnings and Outgo are not applicable to your company.

DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act 1956 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

1. In the preparation of the annual accounts for the period ended 31.03.2013, the applicable Accounting Standards have been followed along with proper explanation relating to material departures;
2. The directors had selected such accounting policies and applied them consistently and made judgments & estimates that were reasonable & prudent so as to give a true and fair view of the state of affairs of the Company at the end of the year and of the Loss of the company for the financial year under review;
3. The Directors had taken proper & sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act 1956 for safeguarding the assets of the Company; and for prevention and detection of fraud and other irregularities;
4. The Annual Accounts for the year ended 31st March, 2013 have been prepared on a going concern basis.

Chirau Finance Investment & Leasing Company Limited

INDUSTRIAL RELATIONS

Since the company is not into any kind of manufacturing activity, there is no matter to discuss about the industrial relations and the company is maintaining cordial relations with its staff members.

CORPORATE GOVERNANCE

Your Company has implemented all the stipulations of the Corporate Governance Practices set out by the Securities and Exchange Board of India and as provided in Clause 49 of the Listing Agreement entered into with the Stock Exchanges. A separate section on Corporate Governance and a certificate from the Auditors of the Company regarding compliance of conditions of Corporate Governance as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, form part of the Annual Report. Management discussion and analysis and Auditor's Certificate on compliance of conditions of corporate governance under clause 49 of the listing agreement form part of Director's Report.

DEPOSITS FROM PUBLIC

During the year under review, the Company has not accepted any public deposit within the meaning of Section 58A of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975 as amended up to date.

ACKNOWLEDGEMENT

Your Directors take this opportunity to place on record their appreciation for the shareholders, bankers and other business associates for their forbearance, understanding and support to the Company. They also wish to place on record their great appreciation of the commitment, sense of involvement and dedication exhibited by each staff member in the overall development, growth and prosperity of the company.

By Order Of Board
For Chirau Finance Investment and Leasing Company Limited

Place: New Delhi
Date: 30.08.2013

Sd/-	Sd/-
Saroj Gupta	Bharat Gupta
(Director)	(Director)
DIN No. 00033430	DIN No. 00053322

Chirau Finance Investment & Leasing Company Limited

Annexure – A to Director's Report

MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW

The financial statements are prepared in compliance with the requirements of the Companies Act, 1956. There are no material departures from the prescribed accounting standards in the adoption of the accounting standards. The management of **CHIRAU FINANCE INVESTMENT AND LEASING COMPANY LIMITED** accepts responsibility for the integrity and objectivity of these financial statements.

A. REVIEW OF OPERATIONS:

The overall performance during the year 2012-2013 has not been satisfactory. However, the Company is endeavoring its best for:

Exploring new areas for growth.

Cost reduction measures involving increased focus on operational-efficiencies, energy savings and control over administration costs.

B. CORPORATE GOVERNANCE

As per listing requirements, the company is required to comply with mandatory provisions by 31st March, 2013. The company has complied with the requirements as to disclosure in Corporate Governance in this Annual Report of the company for the Financial Year 2012-2013 inter-alia giving information on the following:

- i) Company's philosophy on code of Corporate Governance.
- ii) Constitution of Board of Directors.
- iii) Constitution of Audit Committee and Shareholders Grievance Committee.
- iv) Details of General Body Meeting held in respect of last three financial years.
- v) Disclosure on certain important matters.
- vi) Means of communication and shareholder information.

C. HUMAN RESOURCE DEVELOPMENT AND INDUSTRIAL RELATIONS:

The Company believes that the employees are the backbone of the Company. It is providing an opportunity to all the employees to utilize their full potential and grow in the Organization. There was no strike or labour unrest during the last financial year.

D. INTERNAL CONTROL SYSTEMS:

The Company has adequate internal control procedures commensurate with the size of the Company and the nature of its business.

Chirau Finance Investment & Leasing Company Limited

E. CAUTIONARY STATEMENT:

Statements in the "Management Discussion and Analysis" describing the Company's objectives, expectations or predictions may be forward looking within the meaning of applicable laws or regulations. These Statements are based on certain assumptions and expectations of future events. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include changes in Govt. regulations, tax regimes, economic developments and other factors such as litigation.

By Order Of Board
For Chirau Finance Investment and Leasing Company Limited

Place: New Delhi
Date: 30.08.2013

Sd/-	Sd/-
Saroj Gupta	Bharat Gupta
(Director)	(Director)
DIN No. 00033430	DIN No. 00053322

Chirau Finance Investment & Leasing Company Limited

Annexure B to Director's Report

AUDITOR'S CERTIFICATE ON COMPLIANCE OF CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To

**The Members,
Chirau Finance Investment and Leasing Company Limited**

We have examined the compliance of conditions of Corporate Governance by **CHIRAU FINANCE INVESTMENT AND LEASING COMPANY LIMITED** during the year ended 31.03.2013 with the relevant records and documents maintained by the Company, furnished to us for our review and the report on Corporate Governance as approved by the Board of Directors.

The Compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the Compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

On the basis of our review and according to the information and explanation given to us, the conditions of Corporate Governance as stipulated in clause 49 of the Listing Agreement with the Stock Exchanges have been complied with in all material respect by the Company.

M/s J Kumar & Associates
Chartered Accountants

Sd/-
(Jitendra Kumar)
(Partner)
Membership No. 073856

Place: New Delhi
Date: 30.08.2013

REPORT ON CORPORATE GOVERNANCE

1. Corporate Governance is an integral part of values, ethics and the best business practices followed by the Company. The basis of Corporate Governance envisages optimal utilization of resources for enhancing the values of the enterprise by effectively monitoring executive performance and supporting the entrepreneurship spirit and to ensure ethical behavior of the enterprise in honoring and protecting the rights of all stakeholders, including discharge of social responsibility, through highest level of transparency and accountability in all facets of its operations. The core values of the Company are:

- Caring for people
- Integrity including intellectual honesty, openness, fairness & trust.
- Commitment to excellence and customer satisfaction.

The Company has in place a Code of Corporate Ethics and Conduct reiterating its commitment in interface with stakeholders and clearly laying down the core values and corporate ethics to be practiced by its entire management cadre. The Company strives to set and achieve high standards of Corporate Governance. The very essential characteristics of the Company are transparent functioning, social responsiveness and accountability towards shareholders.

This year's annual report has made substantial disclosures on the Board of Directors, financial performance, which are as follows:

2. Board of Directors:

The Board of Directors of the Company comprises of a fair number of independent professional directors. All the directors are non-executive.

Details of Board Meetings

Eight Board Meetings were held during the year 20.04.2012, 25.05.2012, 10.08.2012, 05.09.2012, 15.10.2012, 13.11.2012, 25.02.2013 and 25.03.13. The intervening period between two meetings was well within the maximum time gap of 4 months as prescribed under Corporate Governance norms.

Chirau Finance Investment & Leasing Company Limited

Name of the Director	Designation	Category	No. of Meetings held	No. of Meetings Attended	Attendance of each Director at last AGM
Ms. Saroj Gupta	Director	Promoter /Non-Executive Director	08	08	Yes
Mr. Bharat Gupta	Director	Promoter /Non-Executive Director	08	08	Yes
Mr. Mukesh Kumar	Director	Independent /Non-Executive Director	08	06	Yes
Mr. Prakash Chand Baid*	Director	Independent /Non-Executive Director	08	07	Yes

*Mr. Prakash Chand Baid has resigned from the Board of the Company with effect from July, 19, 2013.

3. Audit Committee

The company has in accordance with the Listing Agreement constituted an Audit Committee to exercise powers and discharge functions as stipulated in Clause 49 of Listing Agreement. The Audit Committee reviews:

- a) The audit procedure & techniques
- b) With the management external & internal procedures
- c) The adequacy of internal control system.
- d) The company's financial reporting processes and ensures that the financial statements give a true & fair view of the affairs of the company.

The Audit Committee as constituted in compliance of Clause 49 of Listing Agreement consists of the following:

i)	Mr. Mukesh Kumar	Chairman	Independent/Non-Executive
ii)	Ms. Saroj Gupta	Member	Promoter /Non-Executive
iii)	Mr. Bharat Gupta	Member	Promoter /Non-Executive

Chirau Finance Investment & Leasing Company Limited

All the members of audit committee are financially literate.

Meetings:

The Committee met 4 times during the year on 25.05.2012, 10.08.2012, 13.11.2012 and 25.02.2013. The attendance of Members at the Meetings was as follows:

S.No	Name	Status	No. of meetings during the year	No. of Meetings Attended
i)	Mr. Mukesh Kumar	Chairman	4	4
ii)	Ms. Saroj Gupta	Member	4	4
iii)	Mr. Bharat Gupta	Member	4	4

ROLE AND RESPONSIBILITIES

The role of Audit Committee includes the review of the following:

- Financial Reporting Process
- Draft Financial results (Quarterly & Annual)
- Internal Audit Reports
- Record of Related Party Transaction
- Reviewing the Company's Financial & Risk Management Policies
- Management Discussion and Analysis of Financial Condition and Results of Operation
- Compliance with Stock Exchanges and Legal requirements concerning Financial Statements
- Any other power which are specifically delegated by the Board from time to time

The role of Audit Committee includes recommending the appointment and removal of Statutory Auditor, discussion of Audit Plan, fixation of Audit Fees, and also approval for payment of any other services.

4. Remuneration Committee

As no remuneration is being paid to any Director, no remuneration committee has been constituted. As and when there will be any requirement, the same will be constituted.

Chirau Finance Investment & Leasing Company Limited

5. Shareholders/Investors Grievance Committee

The Shareholders/Investors Grievance Committee consists of three Directors, during the year, which are as follows:

i)	Mr. Mukesh Kumar	Chairman	Independent/Non-executive
ii)	Mr. Bharat Gupta	Member	Promoter/Non-executive
iii)	Ms. Saroj Gupta	Member	Promoter/Non-executive

The Committee met 4 times during the year on 25.05.2012, 10.08.2012, 13.11.2012 and 25.02.2013 during the financial year 2012-2013. Committee redresses complaints of the shareholders in respect of matters pertaining to transfer of shares, non-receipt of Annual Report, dematerialization of shares, non-receipt of declared dividend etc.

6. General Body Meeting.

Information about General Meetings held in last 3 years:

For the Year	Venue	Day, Date & Time	Special Resolution
2009-2010	Registered Office	Thursday, 30 th September, 2010, 3.00 P.M.	No Special Resolution passed
2010-2011	Registered Office	Friday, 30 th September 2011, 3.00 P.M	No Special Resolution passed
2011-2012	Registered Office	Saturday, 29 th September 2012, 10.00 A.M	No Special Resolution passed

POSTAL BALLOT INFORMATION

No resolutions were passed through Postal Ballot during the period under review.

7. DISCLOSURES

1. There is no related party transaction.

2. There has been no non compliance by the Company nor were any penalties or strictures imposed on the Company by Stock Exchanges, SEBI or any other statutory authority on any matter related to capital markets during the last three years.

Chirau Finance Investment & Leasing Company Limited

3. Presently, the Company does not have a Whistle Blower Policy. No personnel of the Company have been denied access to the Audit Committee.
4. The Company has complied with all the mandatory requirements of Clause 49. As regard the non-mandatory requirements, Company tries to implement them to the extent possible.
5. The company has complied with all the Accounting Standards applicable to the company.
6. The company has not come out with any Public Issue / Preferential Issue in the Financial Year 2012-2013.

8. MEANS OF COMMUNICATION:

Timely Disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is the core of good corporate governance.

Quarterly /half yearly/Annual results:

Timely Disclosure of consistent, comparable, relevant and reliable information on corporate financial performance is the core of good corporate governance.

Quarter (2012- 2013)	Date of Board Meeting
30 th June, 2012	10.08.2012
30 th September,2012	13.11.2012
31 st December, 2012	25.02.2013
31st March, 2013	29.05.2013

9.1 GENERAL SHAREHOLDERS INFORMATION:

Event: Annual General Meeting for Financial Year Ended 31st, March, 2013
Day: Saturday
Date: September, 28, 2013 AT 09.00 A.M.
Venue: 16B/9, D.B. Gupta Road, Karol Bagh, New Delhi-110005

Chirau Finance Investment & Leasing Company Limited

9.2 Financial Calendar (Tentative) for the Financial Year 2012-2013

Tentative calendar of events for the financial year 2012-13 (April to March) is as under:
Adoption of Quarterly Financial Results for:

First Quarter – by mid of August, 2013	Third Quarter-by mid of February, 2014
Second Quarter-by mid of November, 2013	Fourth Quarter- by mid of May/ end of May, 2014

9.3 Dates of Book Closure

The Register of Members and Share Transfer Register will remain closed on 26th September, 2013 to 28th September, 2013 (both days inclusive) on account of Annual General Meeting.

9.4 Dividend Payment Date

No dividend has been recommended for the year ended 31st March, 2013.

9.5 Listing at Stock Exchanges

Delhi Stock Exchange,
DSE House, 3/1, Asaf Ali Road,
New Delhi-110002

Listing Fee for the year 2012-2013 has been paid to Delhi Stock Exchange (DSE).

9.6 Details of Stock Code

There is no trading of shares of the company in Delhi Stock Exchange.

9.7 Stock Market Price Data for the year 2012-2013

There is no trading of shares of the company in Delhi Stock Exchange.

Company Name: CHIRAU FINANCE INVESTMENT AND LEASING COMPANY LIMITED

There is no trading of shares of the company in Delhi Stock Exchange.

9.9 Registrar and Transfer Agents

The company has in house share transfer facility at the following address:
Chirau Finance Investment & Leasing Company Limited
16B/9, D. B. Gupta Road, Karol Bagh, Delhi-110005

9.10 Share Transfer System

Chirau Finance Investment & Leasing Company Limited

Shares received for transfer along with valid transfer along with transfer deeds and other necessary requisite documents and complete in all respects are verified and processed for transfer by the company and returned within a period of 5-7 days from the date of receipt.

9.13 Outstanding GDR'S/ADR's/ Warrants or any Convertible instruments, conversion date and likely impact on equity

There are no Outstanding GDR'S/ADR's/ Warrants or any Convertible instruments.

9.14 Plant Locations

The Company does not have any manufacturing activity.

9.15 Address for correspondence

Chirau Finance Investment & Leasing Company Limited
16B/9, D. B. Gupta Road, Karol Bagh, Delhi-110005

10. CEO Certification

A certificate from the Director on the financial statements of the Company was placed before the Board.

CERTIFICATE OF COMPLAINE WITH THE CODE OF CONDUCT AS PER CLAUSE 49 OF LISTING AGREEMENT

I, Saroj Gupta, Nominee Director of the Company, hereby declare that the Company has adopted a Code of Conduct for its Board Members and senior management and the Board members and senior management have affirmed compliance with the Code of Conduct of the Company.

By Order Of Board
For Chirau Finance Investment & Leasing Company Limited

Sd/-
Saroj Gupta
(Director)
DIN No. 00033430

CEO CERTIFICATION

I, Saroj Gupta, Director of Chirau Finance Investment & Leasing Company Limited to the best of my knowledge and belief hereby certify that:

- a) I have reviewed financial statements and the cash flow statement for the year and that to the best of my knowledge and belief:
 - i. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - ii. These statements together present a true & fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) There are, to the best of my knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- c) I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and I have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d) I have indicated to the Auditors and the Audit Committee
 - i) significant changes in internal control over financial reporting during the year;
 - ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
 - iii) Instances of significant fraud of which I have become aware and the involvement therein, if any, of the Management or an Employee having a significant role in the Company's internal control system over financial reporting.

Date: 30.08.2013

Place: New Delhi

Sd/-
(Saroj Gupta)
Director
DIN NO. 00033430



J. KUMAR & ASSOCIATES

CHARTERED ACCOUNTANTS

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, 2013;
- b) in the case of the 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 subsection (3C) of section 211 of the Companies Act, 1956;
 - e) on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

OFF.: MZ-40, Ansal Fortune Arcade, Sector-18, Noida (U.P.)

Tel : 0120-4259023 Mobile : 9313036023

Email : jkag2004@yahoo.co.uk



J. KUMAR & ASSOCIATES
CHARTERED ACCOUNTANTS

- f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For J.Kumar & Associates

Firm Regn. No. : 016917N

Chartered Accountants

Sd/-

JITENDRA KUMAR

(Proprietor)

M.NO.073856

Place: New Delhi

Dated: 29/05/2013

OFF.: MZ-40, Ansal Fortune Arcade, Sector-18, Noida (U.P.)

Tel : 0120-4259023 Mobile : 9313036023

Email : jkag2004@yahoo.co.uk



J. KUMAR & ASSOCIATES
CHARTERED ACCOUNTANTS

Annexure referred to in paragraph '1' of the Auditors' Report to the Members of CHIRAU FINANCE INVESTMENT & LEASING CO. LIMITED on the accounts for the year ended March 31, 2013

1. The Company has no fixed assets as on the date of balance sheet. Therefore the provisions of clause (i) of para 4 of the order are not applicable to the company.
2.
 - a. The inventory has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b. The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
 - c. The company is maintaining proper records of inventory. No material discrepancies were noticed during the physical verification of the stock.
3. According to the information and explanation given to us, the Company has not taken/granted any loans secured or unsecured to / from companies, firms or other parties covered in the register maintained under section 301 of the companies act, 1956. Therefore the provisions of clause 4 (iii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company
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. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
5. a) In our opinion and According to the information and explanations given to us, there are no transactions that need to be entered in the register maintained under section 301 of the Companies Act, 1956, Therefore the provisions of clause 4 (v) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company



J. KUMAR & ASSOCIATES
CHARTERED ACCOUNTANTS

6. ✓ According to the information and explanations given to us, and on the basis of the records produced before us, the Company has not accepted any deposits from the public. Therefore the provisions of clause 4 (vi) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company
7. In our opinion, the Company does not have any internal audit system commensurate with the size and nature of its business.
8. ✓ According to the information and explanations given to us, no cost records have been prescribed by the rules made by the Central Govt., for the maintenance of cost record u/s 209(1) (d) of the companies Act, 1956, therefore the provision of clause 4(viii) of the CARO, 2003 are not applicable to the company.
9. (a) ✓ According to the information and explanations given to us, the Company is regular in depositing with appropriate authorities' undisputed statutory dues, including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, excise duty, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, customs duty, excise duty and cess were in arrears, as at 31.03.13 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of sales tax, income tax, custom duty, wealth tax, service tax, excise duty and cess which have not been deposited on account of any dispute.
10. ✓ According to the information and explanations given to us, the accumulated losses of the company are not more than fifty percent of its net worth. The Company has incurred cash losses during the financial year covered by our audit and there were also cash losses in the immediately preceding Financial year.
11. ✓ Based on our audit procedures and on the basis of information's and explanations given by the management, the Company has not taken any loans from any financial institution, bank or debenture holders, so there is no question of default in repayment.



J. KUMAR & ASSOCIATES
CHARTERED ACCOUNTANTS

12. According to the information and explanations given to us, the Company has not granted any loans or advances on the basis of security by way of pledge of shares, debentures or other securities.
13. In our opinion the company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the said Order are not applicable to the Company.
14. In our opinion the Company is dealing in trading in shares, securities, debentures and other investments and maintained proper records of the transactions and contracts, made timely entries therein. The shares and other investments have been held by the company in its own name.
15. According to the information and explanations given to us, the Company has not given any guarantees for loans taken by others from banks or financial institutions. As such, the provisions of clause 4(xv) of the said Order are not applicable to the Company.
16. According to the information and explanations given to us, the Company has not taken any term loan. Accordingly; the provisions of clause 4(xvi) of the said Order are not applicable to the Company.
17. According to the information and explanations given to us and overall examination of the Balance Sheet of the company, we report that no funds raised on short term basis have been used for long term investments.
18. According to the information and explanations given to us, the Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Companies Act, 1956, during the year. Accordingly, the provisions of clause 4(xviii) of the said Order are not applicable to the Company.



J. KUMAR & ASSOCIATES
CHARTERED ACCOUNTANTS

19. According to the information and explanations given to us, the Company has not issued any debentures during the year. As such, the provisions of clause 4(xix) of the said Order are not applicable to the Company.
20. According to the information and explanations given to us the Company has not raised any money by way of public issue during the year. Accordingly, the provisions of clause 4(xx) of the said Order are not applicable to the Company.
21. As explained to us, no fraud on or by the Company has been noticed or reported during the year. Accordingly, provisions of clause 4(xxi) of the said Order are not applicable to the Company.

For J.Kumar & Associates
Firm Regn. No. : 016917N
Chartered Accountants

Sd/-
JITENDERA KUMAR
(Proprietor)
M.NO.073856

Place: New Delhi
Dated: 29/05/2013

OFF.: MZ-40, Ansal Fortune Arcade, Sector-18, Noida (U.P.)
Tel : 0120-4259023 Mobile : 9313036023
Email : jkag2004@yahoo.co.uk

CHIRAU FINANCE INVESTMENT & LEASING CO. LTD.
BALANCE SHEET AS AT 31ST MARCH, 2013

PARTICULARS	NOTE	(Amount in Rs.)	
		AS AT 31st MARCH 2013	AS AT 31st MARCH 2012
I. EQUITY AND LIABILITIES			
(1) SHAREHOLDER'S FUND			
(a) SHARE CAPITAL	1	32,517,000.00	32,517,000.00
(b) RESERVES AND SURPLUS	2	(379,329.00)	(356,520.00)
(2) CURRENT LIABILITIES			
(a) OTHER LONG TERM LIABILITIES	3	2,809.00	2,500.00
TOTAL		32,140,480.00	32,162,980.00
II. ASSETS			
(1) CURRENT ASSETS			
(a) INVENTORIES	4	5,747,720.00	5,747,720.00
(b) TRADE RECEIVABLE	5	8,786,375.00	8,786,375.00
(c) CASH AND CASH EQUIVALENTS	6	40,497.00	62,997.00
(d) SHORT TERM LOANS AND ADVANCES	7	17,565,888.00	17,565,888.00
TOTAL		32,140,480.00	32,162,980.00

NOTES TO ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES 9
THE NOTE NOS 1 TO 9 ARE INTEGRATED PART OF THESE FINANCIAL STATEMENTS

IN TERMS OF OUR AUDIT REPORT
OF EVEN DATE ATTACHED

FOR J KUMAR & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 016917N

FOR & ON BEHALF OF BOARD

Sd/-
(JITENDERA KUMAR)
PROPRIETOR
M. NO. 073856

Sd/-
(SAROJ GUPTA)
DIRECTOR
DIN-00033430

Sd/-
(BHARAT GUPTA)
DIRECTOR
DIN-00053322

PLACE : NEW DELHI
DATE : 29/05/2013

CHIRAU FINANCE INVESTMENT & LEASING CO. LTD.
STATEMENT PROFIT & LOSS FOR THE YEAR ENDED 31ST MARCH, 2013

S.No	PARTICULARS	NOTE	YEAR ENDED 31st, MARCH 2013	YEAR ENDED 31st, MARCH 2012
I.	REVENUE FROM OPERATIONS		-	-
II.	OTHER INCOME		-	-
III.	TOTAL REVENUE		-	-
IV.	EXPENSES:		-	-
	PURCHASE & STOCK IN TRADE		-	-
	CHANGE IN INVENTORIES		-	-
	EMPLOYEE BENEFIT EXPENSES		-	-
	OTHER EXPENSES	8	22,809.00	28,298.00
	TOTAL EXPENSES		22,809.00	28,298.00
V.	PROFIT BEFORE TAX(III-V)		(22,809.00)	(28,298.00)
VI.	TAX EXPENSE:			
	(1)CURRENT TAX			
	PROFIT(LOSS) FOR THE PERIOD(V-VI)		(22,809.00)	(28,298.00)
VIII.	EARNINGS PER EQUITY SHARE			
	(1)EQUITY		0.007	0.009
	(2)DILUTED		0.007	0.009

NOTES TO ACCOUNTS & SIGNIFICANT ACCOUNTING POLICIES
THE NOTE NOS 1 TO 9 ARE INTEGRATED PART OF THESE FINANCIAL STATEMENTS

9

IN TERMS OF OUR AUDIT REPORT
OF EVEN DATE ATTACHED

FOR J KUMAR & ASSOCIATES
CHARTERED ACCOUNTANTS
FRN 016917N

FOR & ON BEHALF OF BOARD

Sd/-
(JITENDERA KUMAR)
PROPRIETOR
M. NO. 073856

Sd/-
(SAROJ GUPTA)
DIRECTOR
DIN-00033430

Sd/-
(BHARAT GUPTA)
DIRECTOR
DIN-00053322

PLACE : NEW DELHI
DATE : 29/05/2013

CHIRAU FINANCE INVESTMENT & LEASING CO. LTD.
NOTES TO ACCOUNTS

	AS AT 31ST MARCH,2013	AS AT 31ST MARCH,2012
NOTE - 1		
SHARE CAPITAL		
AUTHORISED SHARE CAPITAL		
35,00,000 EQUITY SHARES OF RS. 10/- EACH	35,000,000.00	35,000,000.00
ISSUED SUBSCRIBED AND PAID UP SHARE CAPITAL		
3251700 EQUITY SHARES OF RS. 10/- EACH	32,517,000.00	32,517,000.00
	32,517,000.00	32,517,000.00

DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% OF PAID UP EQUITY SHARE CAPITAL

SHAREHOLDER	31.03.2013	31.03.2012	AS AT 31.03.2013	AS AT 31.03.2012
	NO. OF SHARES	NO. OF SHARES	PERCENTAGE	PERCENTAGE
	NIL	NIL	NIL	NIL
	NIL	NIL	NIL	NIL

SHARE RECONCILIATION STATEMENT

	AS AT 31.03.2013	AS AT 31.03.2012
PARTICULARS	EQUITY	EQUITY
SHARES OUTSTANDING AT THE BEGINNING OF THE YEAR	3,251,700.00	3,251,700.00
SHARES ISSUED DURING THE YEAR	-	-
SHARES BOUGHT BACK DURING THE YEAR	-	-
SHARES OUTSTANDING AT THE END OF THE YEAR	3,251,700.00	3,251,700.00

NOTE - 2

RESERVES & SURPLUS

PROFIT & LOSS ACCOUNT

OPENING BALANCE	(356,520.00)	(328,223.00)
ADD/LESS : PROFIT/(LOSS) DURING THE YEAR	(22,809.00)	(28,298.00)
CLOSING BALANCE	(379,329.00)	(356,520.00)

NOTE - 3

NON CURRENT LIABILITIES

AUDIT FEES PAYABLE	2,809.00	2,500.00
Total	2,809.00	2,500.00

NOTE - 4

INVENTORIES

(AS TAKEN, VALUED & CERTIFIED BY MANAGEMENT)

	5,747,720.00	5,747,720.00
	5,747,720.00	5,747,720.00

NOTE - 5

TRADE RECEIVABLES

TRADE RECEIVABLES OUTSTANDING FOR A PERIOD LESS THAN SIX MONTHS

- UNSECURED CONSIDERED GOOD

TRADE RECEIVABLES OUTSTANDING FOR A PERIOD EXCEEDING SIX MONTHS

- UNSECURED CONSIDERED GOOD

	8,786,375.00	8,786,375.00
--	--------------	--------------

8,786,375.00	8,786,375.00
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NOTE - 6

CASH & CASH EQUIVALENTS

CASH IN HAND	35,647.00	57,997.00
BALANCE WITH BANK IN CURRENT A/C	4,850.00	5,000.00
	<u>40,497.00</u>	<u>62,997.00</u>

	AS AT 31ST MARCH, 2013	AS AT 31ST MARCH, 2012
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NOTE - 7

SHORT TERM LOANS & ADVANCES

OTHER SHORT TERM LOANS & ADVANCES		
ADVANCE RECOVERABLE IN CASH OR IN KIND OR FOR VALUE TO BE RECEIVED IN CONSIDERATION	17,525,000.00	17,525,000.00
BALANCE WITH GOVERNMENT AUTHORITIES	40,888.00	40,888.00
	<u>17,565,888.00</u>	<u>17,565,888.00</u>

NOTE - 8

OTHER EXPENSES

ADVERTISING EXPENSES	4,000.00	5,361.00
AUDITORS REMUNERATION	2,809.00	2,500.00
AGM & EGM EXP.	2,800.00	4,000.00
BANK CHARGES	150.00	-
FILING, LISTING & CUSTODIAL FEE	2,000.00	9,690.00
MISCELLANEOUS EXPENSES	8,152.00	197.00
POSTAGE & COURIER	546.00	1,270.00
PRINTING & STATIONERY	1,352.00	3,780.00
LEGAL & PROFESSIONAL CHARGES	1,000.00	1,500.00
	<u>22,809.00</u>	<u>28,298.00</u>

CHIRAU FINANCE INVESTMENT & LEASING CO. LIMITED

Cash Flow Statement for the year ended 31st March, 2013

Particulars	AS AT	AS AT
	31st Mar,2013	31st Mar,2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) before tax	(22,809)	(28,298)
Operating Profit Before tax before working	(22,809)	(28,298)
Capital change, Adjustment for :		
Trade payable		(3,393)
Trade payable & other current liabilities	309	
Net Cash Flow from Operating Activities (A)	<u>(22,500)</u>	<u>(31,691)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Investments	-	-
Sale of Fixed Assets	-	-
Sale of Investments		
Net Cash Used in Investing Activities (B)	<u>-</u>	<u>-</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Issue of Share Capital		
Proceeds from Unsecured Loan		
Repayment of Secured Loan		
Divident Paid		
Net Cash used in Financing Activities (C)	<u>-</u>	<u>-</u>
Net Inflow/(Outflow) {A+B+C}	<u>(22,500)</u>	<u>(31,691)</u>
D. Net Increase in Cash & Cash Equivalents		
Closing Balance :		
Cash in Hand	35,647	57,997
Balance with Scheduled Banks in Current Account	4,850	5,000
Unclaimed Dividend Account		
	<u>40,497</u>	<u>62,997</u>
- Less: Opening Balance		
Cash in Hand	57,997	94,688
Balance with Scheduled Banks in Current Account	5,000	
Unclaimed Dividend Account		
	<u>62,997</u>	<u>94,688</u>
Net inflow /(Outflow)	<u>(22,500)</u>	<u>(31,691)</u>

For & on Behalf of Board of Directors

PLACE :New Delhi
DATE : 29.05.2013

(SAROJ GUPTA)
DIRECTOR
DIN-00033430

(BHARAT GUPTA)
DIRECTOR
DIN-00053322

CHIRAU FINANCE INVESTMENT & LEASING CO. LIMITED

NOTE-9

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF ACCOUNTS AS ON 31ST MARCH, 2013

A) SIGNIFICANT ACCOUNTING POLICIES:

1. *Accounting Convention & Revenue Recognition*

- i) The accounts are prepared on historical cost basis, as a going concern, and are consistent with generally accepted accounting principles and mandatory Accounting Standards.
- ii) The company follows mercantile system of accounting and recognises Income and expenditure on accrual basis except specifically stated otherwise.

2. *Fixed Assets*

The Company does not have any fixed assets.

3. *Inventories*

Inventory is valued at cost or Net Realisable Value whichever is lower. Cost has been calculated at FIFO basis.

4. *Taxation*

Provision for tax is made for Current Taxes. Current tax is provided on the basis of taxable income computed in accordance with the provision of the income-tax Act, 1961. Deferred tax assets is not recognized due to the consideration of prudence.

B. NOTES ON ACCOUNTS:

1. In the opinion of the Board and to the best of its knowledge, the value on realisation of Current Assets, Loans & Advances, in the ordinary course of business would not be less than the amount at which they are stated in the Balance Sheet except stated otherwise elsewhere.

2. *Provision for Taxation*

In view of brought forward losses on considerations of prudence, the company has not recognized the cumulative net deferred tax asset as stipulated in Accounting Standard 22- "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India.

3. *Related Party Transactions*

There is no related party transaction during the year.

4. At present there is no person in the employment of the company to whom the company is liable to pay any retirement benefits.

5. According to the information available with the company, there is no amount due to Micro, Small & Medium Enterprises as at 31st March, 2013.

6. Information required to be given pursuant to the provisions of Part-II of Schedule-VI to the Companies Act, 1956:
- | | 2012-2013 | 2011-2012 |
|--|-----------|------------|
| a) Payment to Directors- | Nil | Nil |
| b) Payment to Auditors-
Audit Fee - | Rs 2,809/ | Rs. 2500/- |
| c) Earnings/ (Expenses) in foreign currency- Nil | | Nil |
7. There is no other information required to be given pursuant to the provisions of Part-II of Schedule- to the Companies Act, 1956 except to the extent as mentioned above.
- 8 *Contingent Liabilities*
There are no contingent liabilities.
- 9 Previous year figures have been re-grouped and re-arranged wherever necessary.
10. Note 1 to 9 form an integral part of the Balance Sheet and Statement of Profit and Loss

In terms of our audit report of even date attached

For J.Kumar & Associates
Firm Regn. No. : 016917N
Chartered Accountants

For and on behalf of the board of Directors

Sd/-
Jitendera Kumar
Proprietor
M.No.073856

Sd/-
Saroj Gupta
Director

Sd/-
Bharat Gupta
Director

Place: New Delhi
Dated: 29/05/2013

Chirau Finance Investment & Leasing Company Limited

CHIRAU FINANCE INVESTMENT AND LEASING COMPANY LIMITED
Regd. Office – 16B/9, D. B. Gupta Road, Karol Bagh, Delhi-110005

PROXY FORM

Folio No. _____
DPID No. _____
CLIENT ID No. _____

I/We _____ of _____ in
the district of _____ being a member/members of
CHIRAU FINANCE INVESTMENT AND LEASING COMPANY LIMITED hereby appoint
_____ vote for me/us and on my/our behalf at the
19th Annual General Meeting of the Company to be held on 28th September, 2013
at 16B/9, D. B. Gupta Road, Karol Bagh, Delhi-110005 at 09:00 A.M. and at any
adjournment thereof.

As witness my/our hand(s) this _____ day of _____ 2013.

Signed by the said _____

Affix
Re.1
Revenue
Stamp

Note: This Proxy form must be deposited at the Registered Office of the Company
not less than 48 hours before the commencement of the meeting.

CHIRAU FINANCE INVESTMENT AND LEASING COMPANY LIMITED
Regd. Office – 16B/9, D. B. Gupta Road, Karol Bagh, Delhi-110005

Attendance Slip

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE
OF THE MEETING HALL.

I hereby record my presence at the 19th Annual General Meeting of the Company
at registered office at 16B/9, D. B. Gupta Road, Karol Bagh, Delhi-110005 on
Saturday, September 28, 2013 at 09:00 A.M.

Members /Proxy Name :
(In Capital Letters)

Folio no. :

DPID No. :

Client ID No. :

Signed by the said _____