

- x. The Company does not have accumulated losses as at the end of the year and the Company has not incurred cash losses during current and the immediately preceding financial year.
- xi. Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks.
- xii. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- xiii. The provisions of any Special Statute applicable to Chit Fund, Nidhi or Mutual Benefit Fund/Societies are not applicable to the Company.
- xiv. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xv. 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, except for the corporate guarantee issued on behalf of its wholly owned subsidiary Prescient Color Limited, amounting to Rs.12,25,00,000 and terms and conditions thereof are not prejudicial to the interest of the company.
- xvi. To the best of our knowledge and based on explanations given to us, the term loans availed during the year by the Company have been used for the purpose for which the same were raised.
- xvii. According to the Cash Flow Statement on the balance sheet date and records examined by us and according to the information and explanations given to us, on overall basis, we report that no funds raised on short term basis have, prima facie, been used during the year for long term investment.
- xviii. The Company has not made any preferential allotment to parties and companies covered under register maintained under Section 301 of the Companies Act, 1956, during the year and the question of whether the price at which the shares have been issued is prejudicial to the interest of the Company does not arise.
- xix. The Company has not issued any debentures and hence the question of creation of any securities does not arise.
- xx. The Company has not raised money by any public issues during the year and hence the question of disclosure and verification of end use of such money does not arise.
- xxi. To the best of our knowledge and belief and according to the information and explanation given to us, no fraud on or by the Company was noticed or reported during the year.

For B. K. Khare & Co.  
Chartered Accountants  
Firm Registration No. 105102W

U. B. Joshi  
Partner  
Membership No – 044097

Pune: 29<sup>th</sup> May, 2010