

Kumar Piyush & Co.

CHARTERED ACCOUNTANTS

AUDITOR'S REPORT TO THE MEMBERS OF ETHNIC DESIGNERS PRIVATE LIMITED

The members of Ethnic Designers Private Limited

1. We have audited the attached Balance Sheet of Ethnic Designers Private Limited as at March 31, 2007, and the Profit and Loss Account for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As per paragraph 1 (2) of the Companies (Auditors' Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order 2004 (together the 'order') issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, the said Order is not applicable to the company being a private limited company whose turnover is less than Rupees Five Crore, paid up capital and Free reserve are less than Rupees Fifty Lakh, has not accepted any public deposit and does not have loan outstanding of Rupees Twenty Five lakh or more from the banks and financial institutions, we did not enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that;
 - i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii) 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;
 - iii) The Balance Sheet, the Profit and Loss Account dealt with by this report are in agreement with the books of account;

C-5, Lajpat Nagar-III, New Delhi-110 024

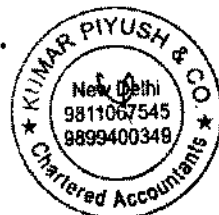
Tel.: 26847423-24, 9312940592, Fax: 91-11-26847424, Email: virendradel@rediffmail.com



- iv) In our opinion, the Balance Sheet, the Profit and Loss Account dealt from this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;
- v) On the basis of written representations received from the directors, as on March 31, 2007 and taken on records by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2007 from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;
- vi) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view conformity with the accounting principles generally accepted in India:
 - (a) In the cases of the Balance Sheet, of the state of affairs of the company as at March 31, 2007;
 - (b) In the case of the Profit and Loss Account, of the loss for the year ended on that date.

**For Kumar Piyush & Co.
Chartered Accountants**

Virendra Kumar Goel
**Virendra Kumar Goel
Partner**



Membership Number: 83705

Place: New Delhi

Date: July 20, 2007

ETHNIC DESIGNERS PRIVATE LIMITED
6926 - Jaipuria Mills, Clock Tower, Subzi Mandi, Delhi - 110 007

BALANCE SHEET AS AT MARCH 31, 2007

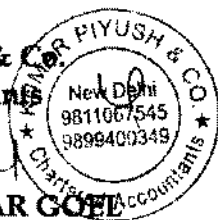
PARTICULARS	SCHEDULES	31.03.2007 Rupees	31.03.2006 Rupees
SOURCES OF FUNDS			
SHAREHOLDERS' FUND			
Share Capital	A	100,000.00	100,000.00
TOTAL LIABILITIES		<u>100,000.00</u>	<u>100,000.00</u>
CURRENT ASSETS, LOANS AND ADVANCES			
Cash and Bank Balances	B	103,817.00	104,817.00
Loans and Advances		400,000.00	400,000.00
Deferred Tax Asset		9,732.00	-
		<u>513,549.00</u>	<u>504,817.00</u>
LESS: CURRENT LIABILITIES AND PROVISIONS	C		
Current Liabilities		438,724.00	433,112.00
NET CURRENT ASSETS		<u>74,825.00</u>	<u>71,705.00</u>
MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED	D	-	22,300.00
PROFIT AND LOSS		25,175.00	5,995.00
TOTAL ASSETS		<u>100,000.00</u>	<u>100,000.00</u>
SIGNIFICANT ACCOUNTING POLICIES AND NOTES ON ACCOUNTS	E		

Schedules referred to above form an integral part of Balance Sheet.

As per our report of even date attached.

For Kumar Piyush & Co.
Chartered Accountants

Virendra Kumar Goel
VIRENDRA KUMAR GOEL
 Partner
 Membership Number: 83705
 Place: New Delhi
 Date: July 20, 2007



Sri Prakash Agrawal
(Sri Prakash Agrawal)
 Director

Sailesh Kumar Gupta
(Sailesh Kumar Gupta)
 Director

ETHNIC DESIGNERS PRIVATE LIMITED**SCHEDULES TO BALANCE SHEET**

PARTICULARS	As At 31.03.2007 Rupees	As At 31.03.2006 Rupees
<u>SCHEDULE - A</u>		
SHARE CAPITAL		
AUTHORIZED		
10,000 Equity Shares of Rs. 10/- each fully paid up	100,000.00	100,000.00
ISSUED, SUBSCRIBED AND PAID UP		
10,000 Equity Shares of Rs. 10/- each fully paid up	100,000.00	100,000.00
	100,000.00	100,000.00
<u>SCHEDULE - B</u>		
CURRENT ASSETS, LOANS AND ADVANCES		
CASH AND BANK BALANCES		
Cash in Hand	84,200.00	85,200.00
<i>Balances with scheduled banks on:</i>		
Current Account with Vijaya Bank, Delhi	19,617.00	19,617.00
	103,817.00	104,817.00
LOANS AND ADVANCES		
<i>(Unsecured and Considered Good)</i>		
<i>Advances for Purchase of Land:</i>		
GCC Consultants	400,000.00	400,000.00
	400,000.00	400,000.00
<u>SCHEDULE - C</u>		
CURRENT LIABILITIES AND PROVISIONS		
CURRENT LIABILITIES		
<i>Advances Against Land:</i>		
Raghunath International Limited	410,000.00	410,000.00
<i>Creditors for Expenses:</i>		
Kumar Piyush & Co.	17,500.00	17,500.00
<i>Expenses Payable:</i>		
Auditors' Remuneration Payable	11,224.00	5,612.00
	438,724.00	433,112.00
<u>SCHEDULE - D</u>		
MISCELLANEOUS EXPENDITURE TO THE EXTENT NOT WRITTEN OFF OR ADJUSTED		
PRELIMINARY EXPENSES		
Balance as on date	22,300.00	22,300.00
Appropriated during the year	(22,300.00)	-
	-	22,300.00



ETHNIC DESIGNERS PRIVATE LIMITED

**INFORMATION PURSUANT TO PART IV OF SCHEDULE VI TO THE
COMPANIES ACT, 1956**


BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. Registration Details :	
Registration No.	136254
State Code	55
Balance Sheet Date	31.03.2007
II. Capital raised during the year (Amount in Rs. Thousand)	
Public Issue	-
Right Issue	-
Bonus Issue	-
Private Placement	100.00
III. Position of mobilization and deployment of funds:	
Total Liabilities	100.00
Total Assets	100.00
Source of Funds :	
Paid-up Capital	100.00
Share Application Money	-
Reserves and Surplus	-
Secured Loans	-
Unsecured Loans	-
Application of Funds :	
Net Fixed Assets	-
Investments	-
Net Current Assets	74.83
Miscellaneous Expenditure	-
Accumulated Losses	-
IV. Performance of the Company: (Amount in Rs. Thousand)	
Turnover	-
Total Expenditure	28.91
Profit/Loss Before Tax	(28.91)
Profit/Loss After Tax	(25.18)
Earnings per shares in Rs.	(2.52)
Dividend Rate %	-
V. Generic Names of three principal products of the Company :	
Items Code No. (ITC Code)	-
Product Description	Real Estate

For and on behalf of the Board


(Sri Prakash Agrawal)

Director
Place: Delhi


(Sailesh Kumar Gupta)
Director

Date: July 20, 2007