

FORM B

Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges

1	Name of the Company	Herald Commerce Limited
2	Annual financial statements for the year ended	31st March, 2013
3	Type of Audit qualification	Qualified Opinion on the Financial Statements of the Company based on the Audit for the year ended 31st March, 2013.
4	Frequency of qualification	First Time
	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report:	<ol style="list-style-type: none"> 1. Current Investment of quoted shares have been valued at cost. 2. Current Investment of Unquoted shares have been valued at cost. 3. Inventories of Unquoted shares have been valued at cost. <p>(Refer page no 18-19 in the annual report)</p> <p>Management Response:</p> <p>The Director against the observation by the Auditors would like to state that though there is volatility in the capital market the Current Investments in quoted and unquoted shares is made at cost value by taking into consideration the future aspects of the Company. The Company expects a good return on the investment made in those shares and thus the valuation has been made accordingly & the said were disclosed under the Note 1(3) to Financial Statements for the year ended 31.03.2013.</p> <p>The Director against the observation by the Auditors regarding Inventories of unquoted shares would like to state since the NRV of the Inventories of unquoted shares is not ascertainable the said have been valued at the cost.</p>
	Additional comments from the board/audit committee chair:	Nil

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5	To be signed by- <ul style="list-style-type: none">• Managing Director• CFO• Auditor of the company• Audit Committee Chairman	<p><i>Suresh Kumar Jain</i></p> <p><i>Tara Shankar Chatterjee</i></p> <p><i>Chuganlal</i></p> <p><i>D. Kallu</i></p>
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