

SALARPURIA & PARTNERS

CHARTERED ACCOUNTANTS

Independent Auditor's Report
To the Members of MAURIA UDYOG LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of MAURIA UDYOG LIMITED ("the company") which comprise the Balance Sheet as at 31 March 2013, the Statement of Profit and Loss and the 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") 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. 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:

- (i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March 2013;
- (ii) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- (iii) 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"), as amended, 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

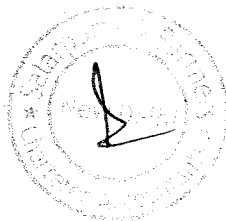
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- b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report 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; and
- e. on the basis of written representations received from the directors as on 31 March 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For SALARPURIA & PARTNERS
FIRM REGISTRATION NO.-302113E
CHARTERED ACCOUNTANTS


(KAMAL KUMAR GUPTA)
PARTNER
M. No. 89190



Place: 1008, Chiranjiv Tower,
43, Nehru Place,
New Delhi-110 019

Date: 30.05.2013

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CHARTERED ACCOUNTANTS ANNEXURE TO THE AUDITOR'S REPORT

(Referred to point 1 of paragraph "Report on Other Legal and Regulatory Requirements" of our Report of even date)

- i. a. The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. Except item-wise records of Plant & Machinery which was purchased in the Court Auction for a consolidated price for which it is not possible to maintain the record.
- c. During the year, in our opinion, the Company has not disposed off a substantial part of its fixed assets.
- ii. a. The inventories of the company have been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory followed by the management were found reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. On the basis of our examination of record of inventory, in our opinion, the Company has maintained proper records of inventory and the discrepancies noticed on physical verification between the physical stocks and the book records were not material in relation to the operations of the Company.
- iii. a. As per the records maintained by the company and duly certified by a Company Secretary, the Company has given loan to Five (5) parties covered under the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs. 2157.17 Lacs and the balance outstanding at the close of the year is Rs. 6.27Lacs. The transactions referred herein above does not include amount of Letters of credits discounted under non fund base exposures.
- b. In our opinion the rate of interest, wherever applicable and other terms and conditions of such loans given by the company are prima facie not prejudicial to the interests of the company.
- c. The Parties were regular in repayment of principal amount and interest.
- d. There is no overdue amount of loans given to companies, firms or other parties listed in the register maintained U/s.301 of the Companies Act, 1956.
- e. The Company has taken unsecured loans from eight (8) parties covered under the register maintained under section 301 of the Companies Act, 1956. The maximum amount involved during the year was Rs.897.09 Lacs and the balance outstanding at the close of the year is Rs. 338.09 Lacs.
- f. In our opinion the rate of interest, wherever applicable and other terms and conditions of unsecured loans taken by the company are prima facie not prejudicial to the interests of the company.
- g. The Company is regular in repayment of principal amount and interest also.
- iv. In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items are of a special nature for which alternative quotations are not available, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods & 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 we been informed of any instance of major weaknesses in the aforesaid internal control system except for the records kept by the branches of the company
- v. a. According to the information and explanations given to us, the transactions that need to be entered into the Register maintained under Section. 301 of the Companies Act, 1956 have been

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so entered.

b. In our opinion and according to the information and explanations given to us, the transactions made in pursuance of contracts or arrangements entered in the register maintained under section 301 of the Act and exceeding the value of Rupees Five Lakhs in respect of any party during the year, have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time. However, in respect of certain transactions including for purchases and sale of goods, prevailing market prices at the relevant time are not available as these transactions are of a special nature, the prices in respect of the transactions entered by the overseas branch of the Company could not be verified.

vi. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 58A & 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public.

vii. In our Opinion, the Company has an internal audit system commensurate with its size and nature of its business.

viii. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

ix. In respect of Statutory Dues :

a. According to the records of the Company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-Tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess, and other statutory dues have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were except the following:

Sl. No.	Name of the Statute	Amount Rs.	Nature of dues	From Where Dispute is Pending
1	Competition Act, 2002	36,37,86,806	Penalty	Competition Appellate Tribunal
2	Central Excise Act, 1944	6,97,712	Service Tax(GTA)	Commissioner (Appeals) Central Excise, Faridabad
		6,97,712	Penalty Service Tax(GTA)	Commissioner (Appeals) Central Excise, Faridabad
		5,77,959	Service Tax Credit Availed on Outward Transport	pending for Adjudication before Deputy Commissioner Central Excise, Faridabad
3	Income Tax Act, 1961	12,73,754	Asst. Year 2003-04	Rectification pending before Dy. Comm. of Income Tax ,Cir(7) Kolkata
		See Note Below	Order U/s 263 and 143(3)	
		See Note Below	Asst. Year 2004-05 Order U/s 263 and 143(3)	Rectification pending before Dy. Comm. of Income Tax ,Cir(7) Kolkata
		6,13,148	Asst. Year 2007-08 Order U/s 143(3)	Rectification pending before Dy. Comm. of Income Tax ,Cir(7) Kolkata

Note :

The liability for the Asst. year 2003-04 & 2004-05 in respect of the demand raised by the Income tax department, has been provided, though the Appeal before the Commissioner Appeal is yet to be Disposed off.


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- b. According to the information and explanations given to us and according to the books and records as produced and examined by us, there are no undisputed dues on account of sales tax, income tax, custom duty, service tax, wealth tax, excise duty and cess as at 31st March, 2013.
- x. The Company has neither accumulated losses as at 31st March, 2013 nor has it incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
- xi. Based on our audit procedures and on the information and explanations given by management, we are of the opinion that the company has not defaulted in repayment of its dues to any financial institution, bank during the year.
- xii. 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 as specified under clause (xiii) of paragraph 4 of the Order are not applicable to the Company.
- xiv. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in other Investments.
- xv. During the year under report the Company has not given any guarantee for loan taken by another body corporate from a bank. In our opinion the terms and conditions of such arrangement are prima facie not prejudicial to the interests of the company.
- xvi. In our opinion and according to the information and explanations given to us, the term loans taken by the company have been applied for the purpose on which they have raised.
- xvii. Based on the information and explanations given to us and on an overall examination of the balance sheet of the Company, in our opinion, there are no funds raised on a short term basis which have been used for long term investment.
- xviii. 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.
- xix. In our opinion and according to the information and explanations given to us, the Company has not issued any secured debentures during the period covered by our report. Accordingly, the provisions of clause 4(xix) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xx. During the period covered by our audit report, the Company has not raised any money by public issue.
- xxi. To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

Place: 1008, Chiranjiv Tower,
43, Nehru Place,
New Delhi-110 019
Date: 30.05.2013

For SALARPURIA & PARTNERS
FIRM REGISTRATION No.-302113E
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(KAMAL KUMAR GUPTA)
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