

## ASHOK KEDIA &amp; COMPANY

Chartered Accountants

## AUDITORS' REPORT

To The Members,  
M/s Anup Malleables Limited

We have audited the attached Balance Sheet of Messrs. Anup Malleables Limited, as at 31<sup>st</sup> March 2003, and also the Profit and Loss Account for the year ended on that date annexed thereto and Cash Flow Statement for the year ended on that date. 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.

We conducted our audit in accordance with 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 the test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principals 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.

As required by the Manufacturing and other Companies (Auditor's Report) Order, 1988 issued by the Central Government of India in terms of sub - section (4A) of section 227 of Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.

Further to our comments in the Annexure referred to above, we report :

1. 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;
2. 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;
3. The Balance Sheet and Profit & Loss Account dealt with by this report are in agreement with the books of accounts;
4. In our opinion, the Balance Sheet and Profit & Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in sub section 3 © of section 211 of the Companies Act, 1956;

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5. On the basis of written representations received from directors, as on 31<sup>st</sup> March, 2003, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March, 2003 from being appointed as a director in terms of clause (g) of sub - section (1) of section 274 of the Companies Act, 1956,
6. 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 in conformity with the accounting principles generally accepted in India :
  - a) in the case of Balance Sheet of the state of affairs of the Company as at 31<sup>st</sup> March, 2003; and
  - b) In the case of Profit and Loss Account, of the Loss for the year ended on that date.
  - c) In the case of Cash Flow Statement of the Cash Flow's of the company to the year ended on that date.

For ASHOK KEDIA & COMPANY,  
CHARTERED ACCOUNTANTS,

  
(A.K. KEDIA)  
PARTNER

4, Gangadhar Babu Lane,  
Kolkata - 700 012

Dated the 2<sup>nd</sup> day September, 2003.



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Annexed referred to in Paragraph I of our report of even date

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1. The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets. The management during the year has physically verified all these assets and no significant discrepancies between book records and physical verification were noticed.
2. None of the fixed assets have been re-valued during the year.
3. The Management has physically verified the Stocks of Finished Goods, Stores, Raw Materials and Manufacturing Components during the year. In our opinion the frequency of verification is reasonable.
4. No material discrepancies was noticed on verification between book records and physical stocks.
5. In our opinion and according to the information and explanation given to us, the procedures of physical verification of stocks followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
6. In our opinion, the valuation of stock are fair and proper in accordance with the normally accepted accounting principles, and is on the same basis as in the preceding year.
7. The Company has taken Loan from body corporate listed in the register maintained under section 301 of the Companies Act, 1956 and the rate of interest and other terms & conditions of such Loans are not prima facie prejudicial to the interest of the company.
8. The Company has not given any Loans, Secured or Unsecured during the year.
9. In our opinion, and according to the information and explanations given to us, internal control procedures for the purchase of Stores, Raw Materials including Manufacturing Components, Plant & Machinery, Equipments & other Assets and sale of goods are commensurate with the size of the Company and its business.

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10. According to information and explanation given to us, the transactions relating to purchase of goods & materials in pursuance of contracts or arrangements entered in the register(s) maintained under section 301 of the companies Act, 1956 (1 of 1956) aggregating during the year to Rs. 50,000/- or more in respect of each party, have been made at prices which are reasonable, having regard to prevailing market prices for such goods according to the Management. However, no quotations could be produced to us.
11. As explained to us, the Company has a regular procedure for the determination of unserviceable or damaged stores, Raw materials and finished goods. No damaged goods were determined during the year.
12. The Company has not accepted any deposits from the Public within the meaning of section 58A of the Companies Act, 1956 and the rules framed there under.
13. During the year no scraps has been generated, there is no by - products arising out of manufacturing process of the company.
14. In our opinion, the company has an adequate internal audit system commensurate with the size and nature of its business.
15. The Central Government has not prescribed the maintenance of cost records under Section 209 (1) (d) of the Companies Act, 1956, for any of the products of the Company.
16. According to the records of the Company, Provident Fund and Employee State Insurance dues have been regularly deposited during the year with appropriate authorities. There are no arrear at the end of the year.
17. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, sales tax, custom duty and excise duty as at 31<sup>st</sup> March, 2003 for a period more than six months from the date the become payable.
18. During the course of our audit of the books of account carried out in accordance with generally accepted auditing practices, we have not come across any personal expenses which have been charged to revenue account, other than those payable under contractual obligation or in accordance with generally accepted business practice.

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19. The Company is not a sick industrial company within the meaning of Clause (o) of Sub - section (1) of Section 3 of the Sick Industrial Companies (Special Provisions) Act, 1985.
20. In respect of service activities of Company mainly machining, fabrication and other job contracts the company has reasonable system for recording receipt, issues and consumption of materials along with reasonable system for authorization as proper level and adequate system of internal control for issue of stores, commensurate with the size of the company and nature of its business. The allocation of materials and men hours to respective job are not made but in our opinion control is exercise on total materials and labour consumed.
21. On the facts and circumstances prevailing in the company other clauses of the aforesaid order are not applicable to it.

For ASHOK KEDIA & COMPANY  
CHARTERED ACCOUNTANTS

4, Gangadhar Babu Lane,  
Kolkata - 700 012

  
(A. K. KEDIA)  
PARTNER

Dated the <sup>2nd</sup> day September, 2003.



**MESSRS ANUP MALLEABLES LIMITED**  
**BALANCE SHEET AS AT 30TH MARCH, 2003**

	SCHEDULE	AS AT 30.03.2003 RS.	AS AT 31.03.2002 RS.
<b>SOURCES OF FUNDS :</b>			
<u>Shareholders' Fund :-</u>			
a) Share Capital	1	7,500,000	7,500,000
b) Reserve and surplus	2	14,603,812	14,871,875
<u>Loan Fund :-</u>			
a) Secured Loan	3	12,768,467	16,301,995
a) Unsecured Loan	4	4,094,248	4,094,248
		<u>38,966,527</u>	<u>42,768,118</u>
<b>APPLICATION OF FUND :</b>			
<u><b>FIXED ASSETS :-</b></u>			
a) Gross Block	5	53,686,261	55,137,416
b) Less: Depreciation		<u>32,641,573</u>	<u>32,821,277</u>
c) Net Block		21,044,688	22,316,139
<b>INVESTMENTS :</b>	6	2,555,746	2,555,746
<u><b>CURRENT ASSETS, LOANS AND ADVANCES:</b></u>			
a) Inventories	7	18,308,652	16,294,946
b) Sundry Debtors	8	6,857,629	8,909,558
c) Cash & Bank Balances	9	1,319,236	1,431,512
d) Loans & Advances	10	2,510,696	5,229,476
		<u>28,996,213</u>	<u>31,865,492</u>
<u><b>LESS: CURRENT LIABILITIES AND PROVISIONS :</b></u>			
a) Current liabilities	11	15,872,500	15,684,666
b) Provisions	12	669,880	661,009
		<u>16,542,380</u>	<u>16,345,675</u>
<b>NET CURRENT ASSETS :</b>		12,453,833	15,519,817
<b>Deferred Tax Assets</b>		2,912,260	2,376,416
		<u>38,966,527</u>	<u>42,768,118</u>
Notes on Accounts & Accounting Policies	18		

This is the Balance Sheet referred to our annexed report of even date

For ASHOK KEDIA & COMPANY

CHARTERED ACCOUNTANTS

(A. K. Kedia)  
PARTNER

Managing Director,

Brj Mohan Todi  
Directors

4, Gangadhar Babu Lane,

Kolkata 700 012

Dated the 2nd day of September, 2003