

FORM A

1.	Name of the Company	Madhav Marbles and Granites Limited
2.	Annual financial statements for the year ended	March 31, 2015
3.	Type of Audit observation	Un-Qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by:	
	• CEO/Managing Director: <u>Ashok Doshi</u> (Mr. Ashok Doshi) • CFO: <u>S. S. Janakarajan</u> (Mr. S.S. Janakarajan) • Auditor of the Company: <u>Suresh Nyati</u> (Mr. Suresh Nyati) Partner, Nyati and Associates • Audit Committee Chairman: <u>Roshan Lal Nagar</u> (Mr. Roshan Lal Nagar)	

INDEPENDENT AUDITORS' REPORT

To
The Members of
Madhav Marbles and Granites Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Madhav Marbles and Granites Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls and ensuring their operating effectiveness and the accuracy and completeness of the accounting records, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2015, its profit/loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

- (1) As required by the Companies (Auditors' Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable. The Order is yet to be notified in the Gazette of India.
2. As required by Section 143(3) of the Act, we report that:
 - a We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - 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 aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;

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- e. on the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note on Contingent Liabilities and Note on Contingent Assets to the financial statements;
 - (ii) The Company did not have any long-term contracts including derivative contracts hence; the question of any material foreseeable losses does not arise;
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **NYATI & ASSOCIATES**
Chartered Accountants
Firm Registration No. 002327C


(Suresh Nyati)

Partner
Membership No. 70742



Udaipur, May 23, 2015

Annexure to Auditors' Report

- (I) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) During the year, fixed assets have not been physically verified by the management. However, there is a regular programme of verification which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets.
- (II) (a) The inventory (excluding stocks lying with third parties) has been physically verified by the management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) In our opinion the Company has maintained proper records of inventory. The discrepancies between the physical stocks and the book stocks were not material in relation to the operation of the Company and the same have been properly dealt with in the books of account.
- (III) As informed the Company has not granted any loans, secured or unsecured, to Companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, accordingly clause 3(iii) (a), (b) of the said order are not applicable to the Company.
- (IV) In our opinion and according to the information and explanations given to us, the internal control system needs to be strengthened for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed continuing failure to correct major weaknesses in internal control system of the Company.
- (V) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the provisions of Sections 73 to 76 of the Act and the rules framed there under.
- (VI) We have broadly reviewed the books of account maintained by the Company in respect of products where the maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Act and the rules framed there under and we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (VII) (a) According to the records, information and explanation provided to us, the Company is generally regular in depositing the undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Wealth-tax, Service Tax, Value added Tax, Customs duty, Excise duty, Cess



and other material statutory dues applicable to it with the appropriate authorities.

- (b) According to the information and explanations given to us and records of the Company examined by us, there are no dues of Wealth Tax, Sales Tax, Service Tax, Value added Tax and Customs duty which have not been deposited on account of any dispute, and the particulars of dues of Income tax, and excise duty as at March 31, 2015 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of the disputed dues	Amount Rs. Lacs	Period to which the amount relates	Forum where disputes are pending
Income Tax Act, 1961	Disallowance of claim of deduction u/s 80IA and interest attributable to interest free advance.	56.40	2012-13	CIT(A)
Income Tax Act, 1961	Disallowance of claim of deduction u/s 80IA and interest attributable to interest free advance.	72.71	2011-12	CIT(A)
Central Excise Duty	Disallowing Exemption/concession towards DTA sale under Notification No.23/2003 dated 31.3.2003	235.06	1 st April 2008-31 st December 2013	Central Excise & Service Tax Appellate Tribunal, Commissioner (Appeals)
Departmental Appeal				
Income Tax Act, 1961	Relief granted by Commissioner of Income Tax (Appeals) for deduction u/s 80IA, 10B and allowance of expenses	61.48	A.Y. 2009-2010 to 2010-11	ITAT



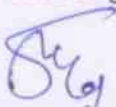
Income Tax Act, 1961	Relief granted by Commissioner of Income Tax (Appeals) for deduction u/s 80IA, 10B and allowance of expenses	62.77	2008-2009	High Court
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- (c) According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (VIII) The Company does not have accumulated losses at the end of the financial year nor has incurred cash losses in the current and immediately preceding financial year.
- (IX) According to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institution(s), bank(s) or debenture holder(s).
- (X) In our opinion, and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (XI) According to the information and explanations given to us, the term loans have been applied for the purpose for which the loans were obtained.
- (XII) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of any such case by the Management.

For **NYATI & ASSOCIATES**

Chartered Accountants

Firm Registration No. 002327C



(Suresh Nyati)

Partner

Membership No. 70742



Udaipur, May 23, 2015