



# SAMPATH & RAMESH

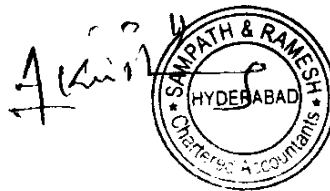
## CHARTERED ACCOUNTANTS

(Regd No. (FRN) 005947S)

### AUDITORS REPORT

To  
**The Members**  
**MIDFIELD INDUSTRIES LIMITED**  
**Hyderabad**

1. We have audited the attached **Balance Sheet** of **M/s MIDFIELD INDUSTRIES LIMITED** as at **31<sup>st</sup> March, 2012** and the **Profit & Loss Account** and the **Cash Flow Statement** 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.
3. We believe that our audit provides a reasonable basis for our opinion, as required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub section (4A) of section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in the paragraphs 4 and 5 of the said order.
4. Further to our comments in the Annexure referred in the paragraph 1 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, Profit & Loss Account and Cash Flow Statement** dealt with by this report are in agreement with the books of accounts.
  - iv) In our opinion, the **Balance Sheet, Profit & Loss Account and Cash Flow Statement** dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956; to the extent applicable.

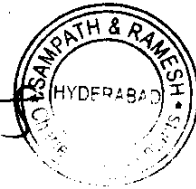


- v) On the basis of the written representations received from the directors, as on **31<sup>st</sup> March, 2012** and taken on record by the Board of Directors, we report that none of the Director is disqualified as on **31<sup>st</sup> March, 2012** from being appointed as a Director in terms of clause (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 read with the notes thereon 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 so far as relates to **Balance Sheet**, of the state of affairs of the Company as on **31<sup>st</sup> March, 2012**.
- b) In so far as relates to **Profit and Loss account** of the Profit of the Company for the year ended on that date.
- c) In so far as relates to **Cash Flow Statement**, of the cash flows of the company for the year ended **31<sup>st</sup> March, 2012**.

**PLACE : HYDERABAD**  
**DATE : 22<sup>nd</sup> August, 2012**

**For SAMPATH & RAMESH**  
**Chartered Accountants**  
**(FRN) 005947S**

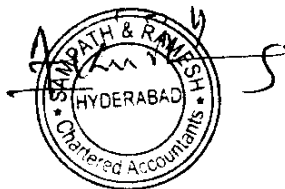
  
**( A. KRISHNA REDDY )**  
**Partner M No. 204755**



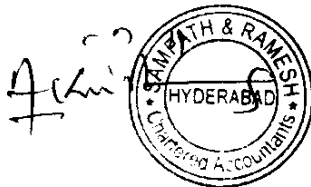
## ANNEXURE TO THE AUDITORS' REPORT

**Referred to as in Paragraph (1) of our report of even date**

1. In Respect of its Fixed Assets
  - a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets on the basis of available information.
  - b) As explained to us, the fixed assets have been physically verified by the management during the year in a phased periodical manner, which in our opinion is responsible, having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such physical verification.
  - c) During the year, the company has not disposed of substantial part of the Assets. According to the information and explanations given to us, we are of the opinion that no transactions are effected involving disposal of assets so as to affects going concern status company.
2. In respect of its Inventories :
  - a) As explained to us, inventories have been physically verified during the year by the management at regular intervals. 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 inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
  - c) The company had maintained proper records of inventories. In our opinion and according to the information and explanations given to us, the discrepancies noticed on verification between the physical stocks and the book records were not significant, have been properly dealt with in the books of accounts.
3. In respect of Loans secured or unsecured, granted or taken by the company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
  - a) During the year the company has not taken loans from parties covered in the register maintained under section 301 of the Companies act, 1956. the Company has not granted any loans to the parties covered in the register maintained under section 301 of the companies act, 1956.
4. In our opinion and according to the information and explanations given to us, 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. During the course of our audit, based on our audit procedures applied, we have not observed any continuing failure to correct major weakness in internal controls.



5. As explained to us, and based on our verification and examination of the books of accounts we are of the view that there are no transactions that need to be entered into the register in pursuance of section 301 of the act. In view of this, in our view, no comment under clause (v) (b) is considered necessary
6. In our opinion, and according to the information and explanations given to us, the Company has not accepted any Deposits for which the provisions of section 58A or 58AA of the Companies Act, 1956, and the Companies (Acceptance of Deposits) Rules 1975 apply.
7. In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountant appointed by the Management have been commensurate with the size of the Company and the nature of its business.
8. We have broadly reviewed the books of account maintained by the Company in respect of products where, pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been prescribed under clause (d) of sub section (1) of section 209 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
9. In respect of statutory dues:
  - a) According to the records of the company and as per the information and explanations given to us, the company is generally regular in depositing with appropriate authorities, undisputed Statutory dues including, Provident fund, Employee's state insurance, Custom duty, Income tax, 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, no disputed amounts payable in respect of Income tax, Sales tax, Custom duty, Excise duty and Cess were outstanding, as at 31<sup>st</sup> March, 2012.
10. In our opinion, the company neither has accumulated losses at the end of the year nor incurred cash losses during the financial year covered by our audit in the immediately preceding financial year.
11. As per the records of the Company and according to the information and explanations given to us, we are of the opinion the Company has not defaulted in repayment of dues to banks and financial institutions.
12. According to the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other similar securities.



13. In our opinion, the company is not a chit fund or a nidhi / mutual benefit fund/ society. Accordingly the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
14. In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the company.
15. In our opinion, according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion and according to the information and explanations given to us, the term loans have been applied for the purpose for which they were obtained.
17. In our opinion, and according to the information and explanations given to us and on an overall examination of statements and records of the company, that the funds raised on short-term basis have, prima facie, not been used during the year for long-term investment.
18. In our opinion, the Company has not made any preferential allotment of shares/securities during the year to parties and companies covered in the register maintained under section 301 of the Companies act, 1956.
19. The Company has not issued any debentures during the year.
20. The Company has not raised money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us and based on audit procedures performed, no fraud on or by the Company has been noticed or reported during the year.

**PLACE : HYDERABAD**  
**DATE : 22<sup>nd</sup> August, 2012**

**For SAMPATH & RAMESH**  
**Chartered Accountants**  
**(FRN) 005947S**

  
**(A. KRISHNA REDDY)**  
**Partner M No. 204755**

