

ARUN K. GUPTA & ASSOCIATES
CHARTERED ACCOUNTANTS

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**AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF AHLUWALIA
CONTRACTS (INDIA) LIMITED ON THE CONSOLIDATED FINANCIAL
STATEMENTS OF AHLUWALIA CONTRACTS (INDIA) LIMITED AND ITS
SUBSIDIARIES**

To
The Board of Directors of
Ahluwalia Contracts (India) Limited

1. We have audited the attached Consolidated Balance Sheet of M/s. Ahluwalia Contracts (India) Limited and its subsidiaries, as at 31st March, 2011, the Consolidated Profit and Loss Account and also the Consolidated cash flow statements for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management and have been prepared by the management on the basis of separate financial statements of the Parent Company and its subsidiaries. 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. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of five subsidiaries namely Dipesh Mining Private Ltd, Jiwanjyoti Traders Pvt. Ltd, Paramount Dealcomm Pvt. Ltd, Prem Sagar Merchants Pvt. Ltd & Splendor Distributors Pvt. Ltd, whose financial statements reflect total assets of Rs. 498.62 Lacs as at 31st March, 2011 and total revenue of Rs. Nil for the year then ended and net cash flows from operating activities of Rs. (4.81 Lacs). These financial statements have been audited by other auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts included in respect of these subsidiaries is based solely on the report of the other auditors.
4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 on Consolidated Financial Statements issued by the Institute of Chartered Accountants of India.



5. To the best of our information and according to the explanations given to us and on consideration of the separate audit reports on individual audited financial statements of the Company and the aforesaid subsidiaries, in our opinion the attached consolidated financial statements read with accounting policies and notes thereon give a true and fair view in conformity with the accounting principles generally accepted in India
- i) in the case of Consolidated Balance Sheet, of the state of affairs of the Group as at 31st March, 2011;
 - ii) in the case of Consolidated Profit and Loss Account, of the Profit of the Group for the year ended on that date; and
 - iii) in the case of Consolidated Cash Flow statement of the cash flow of the Group for the year ended on that date.

For **Arun K. Gupta & Associates**

Firm Registration No. 000605N

Chartered Accountants



Girish Kumar Goenka

Partner

M.No. 96655

Place : New Delhi

Date : 30.05.2011