

Auckland International Limited

UNIT : AUCKLAND JUTE MILLS

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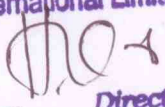
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FORM B

Covering letter of the Annual Audit report

1.	Name of the Company	Auckland International Limited
2.	Annual financial statements for the year ended	31st March, 2013
3.	Type of Audit qualification	Qualified
4.	Frequency of qualification	Since inclusion of clause for qualification
5.	Relevant notes in the annual financial statements and management's response to the qualification in the director's report	The Qualification made by the Statutory Auditors in their Report thereto are stated as under: ➤ <u>Qualification of accounting issues:</u> (i) <i>Insurance Claims, Internal Marketing Assistance, receipt from DEPB License etc. are accounted for on cash basis (Refer Note 1.3 of Notes to Financial Statement)</i> (ii) <i>The accrued liability on account of encashment of leave by the employees is not provided and accounted for on Cash Basis. (Refer Note 1.11 of Notes to Financial Statement)</i> <i>Unprovided Liability on this account as on 31st March 2013 as determined by actuarial valuation amounts to Rs. 41.37 lacs.</i> (iii) <i>The accrued liability on account of Gratuity payables to staff and workers on retirement during the year is accounted for on cash basis. However, future liability on account of Gratuity payable to employees as determined by LIC as on 31st March 2013 amount to Rs.1682.90 lacs against which Rs.1536.56 lacs have been funded with LIC as premium for the policy taken in this regard. Amount of unfunded/Unprovided liability in this regard</i>
6.	Additional comments from the board/audit committee chair	
7.	Signed by	
	Shri H.S Baped, CEO	

		<p>has been determined at Rs.146.34 lacs (after considering return on plan assets) (Refer Note 31 of Notes to Financial Statement). This is in deviation of the procedure prescribed under AS15.</p> <p>Effects of the foregoing to the extent determinable, balance of Reserve & Surplus & Profit for the year are overstated by Rs.187.71 lacs and liability is under stated by the same amount.</p> <p>➤ <u>Management's response to the Qualification in Director's Report</u> M/s. S.S Kothari & Co., Chartered Accountants and Statutory Auditors of the Company, have submitted their Report under Section 227 of the Companies Act, 1956 and the comments made by them in their Report have been adequately dealt with in the relative Notes to the Financial Statements which are self explanatory.</p> <p>➤ Please refer to Page Nos. 23, 30, 31 & 40 of the Annual Report for your reference.</p>
6.	Additional comments from the board/audit committee chair	<p>➤ <u>Agreement/Disagreement with the Qualification:</u> The Nature of the Qualification is stated above in Point 5. And the audit committee Chairman agrees with the Qualification given by the Auditors in their Report.</p> <p>➤ <u>Steps taken to resolve the qualification:</u> The management has made sincere efforts to remove the aforementioned Qualifications and has also undertaken constructive steps to evade the qualifications possibly within the next couple of years.</p>
7.	Signed by	
	Shri H.S Bayed, CEO	<p>Auckland International Limited</p>  <p>Director</p>

	Shri S.C Bhutoria, CFO	<p>For Auckland International Ltd.</p>  <p>GENERAL MANAGER</p>
	M/s. S.S Kothari & Co., Auditors of the company	<p>For S. S. Kothari & Co.</p>  <p>Partner</p>
	Shri M.C Singhi, Audit Committee Chairman	<p>Auckland International Limited</p>  <p>Director</p>