

AUDITORS' REPORT ON LIMITED REVIEW

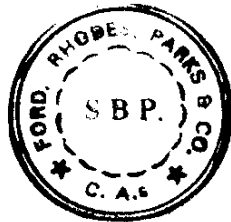
We have reviewed the accompanying statement of unaudited financial results for the quarter ended 30th June, 2012 of Muller & Phipps (India) Limited, except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the Management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors / committee of Board of directors. Our responsibility is to issue a report on the Statement based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410 issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatements. A review is limited primarily to the inquiries of company personnel and analytical procedures applied to the financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly we do not express an audit opinion.

The financial results have been presented on a 'going concern' basis although the net worth of the Company is completely eroded, in view of the representations given by the management that the Company will be able to carry on business profitably in the future.

No confirmation has been received from a foreign group entity for the net amount of ₹ 128.88 lacs due from it and outstanding for more than two years and which the management considers as fully recoverable. In the absence of the confirmation, we are unable to express an opinion on the recoverability of this amount.

Based on our review conducted as above and *subject to the matter in the preceding paragraph*, nothing has come to our attention that causes us to believe that the Statement prepared in accordance with applicable Accounting Standards and other recognised accounting practices and policies have not disclosed the information required to be disclosed in terms of clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.



Mumbai : 10th August, 2012

For Ford, Rhodes, Parks & Co.
Chartered Accountants
Firm's Registration No. 102860W

A handwritten signature in black ink, appearing to read 'S. B. Prabhu'.

S. B. Prabhu
Partner
Membership No. 35296