

## INDEPENDENT AUDITOR'S REPORT

TO  
THE MEMBERS OF  
ELECTROTHERM (INDIA) LTD.

### Report on the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone Ind AS financial statements of **ELECTROTHERM (INDIA) LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity, Statement of Cash Flows for the year then ended and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us read with the notes to accounts, except for the effects of the matter described in the Basis for Qualified Opinion section of our report the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 March 31, 2019, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

#### Basis for Qualified Opinion

*We draw attention to Note No. 34(d) of non-provision of interest on NPA accounts of banks of Rs 124.31 Crore (Net of Reversal on settlement), for the year under consideration and the total amount of such unprovided interest till date is Rs 876.35 Crore. The exact amounts of the said non provisions of interest are not determined and accounted for by the Company and to that extent Bankers loan liabilities is understated, and profit is overstated.*

We conducted our audit in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Standalone Ind AS Financial Statements.

#### Emphasis of Matter

- We draw attention to point no. 1(b) of the accompanying Standalone Financial Statements in respect of reclassification /restatement of the repayment of installments to the banks & financial institutions and reclassification of consumption of coal.*
- We draw attention to Note No. 33(a) of the accompanying Standalone Ind AS Financial Statements in respect of Winding up petitions.*
- We draw attention to Note No. 33(b) of the accompanying Standalone Financial Statements in respect of treatment in the books of accounts of the assignment / settlement of Debts of various Banks and the financial institutions and its payment by the company and effect of reduction of loan amount.*
- We draw attention to Note No. 33(b)(i)(d) of the accompanying Standalone Financial Statements, in respect of a Charge sheet filed by the Central Bureau of Investigation (CBI) against the Company and its few Directors.*
- We draw attention to Note No. 34(a),(b),(c) of the accompanying Standalone Financial Statements, in respect of non-provision of long disputed claims/liability of various Government agency against the Company.*
- We draw attention to Note No. 35 of the accompanying Standalone Financial Statements in respect of third parties balance confirmations, its classification in respect of nature of realization of the amount, provision thereof and in respect of the various other disclosures.*
- We draw attention to Note No. 37 of the accompanying Standalone Financial Statements in respect of other cases before various authorities.*

*In our opinion, in respect of the above matters emphasized we do not provide any modified opinion as these are not material.*

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Ind AS financial statements for the financial year ended March 31, 2019. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

**INDEPENDENT AUDITOR'S REPORT**

Key Audit Matters	How the matter was addressed in our audit
<p>Recoverability of Trade Receivable balances - Trade receivables (as described in note 10 of the Standalone Ind AS Financial Statements)</p> <ul style="list-style-type: none"> <li>Year-end outstanding trade receivables represent balance outstanding from domestic and export customers.</li> <li>Trade receivables by nature carry certain risks in general which include overdue balances, customers in weaker economic and geopolitical environment, customer's ability to pay, provision in relation to expected credit loss, assessment of recovery process and compliance with risk management controls.</li> <li>Procedures to mitigate such risks includes element of management judgment and are important to access recoverability of trade receivables.</li> <li>Trade receivable has been considered a key audit matter in the audit due to size of the outstanding balance of trade receivables.</li> </ul>	<p>Our audit procedures among other things, included the following:</p> <ul style="list-style-type: none"> <li>Understood and tested on a sample basis the design and operating effectiveness of management control over the customer acceptance process, collection and the assessment of the recoverability of receivables;</li> <li>tested on a sample basis the ageing of trade receivables at year end;</li> <li>in respect of material trade receivables balances, inspected relevant contracts and correspondence with the customers;</li> <li>In respect of material trade receivables balances which are past due, additional procedures were performed to evaluate their historical payment trends, terms &amp; conditions of customer contracts, assessed whether the customers are experiencing financial difficulties, and assessed expected credit loss assessment provided by the management;</li> <li>Compared the collateral in the nature of bank guarantees/letter of credits provided by customers as applicable, and;</li> <li>Evaluated the level of provisions made by management for trade receivables.</li> </ul>

**Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report but does not include the standalone Ind AS financial statements and our auditors' report thereon.

Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Standalone Ind AS Financial Statements**

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone Ind AS financial statements, management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Board of Directors is also responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the standalone Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone Ind AS financial statements.

## INDEPENDENT AUDITOR'S REPORT

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- o Identify and assess the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- o Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.
- o Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- o Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the adoption of the accounts of the Company by the Board of the Directors in their meeting on 28th May 2019. However, future events or conditions may cause the Company to cease to continue as a going concern.
- o Evaluate the overall presentation, structure and content of the standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone Ind AS financial statements for the financial year ended March 31, 2019 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

- (A) As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
- (B) As required by Section 143(3) of the Act, we broadly 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 it appears from our examination of those books;
  - (c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the cash flow statement dealt with by this report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act; and
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in '**Annexure B**'.

## INDEPENDENT AUDITOR'S REPORT

- (g) In our opinion, the managerial remuneration for the year ended March 31, 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (C) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended 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 Standalone Financial Statements - Mainly Refer Note No. 30, 34 and 37 to the Standalone Financial Statement;
  - (ii) There are no long term contracts including derivative contracts and accordingly no provision is required to be made for any loss from the same;
  - (iii) There is no fund which is pending to be transferred to the Investor Education and Protection Fund by the Company.
  - (iv) The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from November 8, 2016 to December 30, 2016 have not been made in these standalone financial statements since they do not pertain to the financial year ended March 31, 2019.

**For, Hitesh Prakash Shah & Co**  
(Firm Regd.no: 127614W)  
Chartered Accountants

**Hitesh Shah**  
Partner

Membership No. 124095

Place : Ahmedabad  
Date : 31<sup>st</sup> August, 2019

## ANNEXURE A TO THE AUDITOR'S REPORT

The **Annexure A** referred to in Independent Auditor's Report to the members of **Electrotherm (India) Limited** on the Standalone Financial Statements for the year ended on **March 31, 2019**, we broadly report that for the year under consideration:

- (i) (a) The Company has maintained records showing full particulars, including quantitative details and situation of fixed assets; however the Company is in the process of updating the fixed assets register in certain respect.
- (b) As informed to us, the Company has a programme of physical verification of its fixed assets by which the fixed assets are verified by the Management at periodic manner. In accordance with this programme fixed assets of Engineering Division were verified during the year and as informed to us, no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanation given to us the title deeds of immovable properties (which are included under the note 3 - 'Property, plant and equipment'), are held in the name of the Company.
- (ii) The physical verification of inventory has been conducted at reasonable intervals by the Management during the year, except for goods-in-transit. As informed to us, the discrepancies noticed on physical verification of inventory as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- (iii) (a) The Company has granted loans to 1 company covered in the register maintained under section 189 of the Act. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loans are not prejudicial to the Company's interest.
- (b) In respect of the aforesaid loans, the term of repayment of principal and Interest has not been stipulated. However, the repayments or receipts are regular.
- (c) In respect of the aforesaid loans, in view of above, there is no amount overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, mainly provisions of sections 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans given and investments made have been complied with by the Company. The Company has not granted any guarantees & security in terms of sections 185 and 186 of the Act.
- (v) In our opinion, and according to the information and explanations given to us, during the year under consideration, the Company has not accepted any deposits within the meaning of sections 73 to 76 of the Act and Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- (vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Sales Tax, Duty of Customs, Cess and other material statutory dues, as applicable, with the appropriate authorities though there has been a slight delay in a few cases.

There are no undisputed amounts payable in respect of above dues which were in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT**

- (b) According to the information and explanations given to us and the records of the Company examined by us, following are the details of outstanding dues in respect of Income Tax, Goods and Service Tax, Sales Tax, service tax, duty of customs, duty of excise, value added tax or cess etc which have not been deposited/adjusted/reversed on account of any dispute:-

Name Of The Statute	Nature Of Dues	Amount (In Crore Rupees)	Period To Which The Amount Relates	Forum Where Dispute Is Pending
Central Excise Act,1944	Excise Duty	0.004	2005-06	Commissioner, Central Excise, Gandhidham
	Excise Duty	11.65	Dec-05 To Dec-08	CESTAT, Ahmedabad
	Excise Duty	175.00	Apr-05 To Mar-10	CESTAT, Ahmedabad
	Excise Duty (Advance License)	22.41	Mar-11 To Dec-11	Commissioner, Central Excise, Gandhidham
	Excise Duty	68.62	Oct-07 To Sep-12	Commissioner, Central Excise, Gandhidham
	Excise Duty	0.12	Apr-08 To July-11	CESTAT, Ahmedabad
	Excise Duty	2.40	2008-09	CESTAT, Ahmedabad
	Excise Duty	57.38	Apr-09 To Mar-10	Commissioner, Central Excise, Gandhidham
	Excise Duty	6.82	February 2014 to March 2015	Comissioner of Central GST Audit, Rajkot
<b>Sub Total</b>		<b>344.40</b>		
Finance Act,1994	Service Tax	1.84	Apr-07 To Mar-08	Commissioner, Central Excise, Gandhidham
	Service Tax	0.19	Apr-09 To Aug-10	CESTAT, Ahmedabad
<b>Sub Total</b>		<b>2.03</b>		
Customs Act,1962	CVD	7.27	Mar-11 To Dec-11	CESTAT, Ahmedabad
	Interest	6.09	May-07 To Feb-08	CESTAT, Ahmedabad
	Custom Duty	0.83	Mar-12 To Jan-13	CESTAT, Ahmedabad
	Custom Duty	0.02	Apr-11	Commissioner Of Customs (Preventive), Jamnagar
<b>Sub Total</b>		<b>14.21</b>		
Maharashtra VAT Act, 2002	VAT	6.28	2009-10	Assistant Commissioner of MVAT, Mazgaon
	VAT	23.93	2010-11	Assistant Commissioner of MVAT, Mazgaon
<b>Sub Total</b>		<b>30.21</b>		
Gujarat VAT Act 2005	VAT	10.35	Financial Year (2010-11)	Joint Commissioner,Rajkot
<b>Sub Total</b>		<b>10.35</b>		
Central Sales Tax Act, 1956	CST	9.65	Financial Year (2010-11)	Joint Commissioner,Rajkot
	CST	4.91	Financial Year (2013-14)	Joint Commissioner,Rajkot
<b>Sub Total</b>		<b>14.65</b>		
<b>Grand Total</b>		<b>415.76</b>		

- (viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has defaulted in repayment of loans or borrowings to financial institution and bank as at the balance sheet date. Details of which are as below:

Name of Lender	Amount of Default as on March 31, 2019* (₹ in Crore)			Default From
	Principal	Interest	Total	
Central Bank of India	428.94	7.19	436.13	March 2012
Indian Overseas Bank	200.00	0.01	200.01	August 2011
Standard Chartered Bank	15.31	-	15.31	December 2011

The above table only includes the banks which are not settled as on March 31, 2019.

\* The above table does not include the interest which bank has not provided after the account has been classified Non Performing Assets and the amount which has been assigned/settled by the lenders.

**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT**

- (ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.
- (x) 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 material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) In our opinion and according to the information and explanation given to us, the Company is not a Nidhi Company. Accordingly paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Financial Statements as required by the applicable Ind AS-24, Related Party Disclosures.
- (xiv) According to the information and explanation given to us and on overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence reporting requirements under clause 3(xiv) are not applicable to the Company and not commented upon.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations provided to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the paragraph 3(xvi) of the Order is not applicable to the Company.

**For, Hitesh Prakash Shah & Co**  
(Firm Regd.no: 127614W)  
Chartered Accountants

**Hitesh Shah**  
Partner

Membership No. 124095

Place : Ahmedabad  
Date : 31<sup>st</sup> August, 2019

**Annexure B referred to paragraph B of Report on Other Legal Regulatory Requirements of Independent Auditor's report of even date for year ended March 31, 2019.**

**Report on the Internal Financial Controls under Clause (i) of Sub - section 3 of Section 143 of the Companies Act, 2013 ("the Act").**

We have audited the internal financial controls over financial reporting of **Electrotherm (India) Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the Standalone IND AS Financial Statements of the company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial Controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements was established and maintained and if such controls operated effectively in all material respects.

**ANNEXURE B TO INDEPENDENT AUDITORS' REPORT**

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements.

**Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Standalone Ind AS Financial Statements**

A company's internal financial control over financial reporting with reference to these Standalone Ind AS Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these Standalone Ind AS Financial Statements includes those policies and procedures that

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention or timely detection of un-authorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls Over Financial Reporting with Reference to these Standalone Ind AS Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these Standalone Ind AS Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, except stated otherwise or reported to the company, adequate internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements and such internal financial controls over financial reporting with reference to these Standalone Ind AS Financial Statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For, Hitesh Prakash Shah & Co**  
(Firm Regd.no: 127614W)  
Chartered Accountants

Place : Ahmedabad  
Date : 31<sup>st</sup> August, 2019

**Hitesh Shah**  
Partner  
Membership No. 124095

**PS:** It is clarified that financial statements were approved, and two Directors & Other Signatories were authorized to sign the financial statement in the Board of the Director's Meeting held on 28th May 2019. Now these financial statements, have been signed by the another Authorized Directors and Other signatories, in pursuance to partly modification resolution passed by the Board of Directors in their meeting held on 31st August 2019 and accordingly, this report and financial statement are signed by us on 31st August 2019, on the basis of the accounts adopted in the Board of Directors Meeting and events up to 28th May 2019.