

# Independent Auditors' Report

To the Members of Redington (India) Limited

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of Redington (India) Limited ("the Company"), which comprise the standalone balance sheet as at March 31, 2021, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information in which are included the financial statements / financial information ("the Returns") for the year ended on that date audited by the branch auditors of the Company's branch at Singapore.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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, 2021, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us along with the consideration of audit reports of the branch auditors referred to in the "Other Matters" paragraph below is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. 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.



The key audit matter	How the matter was addressed in our audit
<p><b>Revenue recognition and trade receivables</b></p> <p>Revenue recognition involves certain key judgments relating to identification of contracts with customers, identification of distinct performance obligations including assessment of the Company acting as a principal or agent in the transaction, determination of transaction price and the basis used to recognise revenue either at a point in time or over a period of time.</p> <p>Revenue is recognised when (or as) a performance obligation is satisfied i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.</p> <p>Revenue recognition has been identified as a key audit matter because the Company and its external stakeholders focus on revenue as a key performance metric. This could create an incentive for revenue to be overstated or recognised before control has been transferred.</p> <p>Further, the Company has significant trade receivables at year end. Given the size of the balances and the risk of some of the trade receivables not being recoverable, judgement is required to evaluate the adequacy of allowance recorded to reflect the risk.</p> <p>See note 2(d)(i), 2(d)(vii), 3(i), 3(u) and 40(c) to the standalone financial statements.</p>	<p>In view of the significance of the matter, the following key audit procedures were performed by us:</p> <ul style="list-style-type: none"> <li>Assessed the appropriateness of the revenue recognition accounting policies and its compliances with applicable accounting standards.</li> <li>Tested the design, implementation and operating effectiveness of key internal controls relating to revenue recognition.</li> <li>Performed substantive testing of revenue transactions recorded during the year on a sample basis by verifying the underlying documents of the sale.</li> <li>Performed testing for samples of revenue transactions recorded close to the year-end by verifying underlying documents, to assess the accuracy of the period in which revenue was recognized.</li> <li>Selected samples of contractual arrangements, tested the assessment of whether the Company acts as a principal or agent in the transaction and evaluated the recognition of revenue on a gross or net basis</li> <li>Evaluated management assessment of the impact on revenue recognition and consequential impact on the expected credit loss allowance and other areas of judgement, including for possible effects, if any from the COVID-19 pandemic.</li> </ul>

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The key audit matter	How the matter was addressed in our audit
<p><b>Supplier rebates</b></p> <p>The Company is entitled to price support from the suppliers in the form of rebates (also referred to as backend income). The Company has varied types of rebate schemes and the quantum of rebates recorded against cost of purchase of traded goods / services are significant in relation to the profits. Accordingly, determination of the Company's entitlement to such rebates, its quantum and accuracy of period in which the rebates are recorded were areas of focus for our audit.</p> <p>See note 2(d)(vi) to the standalone financial statements.</p>	<p>In view of the significance of the matter, the following key audit procedures were performed by us:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of and assessed the design, implementation and operating effectiveness of the Company's key internal controls over supplier rebates.</li> <li>• Selected samples and verified underlying documents such as program/ scheme documents, credit notes / payments received to verify the accuracy of the amounts and the period in which the supplier rebates were recorded.</li> <li>• Selected samples of supplier rebates recorded in the subsequent financial period and verified the underlying documents to evaluate the accuracy of the period in which the supplier rebates were recorded.</li> </ul>
<p><b>Taxation related matters</b></p> <p>Determination of tax provision and assessment of contingent liabilities in respect of various direct tax and indirect tax matters involves judgment, interpretation of laws, regulations, judicial pronouncements, etc. Judgment is also required in assessing the range of possible outcomes for some of these matters.</p> <p>The Company makes an assessment to determine the outcome of these matters and decides to make an accrual or consider it to be a possible contingent liability in accordance with applicable accounting standards.</p> <p>During the year, the Company had performed a comprehensive evaluation of its various direct tax positions including the status of its pending litigations and the Company had, in respect of certain assessment years, made applications under the Vivad Se Vishwas (VSV) scheme.</p> <p>The Company has opted to avail the scheme after evaluating the pros and cons of continuing with the litigations and the benefit of waiver of interest and penalty that the scheme offers.</p> <p>Accordingly, tax provisions and contingent liabilities are areas of focus in the audit.</p> <p>See note 2(d)(iii), 3(n), 3(o), 37 and 47 to the standalone financial statements.</p>	<p>In view of the significance of the matter, the following key audit procedures were performed by us:</p> <ul style="list-style-type: none"> <li>• Tested the design, implementation and operating effectiveness of key internal controls relating taxation and contingencies.</li> <li>• Evaluated judgements used in respect of estimates of provisions, exposures and contingencies.</li> <li>• Evaluated the Company's eligibility for application under VSV scheme, including the verification of the orders received by the Company for full and final settlement under the aforesaid scheme.</li> <li>• Involved our tax specialists to read and analyse select assessment orders and other correspondences and documents obtained by Company for key tax matters (including the VSV scheme).</li> <li>• Evaluated the Company's judgements in respect of estimates of provisions, exposures and contingencies by involving our tax specialists to assess the status of recent and current tax assessments.</li> <li>• Considered third party advice received by the Company, wherever applicable, the outcome of previous claims, relevant judicial pronouncements and developments in the tax environment.</li> <li>• Evaluated the adequacy of disclosures on provisions and contingencies made in the financial statements.</li> </ul>

**Other Information**

The Company's management and Board of Directors are responsible for the other information. The other information comprises of reports such as Board's Report and Business Responsibility Report (but does not include the standalone financial statements and our auditors' report thereon) which we obtained prior to the date of this Auditor's report, and the remaining sections of Annual report, which are expected to be made available to us after that date.

Our opinion on the standalone 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor's Report, 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.

When we read the remaining sections of the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

**Management's and Board of Directors' Responsibility for the Standalone 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/loss and 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. 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

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other irregularities; selection and application of appropriate accounting policies; making judgment and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring 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 financial statements, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

## Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 financial statements.

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

- Identify and assess the risks of material misstatement of the standalone 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.
- 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 financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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 our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the branch of the Company. We are responsible for the direction, supervision and performance of the audit for the standalone financial statements of the Company of which we are the independent auditors. For the branch included in the standalone financial statements, which have been audited by branch auditors, such branch auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the branch auditors referred in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

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.

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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 financial statements of the current period 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.

## Other Matters

We did not audit the standalone financial statements of a foreign branch included in the standalone financial statements of the Company whose standalone financial statements reflect total assets of INR 188.99 crores as at March 31, 2021 and the total revenue of INR 297.04 crores and net cash inflows of INR 35.32 crores for the year ended on that date, as considered in the standalone financial statements. This branch has been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of the branch, is based solely on the report of such branch auditors.

The branch's financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in its country and has been audited by branch auditors under the generally accepted auditing standards applicable in its country. The Company's management has converted the financial statements of such branch located outside India from accounting principles generally accepted in its country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far it relates to the balances and affairs of such branch located outside India is based on the report of the branch auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in

paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) As required by Section 143(3) of the Act, based on our audit and on consideration of reports of the branch auditors on separate financial statements of the branch as were audited by branch auditors, as noted in 'Other Matters' paragraph, we 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 and proper returns adequate for the purposes of our audit have been received from the branch not visited by us.
  - c) The reports on the accounts of the branch office of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report.
  - d) The standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this report are in agreement with the books of account and with the returns received from the branch not visited by us.
  - e) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
  - f) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
  - g) 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".
- (B) 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, in our opinion and to the best of our information and according to the explanations given to us:

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- i. The Company has disclosed the impact of pending litigations as at March 31, 2021 on its financial position in its standalone financial statements - Refer Note 37 and 47 to the standalone financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There has been no delay in transferring amounts, required 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 8 November 2016 to 30 December 2016 have not been made in these financial statements since they do not pertain to the financial year ended March 31, 2021.

- (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Co. LLP**  
 Chartered Accountants  
 Firm Registration No. 101248W/W-100022

**S Sethuraman**  
 Partner  
 Membership No.: 203491  
 UDIN: 21203491AAAADM2805

Place: Chennai  
 Date: May 27, 2021



# Annexure A to the Independent Auditors' Report

To the Members of Redington (India) Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets/ property, plant and equipment and investment properties.
- (b) The Company has a physical verification programme whereby certain items of fixed assets/ property, plant and equipment were verified during the year. In our opinion, the frequency of such physical verification programme is reasonable. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of all the immovable properties which are freehold, are held in the name of the Company.
- In respect of immovable properties taken on lease and disclosed as right-of-use assets in the standalone financial statements, the lease agreements are in the name of the Company.
- (ii) The inventory has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such physical verification is reasonable. Based on the information and explanations given to us, no material discrepancies were noticed during such physical verification.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to one Indian subsidiary company covered in the register maintained under section 189 of the Act. The Company has not granted any loans, secured or unsecured, to firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act.
- (a) According to the information and explanations given to us, we are of the opinion that the rate of interest and other terms and conditions of unsecured loans granted by the Company to the subsidiary covered in the register required to be maintained under Section 189 of the Act are not, prima facie, prejudicial to the interest of the Company.
- (b) According to the information and explanations given to us, the unsecured loans granted to the subsidiary and the interest thereon are repayable as per contractual terms of the loan arrangements. The borrower has been regular in payment of principal and interest as per the contractual terms.
- (c) There are no overdue amounts of more than 90 days in respect of the unsecured loans granted to subsidiary by the Company.
- (iv) According to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments. As explained, the Company has not given any guarantee or security that are outstanding as at March 31, 2021.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, paragraph 3(v) of the Order is not applicable.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148 (1) of the Act in respect of any of the activities of the Company. Accordingly, paragraph 3 (vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of accounts in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs and any other material statutory dues have been generally regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of duty of excise, sales tax, service tax, value added tax and cess.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, duty of customs and any other material statutory dues were in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, the dues of income tax, sales tax, service tax, duty of customs and value added tax have not been deposited by the Company on account of disputes are as set out in Appendix I. As explained to us, the Company did not have any dues on account of duty of excise.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks or financial institutions. The Company has not taken any loans or borrowings from government and have not issued any debentures.
- (ix) According to the information and explanations given to us, the Company has applied the money raised by way of debt instruments in the nature of commercial papers for the purposes for which those are raised. The Company did not raise any money by way of initial public offer or further public offer or by way of term loans during the year.

## Annexure A to the Independent Auditors' Report

To the Members of Redington (India) Limited

- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees have been noticed or reported during the year.
- (xi) According to the information and explanations given to us and on the basis of our examination of records of the Company, the managerial remuneration for the year ended March 31, 2021 has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act and rules framed thereunder.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
- (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 the provisions of section 188 and 177 of the Act, where applicable and the details of the such transactions have been disclosed in the standalone Ind AS financial statements as required by the Indian Accounting Standards.
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, paragraph 3 (xiv) of the Order is not applicable.
- (xv) According on the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

for **B S R & Co. LLP**  
*Chartered Accountants*  
 Firm Registration No. 101248W/W-100022

**S Sethuraman**  
*Partner*  
 Membership No.: 203491  
 UDIN: 21203491AAAADM2805

Place: Chennai  
 Date: May 27, 2021



# Annexure B to the Independent Auditors' Report

on the standalone financial statements of Redington (India) Limited for the year ended March 31, 2021

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 1(A)(g) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

## Opinion

We have audited the internal financial controls with reference to standalone financial statements of Redington (India) Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls were operating effectively as at March 31, 2021, based on the internal financial controls with reference to standalone financial statements 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 (the "Guidance Note").

## Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to standalone financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

## Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to standalone financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of such internal financial controls, 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 standalone 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 Company's internal financial controls with reference to standalone financial statements.

## Meaning of Internal Financial controls with Reference to Standalone Financial Statements

A company's internal financial controls with reference to standalone 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 controls with reference to standalone financial statements include 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 standalone financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

## Inherent Limitations of Internal Financial controls with Reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to standalone 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial controls with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

for **B S R & Co. LLP**

Chartered Accountants

Firm Registration No. 101248W/W-100022

**S Sethuraman**

Partner

Membership No.: 203491

UDIN: 21203491AAAADM2805

Place: Chennai

Date: May 27, 2021