

**INDEPENDENT AUDITOR’S REPORT  
TO THE MEMBERS OF YASH TRADING AND FINANCE LIMITED  
Report on the Financial Statements**

**Opinion**

We have audited the accompanying Ind AS financial statements of **YASH TRADING AND FINANCE LIMITED** (“the Company”), which comprise the Balance Sheet as at **31<sup>st</sup> March 2019**, the Statement of Profit and Loss (Including Other Comprehensive Income), the Cash Flow statement and Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “the financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the aforesaid financial statements give the information required by the Act in the manner so required, and give a true and fair view in conformity with the accounting principles generally accepted in India including IND AS specified under section 133 of the Act of the state of affairs (Financial Position) of the Company as at 31<sup>st</sup> March, 2019, and its Statement of Profit and Loss (Including Other Comprehensive Income), its Cash Flow and the Change in Equity for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the 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 (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

**Management’s Responsibility for the Financial Statements**

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance (Including other comprehensive income), cash flow and change in equity 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 other irregularities; selection and application of appropriate accounting policies; making judgements 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 the operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company’s financial reporting process.

**Auditor’s Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors’ 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 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 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 financial controls 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 system 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 made by management.
- 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 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 Auditors’ 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 financial statements, including the disclosures, and whether the 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.

#### **Report on Other Legal and Regulatory Requirements<sup>0</sup>**

- (1) As required by the Companies (Auditor’s Report) Order, 2016 (“the Order”) issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in Annexure A.
- (2) Further to our comments in Annexure A , as required by sub- section (3) of section 143 of the Act, 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;
  - (c) The Balance Sheet, Statement of Profit and Loss ( Including other comprehensive income), the Cash Flow Statement and statement of Change in Equity dealt with by this Report, are in agreement with the books of account;
  - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act.
  - (e) On the basis of written representations received from the Directors as on 31<sup>st</sup> March,2019 and taken on record by the Board of Directors, none of the directors are disqualified as on 31<sup>st</sup> March, 2019, from being appointed as a director in terms of Section 164(2) of the Act.

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “**Annexure B**”.
- (a) With respect to the other matters to be included in the Auditor’s 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:
- (i) The Company has made provision, as required under the applicable laws or IND AS for material foreseeable losses, if any, on long term contract including derivative contract.
  - (ii) There were no amount which were required to be transferred to the Investor Education and Protection Fund during the year.
  - (iii) The disclosure requirement relating to holding as well as dealing in specified bank notes were applicable for the period from 8<sup>th</sup> November to 30<sup>th</sup> December, 2016 which are not relevant to these financial statements. Hence, reporting under this clause is not applicable.

**For Chaturvedi Sohan & Co.**  
**Chartered Accountant**  
**Firm Registration No.:118424W**

**Name: Devanand Chaturvedi**  
**Partner**  
**Membership No.:41898**  
Place: Mumbai  
Date: 30<sup>th</sup> April, 2019

**“Annexure A” to the Independent Auditor’s Report of even date on the Financial Statements of YASH TRADING AND FINANCE LIMITED**

**Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2019**

- i. (a) The Company does not have any fixed assets;  
(b) The Company does not have any inventory;  
(c) According to the information and explanations given to us the company does not hold any immovable property hence this clause of the order is not applicable to the company.
- ii. The Company has not granted unsecured loans to party covered in the register maintained u/s 189 of the Company act 2013. Accordingly this clause in not applicable to the company.
- iii. According to the information and explanation given to us, the Company has not given any loan, guarantee, made investment, nor provided any security under the provisions of Section 185 and 186 of the Act.
- iv. According to the information and explanation given to us, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- v. Maintenance of cost records has not been specified for this Company by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- vi. (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, income tax, sales tax, service tax, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.  
(b) As at the year-end, according to the records of the Company and information and explanations given to us, following are the disputed statutory dues outstanding as per Income Tax site as on 09-08-2019:

<b>A.Y.</b>	<b>Section Code</b>	<b>Demand Identification Number</b>	<b>Date on which demand is raised</b>	<b>Outstanding demand (In Rs.)</b>
2007-08	153C	2014200751115295212C	27 <sup>th</sup> March, 2015	988,440
2008-09	153C	2014200851115295205C	27 <sup>th</sup> March, 2015	264,630
2009-10	153C	2014200951115295191C	27 <sup>th</sup> March, 2015	11,295
2010-11	153C	2014201051115295184C	27 <sup>th</sup> March, 2015	124,058

2011-12	153C	2014201151115295170C	27 <sup>th</sup> March, 2015	81,230
2012-13	153C	2014201251115295163C	27 <sup>th</sup> March, 2015	866,340
2013-14	144	2014201351115295156C	27 <sup>th</sup> March, 2015	310,878
<b>Subtotal (A)</b>				<b>2,646,871</b>
2006-07	220(2)	2011200637028844313C	28 <sup>th</sup> February, 2012	8,240.00
2008-09	143(1)	2009200851007063324C	21 <sup>st</sup> March, 2010	249,624.00
2012-13	220(2)	2016201237063198406C	7 <sup>th</sup> January, 2017	542
<b>Subtotal (B)</b>				<b>258,406</b>
<b>Grand Total (A)+(B)</b>				<b>2,905,277</b>

Post proceedings under u/s 153C of Income Tax Act, 1961 and other, Income Tax Department, Bhubaneswar has in 2015 demanded tax to the extent of Rs. 26,94,840/- for the A.Y. 2007-08 to 2013-14. Company filed appeal before the Department. The appeal was partially allowed and the demand was reduced to Rs. 1,396,114/. Income Tax website is not updated with the reduced figure.

The company filed appeal before Income Tax Appellate Tribunal (ITAT) against the appellate order. The appeal was found defective and was dismissed by ITAT. The Company thereafter filed Miscellaneous application u/s 254(2) of the Income Tax Act, 1961 against the dismissal.

- vii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks. The Company has not issued debentures nor borrowed any funds from financial institutions or Government.
- viii. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- ix. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- x. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- xi. In our opinion and according to information and explanation given to us, the company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- xii. In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiii. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xv. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

#### **“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of YASH TRADING AND FINANCE LIMITED**

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

In conjunction with our audit of the Standalone financial statements of the Company as of and for the year ended March 31, 2019 we have audited the internal financial controls over financial reporting of **YASH TRADING AND FINANCE LIMITED** (“the Company”) which is a Company incorporated in India, as of 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 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, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, 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 was established and maintained and if 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 judgment, 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 Company’s internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting**

A company’s internal financial control over financial reporting 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 includes those policies and procedures that

- i. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii. 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
- iii. Provide reasonable assurance regarding prevention or timely detection of unauthorized 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**

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at

March 31, 2018, 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 Chaturvedi Sohan & Co.**  
**Chartered Accountant**  
**Firm Registration No.:118424W**

Sd/-

**Name: Devanand Chaturvedi**  
**Partner**  
**Membership No.:41898**

Place: Mumbai

Date: 30<sup>th</sup> April, 2019