



# Independent Auditor's Report

To  
The Members of  
**Indraprastha Gas Limited**

## Report on the Audit of the Standalone Financial Statements

### Opinion

1. We have audited the accompanying standalone financial statements of Indraprastha Gas Limited (the 'Company'), which comprise the Balance Sheet as at 31 March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. 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 including Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs of the Company as at 31 March 2020, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. 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 ethical requirements that are relevant to our audit of the 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matter

4. 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.
5. We have determined the matter described below to be the key audit matter to be communicated in our report.

#### Key audit matter

##### Demand raised by Delhi Development Authority ('DDA')

Refer note 3.19 for the accounting policy and note 36(1)(c) for the related disclosure.

As explained in the note 36(1)(c) to the accompanying standalone financial statements; the Company had received a demand (excluding interest) from DDA amounting to ₹ 155.64 crores during financial year 2013-14 pertaining to the period 1 April 2007 to 31 March 2014 on account of increase in license fees in respect of sites taken on lease by the Company from DDA for setting up Compressed Natural Gas (CNG) stations in Delhi. The Company had filed a writ petition on 11 October 2013

#### How our audit addressed the key audit matter

Our audit procedures in relation to the aforesaid matter included, but were not limited to the following:

- Evaluated the design of, and tested key internal controls in respect of identification, recognition and measurement of provisions for dispute, litigations, and contingent liabilities;
- Obtained the Company's evaluation of the said matter supported by the external legal opinion obtained by the management in the financial year ended 31 March 2020;

Key audit matter	How our audit addressed the key audit matter
<p>before the Hon'ble High Court of Delhi against the aforesaid demand (excluding interest) raised by DDA which is currently pending. Further, DDA vide communication dated 29 August 2016 had revised the total demand (excluding interest) to ₹ 330.73 crores for the period upto 31 March 2016.</p> <p>The management of the Company, based on legal opinion obtained by them, have assessed the same as contingent and accordingly not provided for the demand raised by DDA in the financial statements.</p> <p>We have identified this as a key audit matter for current year audit owing to the materiality of the amounts involved in this matter and inherent subjectivity and uncertainty involved in determination of the amount, if any, to be provided as liability in accordance with the applicable accounting standards.</p>	<ul style="list-style-type: none"> <li>• Discussed the said matter with the in-house legal general counsel of the Company;</li> <li>• Conducted in-depth inquiries with the management of the Company and robust discussions with the Board, to obtain their view on the status of the aforesaid matter;</li> <li>• Circulated and obtained confirmation from the legal counsel representing the Company as at year end; and</li> <li>• Assessed the appropriateness and adequacy of the related disclosures in the standalone financial statements in accordance with the applicable accounting standards</li> </ul>

### Information other than the Financial Statements and Auditor's Report thereon

6. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

When we read 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.

### Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Company's Board of Directors. The Company's Board of Directors is

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 financial position, financial performance 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 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. 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 operations, or has no realistic alternative but to do so.
9. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.



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

10. 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 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 Standards on Auditing 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.
11. As part of an audit in accordance with Standards on Auditing, 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 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 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- 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.
12. 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.
13. 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.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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

15. As required by section 197(16) of the Act, based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.
16. As required by the Companies (Auditor's Report) Order, 2016 (the 'Order') issued by the Central Government of India 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.

17. As required by the Comptroller and Auditor General of India vide directions issued under Section 143(5) of the Act, we give our report on the matters specified in the aforementioned directions in Annexure B on taking into consideration the information, explanations, examinations of records and written representations received from the management.
18. Further to our comments in Annexure A, as required by section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 purpose of our audit of the accompanying standalone financial statements;
  - 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 standalone financial statements dealt with by this report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;
  - e) Ms. Renu Sharma, one of the directors of the Company as on 31 March 2020, has not provided a written representation as to whether she has incurred any disqualifications in terms of sub-section (2) of the section 164 of the Act with respect to any company in which she is a director as on 31 March 2020. In the absence of this representation, we are unable to comment whether she is disqualified from being appointed as a director under sub-section (2) of section 164 of the Act. As far as other directors are concerned, on the basis of the written representations received from such directors and taken on record by the Board of Directors, we report that none of the other directors are disqualified as on 31 March 2020 from being appointed as a director in terms of sub-section (2) of section 164 of the Act.
  - f) we have also audited the internal financial controls with reference to financial statements of the Company as on 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date and our report dated 17 June 2020 as per Annexure C expressed unmodified opinion; and
  - g) 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. the Company, as detailed in note 36(1) to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2020;
    - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2020;
    - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 March 2020; and
    - iv. the disclosure requirements relating to holdings as well as dealings in specified bank notes were applicable for the period from 8 November 2016 to 30 December 2016, which are not relevant to these standalone financial statements. Hence, reporting under this clause is not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

**Rajni Mundra**

Partner

Place: New Delhi

Date: 17 June 2020

Membership No.: 058644

UDIN: 20058644AAAAAX6689



# Annexure A to the Independent Auditor's Report of even date to the members of Indraprastha Gas Limited on the standalone financial statements for the year ended on 31 March 2020

## Annexure A

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment ('PPE').

(b) Other than PPE related to underground natural gas distribution system which as per management cannot be physically verified, the PPE has been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the PPE is reasonable having regard to the size of the Company and the nature of its assets. For the underground natural gas distribution system, the management has adequate controls in place to safeguard the physical existence of the said distribution system.

(c) The title deeds of all the immovable properties (which are included under the head 'Property, plant and equipment') are held in the name of the Company except for the following properties:

(₹ in Crores)					
Nature of property	Total number of cases	Whether leasehold /freehold	Gross block as on 31 March 2020	Net block on 31 March 2020	Remarks
Land	One	Leasehold perpetual	9.83	9.83	Refer note 1 below
Land	One	Leasehold perpetual	7.15	7.15	Refer note 2 below

Note 1: The Company has an allotment letter for the said land but has not entered into a lease deed.

Note 2: The Company has entered into a memorandum of understanding with the lessor, but has, however, not entered into a lease deed.

(ii) The inventories of the Company comprise of natural gas and inventory of stores and spares parts. As explained to us, having regard to the nature of the inventory of natural gas, the procedures followed by the management for estimation of natural gas quantities which is based on volume of pipelines and the volume of cascades containing the natural gas considering the standard temperature and pressures, are reasonable and no material discrepancies were noticed on such computation. Further, in our opinion, the management has conducted physical verification of inventory of stores and spare parts at reasonable intervals during the year and no material discrepancies between physical inventory and book records were noticed on physical verification.

(iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.

(iv) In our opinion, the Company has complied with the provisions of Section 186 in respect of investments. Further, in our opinion, the Company has not entered into any transaction covered under Section 185 and Section 186 of the Act in respect of loans, guarantees and security.

(v) In our opinion, 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.

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance

of cost records under sub-section (1) of Section 148 of the Act in respect of Company's products and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, to the appropriate authorities. Further, no undisputed amounts payable in respect there of were outstanding at the year-end for a period of more than six months from the date they become payable.

(b) The dues outstanding in respect of income-tax, sales tax, service tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

						(₹ in Crores)
Name of the statute	Nature of dues	Gross amount due (₹ in crores)	Amount paid under protest against gross amount due (₹ in crores)	Period to which the amount relates	Forum where dispute is pending	Remarks
Central Excise Act, 1944	Matters relating to levy of Excise duty on discount to customers	4.84	2.42	2008-10	Commissioner of Central Excise	Refer note 1 below
Income-tax Act, 1961	Matters relating to disallowance of additional depreciation	8.23	-	Financial year (FY) 2010-11	Income-tax Appellate Tribunal	-
Income-tax Act, 1961	Matters relating to disallowance of additional depreciation	10.68	-	FY 2011-12	Income-tax Appellate Tribunal	-
Income-tax Act, 1961	Matters relating to disallowance of additional depreciation	2.51	2.51	FY 2012-13	Income-tax Appellate Tribunal	Refer note 2 below
Income-tax Act, 1961	Matters relating to disallowance of additional depreciation	2.01	2.01	FY 2013-14	Income-tax Appellate Tribunal	Refer note 2 below
Income-tax Act, 1961	Matters relating to disallowance of additional depreciation	1.26	0.17	FY 2014-15	Income-tax Appellate Tribunal	Refer note 3 below
Income-tax Act, 1961	Matters relating to disallowance of additional depreciation	0.84	-	FY 2015-16	Income-tax Appellate Tribunal	-
Income-tax Act, 1961	Matters relating to disallowance of additional depreciation	2.48	-	FY 2016-17	Commissioner of Income- tax (Appeals)	-
Uttar Pradesh Goods and Service Tax Act, 2017	Matters relating to demand of Central Goods and Service Tax and Uttar Pradesh Goods and Service Tax Act	0.04	0.04	FY 2018-19	Commercial Tax department, Uttar Pradesh	-



#### Notes:

1. The amount of ₹ 2.42 crores disclosed as paid under protest initially demanded by the Excise Department had been paid and had been expensed off in the Statement of Profit and Loss during the previous years. Subsequently, a penalty of equal amount was also imposed on the Company, post which the Company filed an appeal against the demand and penalty.
  2. Amount paid under protest of ₹ 4.52 crores for the financial year 2012-13 and 2013-14 inter-alia includes adjustment of ₹ 4.01 crores, ₹ 0.23 crores and ₹ 0.08 crores made by the Income-tax department from the refund of financial year 2013-14, 2014-15 and 2010-11 respectively.
  3. Amount paid under protest of ₹ 0.17 crores for the financial year 2014-15 pertains to the amount adjusted from the refund of financial year 2010-11.
- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the Company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) Managerial remuneration has been paid and provided by the Company in accordance with the requisite approvals mandated by the provisions of Section 197 of the Act read with Schedule V to the Act.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements etc., as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **Walker Chandiook & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

**Rajni Mundra**

Partner

Place: New Delhi

Date: 17 June 2020

Membership No.: 058644

UDIN: 20058644AAAAAX6689

## Annexure B to the Independent Auditor's Report of even date to the members of Indraprastha Gas Limited on the standalone financial statements for the year ended 31 March 2020

### Annexure B

#### Independent Auditor's Report as required by the Comptroller and Auditor General of India vide directions issued under Section 143(5) of the Companies Act, 2013 (the 'Act')

Based on the audit procedures performed and taking into consideration the information, explanations, examinations of records and written representations given to us by the management in the normal course of audit, we report to the best of our knowledge and belief that:

S. no.	Directions	Response	Impact on financial statement
1.	Whether the Company has system in place to process all the accounting transactions through the IT system? If yes, the implications of processing of accounting transaction outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The Company has system in place to process all the accounting transactions through the IT system. Further, as per the information and explanations given to us by the management, there are no accounting transactions that are processed outside the IT system by the Company which impact the integrity of the accounts.	Not applicable.
2.	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/ loans/ interest etc. made by a lender to the Company due to the Company's inability to repay the loan? If yes, the financial impact may be stated.	As per information and explanations given to us and based on the examination of records, the Company did not have any debts/loans payable to any lender as at and during the year ended 31 March 2020 and hence reporting under this direction is not applicable.	Not applicable.
3.	Whether funds received/ receivable for specific schemes from Central/ State Agencies were properly accounted for/ utilized as per its terms and conditions? List the case of deviation.	As per information and explanations given to us and based on the examination of records, no funds have been received during the year ended 31 March 2020 or are receivable as at 31 March 2020 for specific schemes from the Central/ State Agencies. Therefore, reporting under this direction is not applicable.	Not applicable.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

**Rajni Mundra**

Partner

Membership No.: 058644

UDIN: 20058644AAAAAX6689

Place: New Delhi

Date: 17 June 2020



# Annexure C to the Independent Auditor's Report of even date to the members of Indraprastha Gas Limited on the standalone financial statements for the year ended 31 March 2020

## Annexure C

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

1. In conjunction with our audit of the standalone financial statements of Indraprastha Gas Limited (the 'Company') as at and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements of the Company as at that date.

### Responsibilities of Management and Those Charged with Governance for Internal Financial Controls

2. The Company's Board of Directors 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 ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). 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 the Company's business, including adherence to the 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 Act.

### Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Financial Statements

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements includes 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 financial statements, whether due to fraud or error.
5. 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 financial statements.

### Meaning of Internal Financial Controls with Reference to Financial Statements

6. A company's internal financial controls with reference to 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 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 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 financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

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

### **Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such controls were operating effectively as at 31 March 2020, 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 issued by ICAI.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013

Sd/-

**Rajni Mundra**

Partner

Place: New Delhi

Date: 17 June 2020

Membership No.: 058644

UDIN: 20058644AAAAAX6689