

## Independent Auditors' Report

To  
The Members of  
**N R INTERNATIONAL LIMITED.**

### **Opinion**

We have audited the standalone financial statements **N R International Limited** ("the Company"), which comprise the Balance Sheet as at 31st March 2019, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies for the year ended on that date.

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and loss, 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 Companies Act, 2013. 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there-under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **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.

(i) During the year the Company has transferred the Land & Building situated at a Leased Land in Vill-Sandhakud, PS- Paradeep, Dist- Jagatsingpur, Odisha to Mr. Nirmal Modi, director of the Company at an amount of Rs.6.72 Lacs by executing an agreement between Mr. Nirmal Modi and the Company and incurred loss of Rs.19.10 Lacs.

(ii) In the past the Company has gave a corporate guarantee to Allahabad Bank on behalf of loan taken by M/s. Surya Sponge Iron Limited. The same loan has been settled during the year and the company has paid Rs.88.62 Lacs against the settlement and shown the same as an exceptional item in the Profit & Loss Account.

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### **Management's Responsibility for the Standalone 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 standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards 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 implementation and maintenance of 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 statement 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 operations, or has no realistic alternative but to do so. 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**

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 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, 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 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 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.

#### **Other Matter**

The Company's Board of Directors is responsible for the other information. The other information comprises the information in the Integrated Report, Board's Report along-with its Annexures and Financial Highlights included in the Company's Annual Report for the Financial Year 2019-19, but does not include our auditor's report thereon. 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. We have nothing to report in this regard.

#### **Report on Other Legal and Regulatory Requirements**

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 Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) 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, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is 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".

- 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in the point no (viic) of CARO Report attached herewith;
  - 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.

For **AGARWAL VISHWANATH & ASSOCIATES**  
Registration No.: 323024E  
**Chartered Accountants**

**(CA VISHWANATH AGARWAL)**  
**PARTNER**  
**Membership No. : 054806**

**Place: Kolkata**

**Date: The 31<sup>st</sup> August, 2019**

**UDIN :**

**“Annexure A” referred to in Paragraph 1 of the Our Report of even date to the members of N R INTERNATIONAL LIMITED on the accounts of the company for the year ended 31<sup>st</sup> March, 2019.**

- i) a. The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
  - b. The management has physically verified certain fixed assets during the year in accordance with a programme of verification, which, in our opinion, provides for physical verification of the fixed assets at reasonable intervals having regard to the size of the Company and nature of its assets. According to the information and explanations given to us no material discrepancies were noticed on such verification.
  - c. The immovable properties are held in the name of the Company.
- ii) The Company does not deals in any trading or manufacturing of Goods and hence clause (ii) of this para is not applicable to the Company.
- iii) As informed to us the Company has granted loans to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013.
  - a) The terms and conditions of the grant of such loans are not prejudicial to the interest of the Company.
  - b) No schedule of repayment of principal and payment of interest has been stipulated.
  - c) As no schedule of repayment is stipulated, the question of overdue amount does not arise. Though the Company has informed that the reasonable steps have been taken for recovery of the principal and interest
- iv) In our opinion and according to the information and explanations given to us, loans, investments, guarantees, and security covered under section 185 and 186 of the Companies Act, 2013 has been complied with.
- v) According to the information and explanation given to us, the Company has not accepted any deposit from the public and as such clause (v) of the order is not applicable to the Company.
- vi) The Central Government has not specified the maintenance of cost records under section 148(1) of the Companies Act, 2013 in respect of the products dealt with by the Company.
- vii) According to the information and explanations given to us in respect of the statutory dues:
  - a. The Company is generally regular in depositing undisputed statutory dues including Investor Education and Protection Fund, Income Tax, Wealth Tax, Sales Tax, Service Tax, Goods & Service Tax , Customs Duty, Excise Duty, Cess and other applicable statutory dues with the appropriate authorities during the year.
  - b. There were no undisputed amounts payable in respect of Income Tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.
  - c. Details of dues of Income Tax, Sales Tax, Service Tax, Excise Duty and Value Added Tax which have not been deposited as at March 31, 2019 on account of dispute are given below:

Nature of Statute	Nature of Dues	Forum where dispute is pending	Period to which the amount relates	Amount (Rs. In Lacs)
Orissa VAT	VAT	Audit Assessment U/s.42	01.04.2006 to 31.01.2008	64.06
Orissa CST	CST	Audit Assessment U/s.5	01.04.2006 to 31.01.2008	0.10
Orissa Entry Tax	Entry Tax	Audit Assessment U/s.90	01.04.2006 to 31.01.2008	21.69
Service Tax	Service Tax	Audit Assessment	01.04.2008 to 31.03.2010	27.33

- viii) The Company has not defaulted in payments of loans or borrowing from a financial institution, bank or Government. Further the Company has not issue any debentures during the year under review.
- ix) No moneys has been raised by way of initial public offer or further public offer (including debt instruments) and no any term loans has been obtained during the year and as such clause (ix) of the order is not applicable to the Company.
- x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi) In our opinion and according to the information and explanations given to us, the managerial remuneration paid by the Company is covered under the provisions of section 197 read with schedule V of the Companies Act, 2013.
- xii) The Company is not a Nidhi Company and as such clause (xii) of the order is not applicable to the Company.
- xiii) In our opinion and according to the information and explanation given to us, all the transaction with the related parties are covered under the provisions of section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) During the year under review, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- xv) The Company has not entered into any non-cash transactions with directors or persons connected with him.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **AGARWAL VISHWANATH & ASSOCIATES**  
 Registration No.: 323024E  
**Chartered Accountants**

**(CA VISHWANATH AGARWAL)**  
**PARTNER**  
**Membership No. : 054806**

**Place: Kolkata**

**Date: The 31<sup>st</sup> August, 2019**

**UDIN :**

**Annexure – B referred to in paragraph 2 (vi) to the Independent Auditor’s Report of even date on the Standalone Financial Statements of N R INTERNATIONAL LIMITED.**

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

We have audited the internal financial controls over financial reporting of **N R INTERNATIONAL LIMITED** (“the Company”) as of March 31, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company’s management is responsible for establishing and maintaining internal financial controls based on “the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “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 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 Act.

**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 and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, 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 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 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 my /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:

- a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

- b) 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
- c) 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 31<sup>st</sup> March, 2019, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI".

For **AGARWAL VISHWANATH & ASSOCIATES**  
Registration No.: 323024E  
**Chartered Accountants**

**(CA VISHWANATH AGARWAL)**  
**PARTNER**  
**Membership No. : 054806**

**Place: Kolkata**

**Date: The 31<sup>st</sup> August, 2019**

**UDIN :**