

Independent Auditors' Report

To the Members of
IRB Infrastructure Developers Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have jointly audited the standalone financial statements of IRB Infrastructure Developers Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020, and 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 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 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 31 March 2020, its profit and other comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Description of Key Audit Matters

Measurement of construction Revenue (refer Note 3.04, 3.05, 21 and 38 to the standalone financial statements)

The Key Audit Matter

Revenue from construction contracts represents 91.87% of the total revenue from operations of the Company. Revenue from these contracts is recognised on satisfaction of performance obligation over time in accordance with the requirements of relevant accounting standards.

The Company has a number of construction contracts whose revenue recognition can be dependent on a high level of judgement over the percentage of completion. It is based on their best estimate of the costs to complete valuation of contractual variations, claims and ability to deliver the contract within the contractual time limit. The execution of construction contracts also requires assessment of execution risk resulting from uncertainty related to COVID 19 pandemic.

The Company's current year revenue from construction contracts and a significant amount of its expenses incurred, arise from transactions with related parties. These related parties are principally subsidiaries /joint venture of the Company.

The Company uses an input method based on costs incurred to measure progress of the projects. Under this approach, the Company recognises revenue based on the costs incurred to date relative to the estimated total costs to complete the performance obligation. Profit is not recognised until the outcome of the contract is fairly certain.

Basis for Opinion

We conducted our joint 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 joint 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 we have obtained 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 joint 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.

How the matter was addressed in our joint audit

Our audit procedures included:

- Obtaining an understanding and consideration of the appropriateness of the policies in respect of revenue recognition against the criteria in the accounting standards.
- Evaluated the design and implementation and tested operating effectiveness of key controls (including IT controls) around the contract price, estimation of costs to complete management's testing of these attributes.
- Understanding and documenting the contract and other related contractual provisions including contractually agreed deliverables, termination rights, penalties for delay, etc to understand the nature and scope of the arrangements with the customer.
- assessing key judgements inherent in the estimation of significant construction contract projects. It includes comparing the stage-of-completion and costs to completion on significant projects using Lender's Engineer latest certificate.
- we assessed the estimated costs to complete, variations in contract price and contract costs and sighted underlying invoices, signed contracts/statements of work completed for all ongoing projects.

The Key Audit Matter	How the matter was addressed in our joint audit
<p>Revenue is a key performance indicator of the Company. Accordingly, there can be a risk the Company may influence the judgements and estimates of revenue recognition in order to achieve performance targets to meet market expectations or incentive links to performance for reporting period.</p>	<ul style="list-style-type: none"> we understood and documented the Company's process for identifying related parties and recording related party transactions. We have also assessed Company's key controls in relation to the assessment and approval of related party transactions and examined Company's disclosures in respect of the transactions.
<p>Revenues, total estimated contract costs and profit recognition may deviate significantly from original estimates based on new knowledge about cost overruns and changes in project scope over the term of a construction contract.</p>	<ul style="list-style-type: none"> we tested on test check basis, sighted the approvals of the Audit Committee and Board of Directors for related party transactions. we tested samples of manual journals posted to revenue to identify unusual items. we checked adequacy of the disclosures made in note 38 to the Company's standalone financial statements are compliant with Ind AS -115.

Assessment of recoverability of investment in and loans/other receivables provided to subsidiaries and joint ventures (refer Note 4,5, 6 and 35 to the standalone financial statements)

The Key Audit Matter	How the matter was addressed in our joint audit
<p>The Company has significant investments (including subdebt) in subsidiaries and has given loans to certain subsidiaries which carry out road and other infrastructure projects. The Company also has significant amount of investment in and amount receivable from a joint venture</p>	<p>Recoverability of investment in subsidiaries / joint venture (including sub-debt)</p>
<p>The carrying amount of the investments (including subdebt) in subsidiaries and joint ventures held at cost less impairment as at 31 March 2020 is ₹ 61,992.24 million . The loans to subsidiaries and other receivable from joint venture is ₹ 4,365.50 million and ₹ 31,152.47 million respectively as at 31 March 2020.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> we have evaluated the design and implementation and tested the operating effectiveness of key controls placed around the impairment assessment process of the recoverability of the investments made and loans given, including the estimation future cash flows forecasts, the process by which they were produced and discount rates used.
<p>Recoverability of investment in subsidiaries (including subdebt) / joint venture</p>	<ul style="list-style-type: none"> we have assessed Company's identification of CGU with reference to the guidance in the applicable accounting standards.
<p>The Company has investments in subsidiaries and a joint venture which are considered to be associated with significant risk in respect of valuation of such investments. Changes in business environment could also have a significant impact on the valuation of these investments. These investments are carried at cost less any diminution in value of such investments. The investments are examined for impairment at each reporting date.</p>	<ul style="list-style-type: none"> assessed the net worth of subsidiaries / joint venture on the basis of latest available financial statements.
<p>These investments are unquoted and hence it is difficult to measure the realisable amount of these investments.</p>	<ul style="list-style-type: none"> We focused on the sensitivity in the difference between the estimated value and book values of the projects, where change in assumptions could cause the carrying amount to exceed its estimated present value. We also assessed the historical accuracy of Company's estimates
<p>The Company performs an annual assessment of its investments in subsidiaries and joint venture at each cash generating unit (CGU) level, to identify any indicators of impairment. The recoverable amount of the CGUs which is based on the higher of the value in use or fair value less costs to sell, has been derived from discounted forecast cash flow models. These variables used to determine the value in use are evolving especially in light of uncertainty related to the COVID 19 pandemic.</p>	<ul style="list-style-type: none"> Comparing the carrying amount of investments with the relevant subsidiaries/ joint venture balance sheet to identify their net assets, being an approximation of their minimum recoverable amount. Instances where the net assets are in excess of their carrying amount and assessed are those subsidiaries have historically been profit-making.
<p>These models use several key assumptions, concerning estimates of future revenue growth, concession period, operations costs, the discount rate and assessments of the status of the project and cost of complete balance work.</p>	<ul style="list-style-type: none"> For the investments where the carrying amount exceeded the net asset value, comparing the carrying amount of the investment with the expected value of the business based discounted cash flow analysis.

The Key Audit Matter

The Company's assessment of the remaining 'value in use' is judgemental because it is based on forecast results and uncertain outcomes. Further, determining these estimates may be subject to a degree of Company bias.

Recoverability of loans/advances to subsidiaries and other receivable from joint venture

The Company has extended loans to subsidiaries which are assessed for recoverability at each period end. Financial assets, which include current loans to subsidiaries aggregated to ₹ 4,365.50 million at 31 March 2020. The Company has a receivable of ₹ 31,152.47 million as 31 March 2020 from a joint venture.

Due to the nature of the business in the infrastructure projects, the Company is exposed to heightened risk in respect of the recoverability of the loans and advances granted to the aforementioned related parties.

There is judgment involved on the recoverability of loans/advances and other receivables which rely on a number of infrastructure projects being completed as per the schedule timelines and generation of future cash flows.

How the matter was addressed in our joint audit

- We focused on key assumptions which were most sensitive to the recoverable value of the intangible asset. We also assessed the key assumptions were plausible and appropriate in the light of the current environment of the COVID 19 pandemic. We also assessed the historical accuracy of Company's estimates.

We reviewed and assessed the work performed by management's external valuation experts, including the valuation methodology and the key assumptions used. We also assessed the competence, capabilities and objectivity of the experts used by the management in the process of evaluating impairment model. considered the adequacy of disclosures in respect of the investment in the subsidiaries / joint venture.

Recoverability of loans/advances to subsidiaries and other receivable from joint venture

Our procedures included:

Evaluated the design and implementation and testing operating effectiveness of key internal controls placed around the impairment assessment process of the loans/advances to subsidiaries and other receivable from joint venture.

We examined the key controls in place for issuing new loans and evidenced the Board of Directors approval obtained.

We obtained Company's assessment of the recoverability of the loans/ advances and other receivables which includes cash flow projections over the duration of the loans/advances and other receivables. These projections are based on underlying infrastructure project cash flows which are sensitive to some of the claims to be settled with the customers.

We have held discussions with management as well as their legal teams on the admissibility and the likelihood of the claim settlement.

We tested on sample basis cash receipts received in relation to these loans/advances and other receivables during the year through to bank statement.

We have independently obtained confirmations to evaluate the completeness and existence of loans/advances and other receivables held by related parties as on 31 March 2020.

We have verified the classification and adequacy of disclosures of the loans/advances and other receivables.

Other Information

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

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 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 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 joint 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.

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 joint audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the joint 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.

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, 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 joint 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 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;
- d) in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act;
- e) on the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 from being appointed as a director in terms of Section 164 (2) of the Act; and

f) with respect to the adequacy of the internal financial controls with reference to the standalone 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:

- i. the Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 31 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 during the year ended 31 March 2020; and
- 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 Standalone financial statements since they do not pertain to the financial year ended 31 March 2020;

(C) With respect to the matter to be included in the Auditors' Report under Section 197(16) of the Act:

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

Aniruddha Godbole

Partner

Membership No: 104519

UDIN: 20105149AAAADX1586

Mumbai

18 June 2020

For Gokhale & Sathe

Chartered Accountants

Firm's Registration No: 103264W

Jayant Gokhale

Partner

Membership No: 033767

UDIN: 2033767AAAAG9297

Mumbai

18 June 2020

Annexure A

to the Independent Auditors' Report – 31 March 2020

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

With reference to the Annexure A referred to in the Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2020, we report the following:

- (i) The Company neither owns any fixed assets nor has purchased any fixed assets during the year. Accordingly, paragraph 3(i) of the Order is not applicable to 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 verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) The Company has granted interest free unsecured loans to seventeen wholly owned subsidiary companies, covered in the register maintained under Section 189 of the Companies Act, 2013 ("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 and based on the audit procedures conducted by us, we are of opinion, that the terms and conditions on which the unsecured loans have been granted to the subsidiary companies listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
 - b) According to the information and explanations given to us and based on the audit procedures conducted by us, interest free unsecured loans granted to the subsidiary companies, are repayable on demand. The borrowers have been regular in payment of principal and interest, if any, as demanded. Also, refer note 40(a) to the standalone financial statements in respect of unsecured loans given to certain erstwhile wholly owned subsidiaries being transferred to the IRB Infrastructure Trust.
 - c) There are no overdue amounts of more than 90 days in respect of the interest free unsecured loans granted to the subsidiary companies.
- (iv) In our opinion and according to the information and explanations given to us and based on the audit procedures conducted by us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to interest free unsecured loans granted, guarantees provided and investments made by the Company. The Company has not given any security under Section 185 and 186 of the Act.
- (v) In our opinion, and according to the information and explanations given to us, the Company has not accepted deposits as per the directives issued by the 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 to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 148(1) of the Act 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 records.
- (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 account in respect of undisputed statutory dues including Provident Fund, Profession tax Income-tax and other material statutory dues have been regularly deposited during the year with the appropriate authorities. The amounts deducted/accrued in the books of account in respect of undisputed statutory dues including goods and service tax have generally been regularly deposited during the year with the appropriate authorities, though there have been significant delays in a few cases. As explained to us, the Company did not have any dues on account of Employees' State Insurance, Wealth tax, duty of excise, duty of customs and cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Profession tax, Income-tax and Goods and Service Tax were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

 - (b) According to the information and explanations given to us, there are no dues of Income-tax and Goods and Service Tax as at 31 March 2020, which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks, financial institutions and debenture holders. The Company has availed moratorium on repayment of loans and interest thereon from banks and financial institutions based on the circular issued Reserve Bank of India and accordingly, repayment of dues from banks and financial institutions falling due has not been considered for the moratorium period. The Company did not have any outstanding dues to government or debenture holders during the year.

- (ix) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, term loans taken were applied for the purpose for which they are raised.
- (x) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the management.
- (xi) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, paragraph 3 (xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the standalone financial statements.
- (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 to the Company.
- (xv) According to 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. Accordingly, paragraph 3 (xv) of the Order is not applicable to the Company.
- (xvi) In our opinion and according to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, paragraph 3 (xvi) of the Order is not applicable to the Company.

For B S R & Co. LLP

Chartered Accountants
Firm Registration No: 101248W/W-100022

Aniruddha Godbole

Partner
Membership No: 104519
UDIN: 20105149AAAADX1586

Mumbai
18 June 2020

For Gokhale & Sathe

Chartered Accountants
Firm's Registration No: 103264W

Jayant Gokhale

Partner
Membership No: 033767
UDIN: 2033767AAAAG9297

Mumbai
18 June 2020

Annexure B

to the Independent Auditors' report on the standalone financial statements of IRB Infrastructure Developers Limited for the year ended 31 March 2020

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 2A(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have jointly audited the internal financial controls with reference to the standalone financial statements of IRB Infrastructure Developers Limited ("the Company") as of 31 March 2020 in conjunction with our joint 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, an adequate internal financial controls with reference to the standalone financial statements and such internal financial controls were operating effectively as at 31 March 2020, 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 joint 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 joint 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 the standalone financial statements.

Meaning of Internal Financial controls with Reference to the Financial Statements

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 the 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 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

Aniruddha Godbole

Partner

Membership No: 104519

UDIN: 20105149AAAADX1586

Mumbai

18 June 2020

For Gokhale & Sathe

Chartered Accountants

Firm's Registration No: 103264W

Jayant Gokhale

Partner

Membership No: 033767

UDIN: 2033767AAAAG9297

Mumbai

18 June 2020