Independent Auditor's Report

To the Members of Persistent Systems Limited

Report on the Audit of the Standalone Financial Statements Opinion

1\ We have audited the accompanying standalone financial statements of Persistent Systems 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 in Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2020, and its profit (financial performance 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 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 Matters

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 matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Accuracy of revenues and onerous obligations in respect of fixed-price contracts Refer Notes 3(h)(i) notes forming part of the Standalone Financial Statements. The Company has entered into various fixed-price software development contracts, for which revenue is recognized by the Company using the percentage of completion computed as per the Input method prescribed under Ind AS 115 Revenue from Contracts with Customers. The said revenue recognition accounting policy involves exercise of significant judgement by the management and the following factors requiring significant auditor attention: \ High inherent risk around accuracy of revenue, given the customised and complex nature of these contracts and significant involvement of IT systems. \ High estimation uncertainty relating to determination of the progress of each contract, costs incurred till date and additional costs required to complete the remaining contract. \ Identification and determination of onerous contracts and related obligations. \ Determination of unbilled revenue receivables and unearned revenue related to these contracts as at end of reporting period. Considering the materiality of the amounts involved, and significant degree of judgement and subjectivity involved in the estimates as mentioned above, we have identified revenue recognition for fixed price contracts and determination of onerous contracts and related provisions, as a key audit matter for the current year audit.	Our audit work included but was not restricted to the following procedures: \ Obtained an understanding of the systems, processes and controls implemented by management for recording and calculating revenue, and the associated unbilled revenue, unearned and deferred revenue balances, and onerous contract obligations. \ Tested the design and operating effectiveness of related manual controls and involved auditor's experts to assess key information technology (IT) controls over: - IT environment in which the business systems operate, including access controls, segregation of duties, program change controls, program development controls and IT operation controls; - Testing the IT controls over the completeness and accuracy of cost/efforts and revenue reports generated by the system; and - Testing the access and application controls pertaining to allocation of resources and budgeting systems which prevents the unauthorized changes to recording of efforts incurred and controls relating to the estimation of contract efforts required to complete the project. \ Selected a sample of contracts and performed a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract. \ Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving milestones, which require change in estimated efforts to complete the remaining performance obligations. \ Performed analytical procedures for reasonableness of incurred and estimated efforts. \ Evaluated management's identification of onerous contracts based on estimates tested as above. \ Evaluated the appropriateness of disclosures made in the financial statements with respect to revenue recognized during the year as required by applicable Indian Accounting Standards.
Unbilled revenue in respect of revenue sharing arrangements, i.e., Royalty income Refer Notes 3(h)(i) notes forming part of the Standalone Financial Statements. Royalty income from one of the main customers is accrued as a percentage of total onward sales made by the customer during the period. Recognition of royalty income for the period of three months before year end, involves estimations made by the Company based on past trends and information available with the management during the particular period. Such Royalty income is booked as unbilled receivable, since actual sales for the aforesaid period by the customer is determined subsequent to the period end. Considering the materiality of the amounts involved, and significant degree of judgement and subjectivity involved in the estimates of the unbilled revenue, we have identified unbilled receivable in respect of revenue sharing arrangements as a key audit matter for the current year audit.	Our audit work included but was not restricted to the following procedures: \ Obtained an understanding of the systems, processes and controls implemented by management for estimating revenue and the associated unbilled revenue. \ Tested the design and operating effectiveness of the internal controls relating to estimation of share of revenue involved in recognition of royalty income. \ Evaluated basis of estimation of aforesaid unbilled receivable from the terms of the contract and past trends, and verified arithmetical accuracy of management computation. \ Assessed historical accuracy of the forecasts made by the management in earlier period/s. \ Performed analytical procedures for reasonableness of revenue and associated unbilled revenue recorded and disclosed as at year end. \ Evaluated the appropriateness of disclosures made in the financial statements with respect to unbilled revenue recognized during the year as required by applicable Indian Accounting Standards.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of non-current investments in subsidiary company As described in Note 6 to the standalone financial statements, carrying value of investment as at 31 March 2020 in Persistent Systems Germany GmbH (investee), a subsidiary of the Company is ₹ 1,265.91 million. The management has noted impairment indicators on account of Company's share in net asset value of the investee being lower than the carrying value of investment in the said subsidiary company as at 31 March 2020. In view of the above, management's assessment of impairment of the said investment requires estimation and judgement with respect to certain inputs used and assumptions made to prepare the forecasted financial information of the subsidiary company, which is used to calculate the recoverable value of the investment, using discounted cash flow model. Key assumptions used in management's assessment include expected growth rates, estimates of future financial performance and discount rates, among others, as attributable to such subsidiary. Based on the management's assessment, no impairment loss has been recognized on such investment. Considering the materiality of the amounts involved and significant degree of judgement and subjectivity involved in the estimates and key assumptions used in determining the cash flows used in the impairment evaluation, we have determined evaluation of need for impairment of the investment made in subsidiary as a Key audit matter.	Our audit work included but was not restricted to the following procedures: \ Performed detailed discussions with the management to understand the impairment assessment process, assumptions used and estimates made by management and tested the operating effectiveness of the controls implemented by management. \ Reviewed the impairment indicators identified by the management and also obtained the impairment analysis carried out by the management. \ We have assessed the methodology used by the management to estimate the recoverable value of investment in subsidiaries, for which an impairment test was performed. \ We evaluated the inputs used by the management with respect to revenue and cost growth trends, among others, for reasonableness thereof. \ Obtained the cash flow forecast approved by the Board of Directors of the subsidiary company and evaluated the subsidiary's historical accuracy of forecasts made in earlier periods. \ Evaluated the sensitivity analysis performed by management in respect of the key assumptions such as discount and growth rates. Also performed independent sensitivity analysis on such key assumptions. \ Evaluated the appropriateness of disclosures made in the financial statements in relation to such investments as required by applicable Indian Accounting Standards.
Contingent liabilities relating to export incentive litigation Refer Note 36 – notes forming part of the Standalone Financial Statements regarding dispute on export incentives availed by the Company that have been refunded under protest. Based on management's judgement considering significant assumptions and assessments requiring interpretation of various applicable rules, regulations, practices and precedents, export incentives of ₹ 296.55 million refunded under protest and ₹ 113.49 million accrued in earlier years, has been disclosed as a contingent liability as at year end. In view of the amounts involved and uncertainty pertaining to the final outcome of the matter requiring significant management judgement in determination of recognition of provision or disclosure of contingent liability with respect to the said litigation, this matter is considered as a key audit matter for the current year's audit.	Our audit work included but was not restricted to the following procedures: \ Obtained an understanding of the Company's process and the underlying controls for identification and monitoring of the pending litigations and completeness of such litigations for financial reporting \ Assessed the appropriateness of the Company's accounting policies relating to provisions and contingent liability disclosures, in accordance with the applicable Indian Accounting Standards. \ Discussed developments during the year in the export incentive matter with the management and obtained opinion from the management's expert. \ Involved auditor's expert to test the management's underlying assumptions in estimating the export incentive benefits and the possible outcome of the matters. This involved assessing the probability of an unfavorable outcome of a given proceeding and the reliability of estimates of related amounts which involved consideration of legal precedence and other rulings and expert opinion obtained by the management. \ Assessed adequacy and appropriateness of the contingent liability disclosure made in Note 36 to determine whether management has presented the facts and circumstances adequately.

Key audit matter	How our audit addressed the key audit matter
Implementation of new ERP IT system During the current year, with effect from 01 October 2019, the Company has implemented a new ERP IT System, namely' "Oracle's-Fusion" across all locations including overseas locations, covering certain key business processes including financial information reporting process. The Company is highly dependent on information technology (IT) systems for carrying on its operations including automated interfaces between the various sub- systems. The Company's accounting and financial reporting processes are dependent on the automated controls enabled by IT systems which impacts key financial accounting and reporting items. The migration has resulted in a significant change in the Company's process and the related controls. Due to its importance and bearing on operating procedures and financial accounting controls and significant management efforts with regards to transition and migration of data and required integration with continued other legacy IT systems, which required increased audit efforts and robust discussions with the management and those charged with governance, the implementation of new ERP has been considered as a key audit matter for the current year audit.	Our audit work included, but was not limited to, the following procedures performed with the help of auditor's experts, where necessary: \ Obtained an understanding of the systems, processes and underlying controls of the new ERP system from the management and management's implementation experts. \ Obtained an understanding of the processes and controls implemented by management during the data migration process and integration of the new ERP with continued other legacy IT systems. \ Discussed, assessed and evaluated the appropriateness of IT access and segregation of duties in the new IT system. \ Performed walkthroughs to test design and also tested operating effectiveness of automated controls including the IT general controls and key IT application controls in the financial reporting module of the new IT system. \ Verified the SOC 1-Type II report provided by Oracle for Oracle Fusion Cloud Services-Oracle Fusion ERP. \ Obtained and reviewed exception report from the management with respect to data migration and re- performed reconciliations between old sub-ledgers and general ledgers and data migrated to the new system.

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 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 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 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 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 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 state of affairs (financial position), profit or loss (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\ The 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 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.

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.

Other Matter

15\ The standalone financial statements of the Company for the year ended 31 March 2019 and for the quarter ended 30 June 2019 were audited by the predecessor auditor, Deloitte Haskins & Sells LLP, who have expressed an unmodified opinion on these standalone financial statements and standalone condensed financial statements vide their audit reports dated 27 April 2019 and 25 July 2019 respectively. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

16\ As required by Section 197(16) of the Act, 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.

17\ As required by the Companies (Auditor's Report) Order 2016 ('the order') issued the by Central Government of India in terms of Section 143(11) of the Act, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order.

18\ Further to our comments in Annexure 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 purpose 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 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. on the basis of the written representations received from the directors and 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;

f. we have also audited the internal financial controls over financial reporting (IFCoFR) 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 05 May 2020 as per Annexure B expressed an unmodified opinion;

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 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;
   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 Registration No.: 001076N/N500013

Bharat Shetty
Partner
Membership No.: 106815
UDIN No:20106815AAAABD6071

Place: Mumbai
Date: 05 May, 2020

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

Based on the audit procedures performed for the purpose of reporting a true and fair view on the standalone 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.

b. The Company has a regular program of physical verification of its property, plant and equipment under which property, plant and equipment are verified in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. In accordance with this program, certain property, plant and equipment were verified during the year and no material discrepancies were noticed on such verification.

c. The title deeds of all the immovable properties (which are included under the head plant and equipment and Right of use asset') are held in the name of the Company.

ii. The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.

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 Sections 185 and 186 of the Act in respect of loans, investments, 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. The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's products/services Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

vii. a. Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, goods and services tax, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became 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

Name of the statute	Nature of dues	Amount (₹ million)	Amount paid under Protest (₹ million)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income tax	28.69	-	2009-10	Honourable High Court
The Income Tax Act, 1961	Income tax	19.06	-	2010-11	Honourable High Court
The Income Tax Act, 1961	Income tax	12.52	-	2008-09	Honourable High Court
The Customs Act, 1962	Export incentive	296.55	296.55	2015-16, 2016-17 and 2017-18	Directorate of Revenue Intelligence
Maharashtra Value added Tax Act, 2002	Sales Tax	26.51	23.44	2005-06 and 2013-14	Joint Commissioner (Appeals)
The Finance Act, 1994	Service tax	173.78	165.58	2014-15	Central Excise and Service Tax Appellate Tribunal

viii. The Company has not defaulted in repayment of loans or borrowings to any bank or financial institution or government during the year. The Company did not have any outstanding debentures during the year.

ix. In our opinion, the Company did not raise moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, the term loans were applied for the purposes for which the loans were obtained.

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 the 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 Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Bharat Shetty
Partner
Membership No.: 106815
UDIN No:20106815AAAABD6071

Place: Mumbai
Date: 05 May, 2020

Unconsolidated Financials

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

Independent Auditor's Report on the Internal Financial Controls 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 Persistent Systems Limited (the Company) as at and for the year ended 31 March 2020, we have audited the internal financial controls over financial reporting ('IFCoFR') 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 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 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

3\ Our responsibility is to express an opinion on the Company's IFCoFR based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India (ICAI) prescribed under Section 143(10) of the Act, to the extent applicable to an audit of IFCoFR, and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (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 IFCoFR 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 IFCoFR and their operating effectiveness. Our audit of IFCoFR includes obtaining an understanding of IFCoFR, 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 IFCoFR.

Meaning of Internal Financial Controls over Financial Reporting

6\ A company's IFCoFR 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 IFCoFR 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 over Financial Reporting

7\ Because of the inherent limitations of IFCoFR, 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 IFCoFR to future periods are subject to the risk that the IFCoFR 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 over financial reporting 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 on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Walker Chandiok & Co LLP
Chartered Accountants
Firm Registration No.: 001076N/N500013

Bharat Shetty
Partner
Membership No.: 106815
UDIN No:20106815AAAABD6071

Place: Mumbai
Date: 05 May, 2020

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