

INDEPENDENT AUDITOR'S REPORT

**TO THE MEMBERS OF
INTEGRA TELECOMMUNICATION & SOFTWARE LIMITED**

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Integra Telecommunication & Software Limited ('the company'), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss including the statement of other comprehensive income, the Cash flow statement and the Statement of change in Equity for the year then ended, and a summary of 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 (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 31st March, 2020 and its profit /(loss) (including Other Comprehensive Income), its changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

- a) The company has granted interest free unsecured loan in earlier years to Mr. Chimman Lal Agarwal who is promoter, KMP and relative of the Directors. The amount of loan outstanding on 31st March 2020 Rs. 22,00,000/- (Rs 2,74,000,00/- for the year ended on 31st March 2019). In respect of this unsecured interest free loan, the Company has not furnished any agreement and in absence of that, the terms of repayment, chargeability of interest and other terms are not verifiable.
- b) The company has granted interest free unsecured loan in earlier years to CRA Infotech Private Limited. The amount of loan outstanding on 31st March, 2020 Rs 5,88,10,000/- (Rs 5,94,00,000/- for the year ended on 31st March 2019). The purpose of loan, repayment schedule and other terms are not known. In the absence of agreement, it cannot be verified. We were explained that directors and KMPs who retired during the year from the auditee Company have not submitted MBP-1 as a result of that MBP-4 is incomplete. It cannot be verified whether the borrower company was related party or not to the directors and KMPs who retired during the year from the auditee Company.
- c) The parties, to whom interest free unsecured loan was granted in earlier years, have invested in the shares of the auditee company. M/s CRA Infotech Private Limited holds 12.26 percent equity of the auditee company as on 31st March 2020 (12.78 percent equity as on 31st March 2019) and Mr. Chimman Lal Agarwal holds 8.52 percent equity as on 31st March 2020 (15.69 percent equity as on 31st March 2019). In the absence of purpose of the loan we cannot comment whether it is in contravention or conformity with the provisions of section 67 of the Companies Act, 2013.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Ind AS 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 qualified 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 audit of the standalone financial statements of the current year. These matters were addressed in the context of our audit of the Ind AS financial statements, and in forming our opinion thereon, and we do not provide a separate opinion except the matters described in the Basis for Qualified Opinion section.

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

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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, the Board of Directors 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 the Board of Directors 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS 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 an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) 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.

- b) 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.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) 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 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.
- e) 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 audit.

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

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

As required by section 143 (3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations, except for the matter described in the Basis for Qualified Opinion paragraph above, which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, 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 and the Statement of Profit and Loss including other comprehensive income, the Cash Flow statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
- d) Except for the effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time;
- e) On the basis of written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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”; and
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Place: New Delhi
Date: 31-07-2020

For S. Agarwal & Co.
Chartered Accountants
FRN: 000808N
B. S. Chaudhary
(Partner)
M. No. 406200
UDIN:20406200AAAAAJ3214

“Annexure A” to the Independent Auditors’ Report

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2020:

- 1) The Company has maintained proper records showing full particulars, including quantitative details and The property, plants and equipment have been physically verified by the management at reasonable interval and no material discrepancies between the books records and the physical property, plants and equipment have been noticed.
- 2) As explained to us and according to the information given to us, the Company is not carrying any inventory during the year.
- 3) In our opinion and according to the information and explanations given to us, the Company has not granted any loan during the year, secured or unsecured to companies, firms, LLP or other parties covered in the registered maintained under Section 189 of the Companies Act, 2013.
 - a) The Company has an outstanding balance of interest free unsecured loan of Rs. 22,00,000 /- due from Mr. Chimman Lal Agarwal and Rs. 5,88,10/000/- CRA Infotech Private Limited, which was granted in earlier years and outstanding as on 31-03-2020. This interest free loan is prejudicial to the interest of the company.
 - b) According to the information and explanations given to us, the schedule of repayment of principal amount and payment of interest in respect of loan granted in earlier financial years has not been stipulated between the Company and the related parties listed in the register maintained under section 189 of the Companies Act, 2013 and hence we are not able to comment upon the regularity of repayments.
 - c) The amount of unsecured interest free loan due from parties covered in the register maintained under section 189 of the Companies Act, 2013 was granted in earlier years. In the absence of schedule of repayment of principal and interest thereon, we are unable to comment upon whether any amount is overdue for more than ninety days and whether any steps for recovery have been taken by the Company.
- 4) In our opinion and according to the information and explanations given to us, the loans granted during the year were in conformity with the provisions of section 185 & 186 of the Companies Act, 2013. There are no investments, guarantees and securities granted during the year in respect of which provisions of section 185 & 186 of the Companies Act, 2013 are applicable. The loans granted in earlier years were in contravention of provisions of section 185 & 186 of the Companies Act, 2013.

Non- compliance of section 186

	Name of Party	Amount Involved	Balance as at 31/03/2020
Loan given at rate of interest lower than prescribed	Mr. Chimman Lal Agarwal	2,74,00,000	22,00,000
	CRA Infotech Private Limited	5,94,00,000	5,88,10,000

- 5) The Company has not accepted any deposits from the public within the meanings of section 73 to 76 of the Act and the rules framed thereunder to the extent notified.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Goods and Service Tax, Duty of Customs, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date they become payable.
- (b) According to the information and explanation given to us, there are no dues of income tax, Goods and Service Tax, duty of customs outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans during the year.
- 10) Based upon the audit procedures performed and the information and explanations given to us by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the Period.
- 11) Based upon the audit and the information and explanations given by the management, the company has paid/provided for managerial remuneration which is in compliance with the provisions of Section 197 read with Schedule V of the Companies Act 2013
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards (Ind AS 24).
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made preferential allotment or private placement of shares, partly convertible debentures during the Period under review.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him.
- 16) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

Place: New Delhi
Date: 31-07-2020

For S. Agarwal & Co.
Chartered Accountants
FRN: 000808N
B. S. Chaudhary
(Partner)
M. No. 406200
UDIN:20406200AAAAAJ3214

“Annexure B” to the Independent Auditors’ Report

(Referred to in paragraph 2(f) of the independent auditor’s report of even date on the financial statements of the company for the year ended March 31, 2020.)

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 Integra Telecommunication & Software Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Board of Directors of the Company are 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the ‘Guidance Note’) and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India 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 Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls

over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (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 authorisation 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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 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.

Place: New Delhi
Date: 31-07-2020

For S. Agarwal & Co.
Chartered Accountants
FRN: 000808N
B. S. Chaudhary
(Partner)
M. No. 406200
UDIN:20406200AAAAAJ3214