

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of **M/S PURSHOTTAM INVESTOFIN LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **M/s Purshottam Investofin Limited** ('the Company), which comprises the Balance Sheet as at **31<sup>st</sup> March, 2018**, the statement of Profit and Loss and Cash Flow Statement of the company for the year then ended and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013("the Act") with respect to preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the

accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the balance sheet, of the state of affairs of the Company as at **31<sup>st</sup> March 2018**; and
- b) In the case of statement of profit and loss, of the profit for the year ended on that date.
- c) In the case of the cash flow statement, of the cash flows for the year ended on that date.

### Emphasis of Matters

We draw attention to following matters in the notes to the financial statements:

- a) As certified by the management and relied upon by us in the matter that no lawsuit filed against the company.
- b) Note “BS-B” in the financial statements which indicate that the company has accumulated losses but it has sound net worth. The company has earned profits during the current financial year. Company is having sufficient balance of reserves. The management is of the view that the company shall perform well in future and our opinion is not modified in respect of this matter. Hence, the financial statements of the company have been prepared on a going concern basis.
- c) Note 2(k) on employee benefits indicate that the company has not obtained actuarial valuation report with respect to gratuity liability. The management is of the view that the company shall be able to meet the gratuity liability as and when the same arise in future, our opinion is not modified in respect of this matter considering the present number of employees vis a vis the materiality aspect.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor’s Report) Order, 2016 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.
2. 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 Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

- d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on March 31<sup>st</sup>, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31<sup>st</sup> 2018, from being appointed as a director section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.
- g) with respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. As certified by the management and relied upon by us in the matter that no lawsuit filed against the company.
  - ii. The Company did not have any long-term contracts including derivate 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.
  - iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31,2018.

**For STRG & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 014826N**

**Sd/-  
CA Sanjeev Tandon  
Partner  
M. No.: 094634**

**Place: New Delhi  
Date: 30.05.2018**

**“Annexure A” to the Auditors’ Report**

The Annexure referred to in our report to the members of **Purshottam Investofin Limited (the Company)** for the year ended on 31<sup>ST</sup> March, 2018. We report that:

1. a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the company does not own any immovable property.
2. The company holds inventory of shares. As explained to us, the management has conducted physical verification of inventories where the shares were held in physical form. Where shares were held in Dematerialized form they were verified from the Demat account at reasonable intervals during the year. No material discrepancies were noticed on physical verification.
3. The Company has not granted unsecured loan to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
5. The Company has not accepted any deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended).
6. To the best of our knowledge and belief, 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.
7. (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees’ state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities 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 become payable.
- (b) According to the information & explanations given to us there are outstanding demand of Rs. 1,56,040/ in respect of income tax and outstanding demand of Rs.1,53,446/-in respect of TDS which have not been deposited with the appropriate authority on account of dispute. Further dispute is pending with the Income Tax Department. There are no amount of sales-tax, wealth tax, service tax,

duty of customs, duty of excise, value added tax and cess that have not been deposited with the appropriate authorities on account of any dispute.

- (c) According to the information's and explanations given to us there are no amount which was required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
8. In our opinion, the Company has not defaulted in repayment of dues to any financial institution or a bank or to debenture-holders during the year.
  9. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
  10. No fraud on or by the Company has been noticed or reported during the period covered by our audit.
  11. The managerial remuneration has been paid/provided in accordance with the requisite approvals mandated by the provision of Section 197 read with schedule V to the Act during the year.
  12. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
  13. 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 wherever applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
  14. According to the information and explanations give 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.
  15. 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 non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
  16. The company is registered under section 45 IA of the Reserve Bank of India Act, 1934.

**For STRG & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 014826N**

**Place: New Delhi  
Date: 30.05.2018**

**Sd/-  
CA Sanjeev Tandon  
Partner  
M. No: 094634**

## **“Annexure B” to the Auditors’ Report**

### **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 **Purshottam Investofin Limited** (“the Company”) as of 31st March 2018 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 Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting 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 Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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 auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, 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 STRG & ASSOCIATES  
CHARTERED ACCOUNTANTS  
FRN: 014826N**

**Sd/-  
CA Sanjeev Tandon  
Partner  
M. No.: 094634**

**Place: New Delhi  
Date: 30.05.2018**