

AMBITION MICA LIMITED

(10TH Annual Report 2019-2020)

Independent Auditor's Report

To the Members of M/s. Ambition Mica Limited
Report on the Audit of the Standalone Financial Statements**Opinion**

We have audited the accompanying Standalone Financial statements of **M/s. Ambition Mica Limited ("the Company")**, which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive income), the Statement of Changes in Equity and the Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 (the 'Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and its profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing 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 ('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

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statement of 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, as we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr No.	Key Audit Matters	Principal Audit Procedures/Auditor's Responses
1.	Evaluation of Pending Tax Litigations: The Company has pending litigation for demand in dispute under various tax statutes which involves significant judgment to determine the possible outcome of these disputes.	We have obtained details of tax litigations under various statutes for the year ended 31st March, 2020 from the management. We have reviewed the management's underlying assumptions in estimating the tax provision and the possible outcome of the disputes. We have also reviewed the legal precedence and other rulings provided for review by the management in evaluating its position in various matters. We have also reviewed the assumptions made by the management as at 31st March, 2019 and evaluated whether any change was required on account of information and updates made available during the year.
2.	Appropriateness of Current / Non-current classification	For the purpose of current/non-current classification of assets and liabilities, the Company has ascertained its normal operating cycle as twelve months. This is based on the nature of services and the time between

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		<p>the acquisition of assets or inventories for processing and their realisation in cash and cash equivalents.</p> <p>The classification of assets and liabilities has been done on the basis of documentary evidences. Where conclusive evidences are not available, the classification has been done on the basis of management's best estimate of the period in which the assets would be realised or the liabilities would be settled. We have evaluated the reasonability of the management's estimates.</p>
3.	<p>Non-responses of external confirmations request perpetrated pursuant to SA 505</p> <p>COVID-19 has impacted the procedure of external confirmation request to vendors and customers. Postal facilities were not available in the near-end of the financial year. However, due to suspension of business activities of many confirming parties, there are fewer confirmations received than anticipated.</p>	<p>We revised our assessed risk and have modified our audit procedures to mitigate these risks. We have obtained a reliable assurance pertaining to transactions with confirming parties, in the sense for accurate and complete processing of routine and significant classes of transactions such as revenue, purchases and cash receipts or cash purchases.</p> <p>We selected samples and tested the effectiveness of controls relating to accuracy and completeness of transactions in totality considering the frequency and regularity of transactions.</p>
4.	<p>Adoption of Ind AS 116, Leases</p> <p>Effective 1st April 2019, Ind AS 116 replaces the existing standard Ind AS 17 and specifies how an entity will recognise, measure, present and disclose leases.</p> <p>The standard provides a single lease accounting model, requiring lessees to recognise a right of use asset ("ROU asset") and a corresponding liability on the lease commencement date. It provides exemption for leases with lease term of 12 months or less or the underlying asset has a low value.</p> <p>The Company has applied Ind AS 116. We considered the first-time application of the standard as a key audit matter due to the judgements needed in establishing the underlying key assumptions</p>	<p>Our procedures included the following:</p> <p>Assessing the accounting regarding leases with reference to consistency with the definitions of Ind AS 116. This includes factors such as lease term, discount rate and measurement principles;</p> <p>Testing completeness of the lease data as at 31st March, 2019 by reconciling the Company's operating lease commitments to the underlying data used in computing the ROU asset and Lease liability;</p> <p>Assessing the transition to Ind AS 116 by verifying consistency with the definitions and practical expedients of Ind AS 116;</p> <p>Examining the Company's judgement in establishing the underlying assumptions. This includes assessing the discount rate used in determining the lease liability.</p>

Emphasis of Matter

We draw your attention to Note 51 to the Standalone Financial Statements which explains the management's assessment of the financial impact due to the lock-down and other restrictions and conditions related to the COVID-19 pandemic situation, for which a definitive assessment of the impact in the subsequent period is highly dependent upon circumstances as they evolve. Our opinion is not modified in respect of this matter.

Information other than the Standalone Financial Statements and Auditor's Report Thereon

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.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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In connection with our audit of the financial statements, our responsibility is to read the other information 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.

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 responsibilities for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance (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 specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) 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 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 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.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility

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.

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 explaining 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

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report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 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.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of subsection (11) of section 143 of the Act ("the Order"), 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, based on our audit we report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and the statement of Cash Flow 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 specified under Section 133 of the Act;
- e. On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g. 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.

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- h. 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 has disclosed the impact of pending litigations on its financial position in its 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 were no amounts which were required to be transferred to the investor Education and Protection Fund by the company.

**For, Ashok Thakkar & Co.
Chartered Accountants
(F.R.No. 112754W)**

**[CA Ashok D. Thakkar]
Proprietor
Membership No. 045940
UDIN: 20045940AAAABV1304**

**Place: Ahmedabad
Date: 31ST July, 2020**



AMBITION MICA LIMITED**(10TH Annual Report 2019-2020)****ANNEXURE-A to the Independent Auditor's Report****Reports under The Companies (Auditor's Report) Order, 2016 (CARO 2016) for the year ended on 31st March, 2020**

To,
The Members of
AMBITION MICA LIMITED

(1) In Respect of Fixed Assets

(a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.

(b) According to the Information and explanations given to us, the fixed assets are verified in a phased manner by the management, during the year which, in our opinion is reasonable having regard to the size of the Company and nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deed of all immovable assets are held in the name of company.

(2) In Respect of Inventories

The inventory, lying at factory premise, has been physically verified by the management during the year. Full verification could not be conducted due to COVID-19 outbreak. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account

(3) Compliance under section 189 of The Companies Act, 2013

The company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained u/s 189 of the Companies Act, 2013 (the Act).

(4) Compliance under section 185 and 186 of The Companies Act, 2013

As per information and explanation given to us, Company has not given any loan or guarantee and has not provided any securities.

(5) Compliance under section 73 to 76 of The Companies Act, 2013 and Rules framed there under while accepting Deposits

The company has not accepted any Deposits from the public.

(6) Maintenance of cost records

As explained to us, the Central Government has not prescribed the maintenance of Cost records under sub section (1) of section 148 of the Companies Act, 2013.

(7) Deposit of Statutory Dues

(a) Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Income tax, Sales-tax, Service tax, Duty of Excise, Goods and Service Tax, Value added tax or Cess and any other statutory dues applicable to it, except for a professional tax amounting to Rs. 1,11,760/-, and Tax Deducted At Source (Including TCS) amounting to Rs.27,16,245.55/- which is outstanding on the last date of the financial year concerned for a period of more than six months from the date they became payable, also there has been a delay in GST Payment.

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(b) According to the information and explanation given to us and as per the records of the company, the dues outstanding of Central Sales Tax on account of any dispute, is as per annexure of Statement of Disputed Dues.

Statement of Disputed Dues

SR.NO	Name of the Statute	Name of the Dues	Amount in Rs.	Period to which the amount relate	Forum where dispute is pending
1	Central Sales Tax Act (Gujarat)	Central Sales Tax, Interest and Penalty(For Non submission of C Forms)	63,35,560	2015-16	Deputy Comissioner of Commercial Tax(Appeal-2), Ahmedabad

(8) Repayment of Loans and Borrowings

According to the information and explanation given to us, the company has not defaulted in repayment of loans or Borrowings from Banks and Financial Institutions, except one EMI dues to financial institution named ECL Finance Limited amounting to Rs. 3,23,254/- has not been paid by the company. The company has not taken any loan from Government or has not issued any debenture.

(9) Utilization of Money Raised by Public Offers and Term Loan For which they Raised

According to the information and explanation given to us, the company did not raised any money by way of further public offer (including debt instruments) during the year under review. However, the term loans raised during the year has been applied for the purpose for which they have raised

(10) Reporting of Fraud During the Year

According to the information and explanation given to us, during the year under review no fraud by the company or any fraud on the company by its officers or employees has been noticed or reported.

(11) Managerial Remuneration

According to the information and explanations given to us and based on our examination of the records of the company we report that company has complied with the provisions of managerial remuneration of section 197 read with Schedule V to the Companies Act.

(12) Compliance by Nidhi Company Regarding Net Owned Fund to Deposits Ratio

As per information and records available with us, the company is not Nidhi Company.

(13) Related party compliance with Section 177 and 188 of companies Act – 2013

According to the information and explanations given to us and based on our examination of the records of the company all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

(14) Compliance under section 42 of Companies Act - 2013 regarding Private placement of Shares or Debentures

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 under review.

(15) Compliance under section 192 of Companies Act - 2013

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

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connected with him.

(16) Requirement of Registration under 45-IA of Reserve Bank of India Act, 1934

The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**Ashok Thakkar & Co.
Chartered Accountants**

**Ashok D. Thakkar
Proprietor**

M'ship No. 045940

Firm Reg. No. 112754W

UDIN : 20045940AAAABV1304

Place: Ahmedabad

Date: 31ST July, 2020



AMBITION MICA LIMITED**(10TH Annual Report 2019-2020)****ANNEXURE-B to the Independent Auditor's Report
Report on the Internal Financial Control 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 AMBITION MICA LIMITED ("the Company") as of 31st March, 2020 in conjunction with our audit of the financial statement 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.

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 conduct 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 plans 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 procedure 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 exist, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedure selected depends 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 purpose 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 authorization 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.

AMBITION MICA LIMITED**(10TH Annual Report 2019-2020)****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, 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 Auditing of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Ashok Thakkar & Co.
Chartered Accountants

Ashok D. Thakkar
Proprietor
M'ship No. 045940
Firm Reg. No. 112754W
UDIN : 20045940AAAABV1304

Place: Ahmedabad
Date: 31ST July, 2020

