



INDEPENDENT AUDITOR'S REPORT

To
The Members
NILE LIMITED
Hyderabad.

Report on the Standalone IND-AS Financial Statements

Opinion

We have audited the accompanying standalone IND-AS financial statements of Nile Limited, which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the statement of changes 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, 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, 2019, and its profit and loss statement including statement of Other comprehensive Income, its cash flows and the statement of changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit 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 period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances.</p> <p>Revenue from sale of goods is recognized when significant risks and rewards in respect of ownership of products are transferred to customers. Revenue from domestic sale of products is recognized on dispatch of products. Revenue from export sales is recognized on shipment of products. Revenue from products is stated exclusive of Goods and Service Tax (GST), returns and applicable trade discounts and allowances.</p> <p>Revenue from services is recognized as per the terms of contract with customers when the related services are performed or the agreed milestones are achieved.</p> <p>Revenue from sale of Wind Power is recognized as per terms of PPA on supply of power.</p>	<p>We have performed the following audit procedures in relation to revenue recognition:</p> <p>Assessing the appropriateness of the company's revenue recognition policies in line with IND AS 115 – "Revenue from contracts with customers"</p> <p>Understanding the Revenue recognition policy, evaluating the design and implementation of company's control in respect of revenue recognition.</p> <p>Testing the supporting documentation for sales transactions recorded during the period closer to the year end and subsequent to the year end, including examination of credit notes issued after the year end to determine whether revenue was recognised in the correct period.</p> <p>Testing the effectiveness of such controls over revenue cut off at year-end.</p>
2	<p>Provision , Contingent Liabilities and Contingent Assets</p> <p>Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes to accounts. Contingent Assets are neither recognized nor disclosed in the financial statements.</p>	<p>We have reviewed the contingent liabilities and provisions as on 31.03.2019 and validated the correctness of the reporting policy applied by the management as per the relevant accounting standards as notified.</p>

3	Employee Benefits as per IND AS -19	<p>The company has classified various benefits to employees into Defined Contribution Plan and Defined Benefit Plan.</p> <p>Defined Contribution Plan consists of contribution to Provident Fund.</p> <p>Defined Benefit Plan consists of Gratuity and Leave Encashment.</p> <p>As per the IND-AS 19 we have transferred the Actuarial Gain/Loss on Defined Obligation to Other Comprehensive Income which shall not be reclassified to Profit and Loss Statement as per the Actuarial Valuation Report.</p>
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Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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 Responsibility 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 IND-AS financial statements that give a true and fair view of the financial position, financial performance, including other comprehensive income, cash flows and the statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (IND-AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the companies (Indian Accounting Standards) Rules, 2015, as amended. 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 standalone 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 responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our responsibility is to express an opinion on these IND-AS 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 of the standalone IND-AS financial statements 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 IND-AS financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the IND-AS 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 IND-AS 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 IND-AS 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 IND-AS financial statements.



Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order 2016 (' the order '), issued by the Central Government of India in terms of Subsection 11 of Section 143 of the Companies Act, 2013, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the order to the extent applicable.

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

- (a) We have sought and obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our 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 the statement of 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) 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 and Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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".
- (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 has disclosed impact of pending litigation in Notes on IND-AS Financial Statements under 'contingent liabilities and commitments to the extent not provided for'.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any *material foreseeable losses*.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For Gokhale & Co
Chartered Accountants
FRN: 000942S

Sd/-
Padam Kumar Kaliya
Partner
Membership No. 243378

Place: Hyderabad
Date: 14.05.2019

Annexure-A to the Auditor's Report dated May 14, 2019 issued to the Members of Nile Limited

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 Companies Act, 2013 (18 of 2013) and on the basis of such checks, as we considered appropriate, we further report that:

- (i) (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 according to a phased programme designed to cover all assets on rotation basis. In respect of assets verified according to this programme, which is reasonable, no material discrepancies were noticed.
- (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 deeds of the immovable property are held in the name of the company.
- (ii) The inventory has been physically verified by the management at reasonable intervals and in our opinion,

the frequency of verification is reasonable. No material discrepancies were noticed in physical verification between the physical stocks and the book stocks

- (iii) The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, our comments on sub-clause (a), (b) and (c) of clause (iii) of paragraph 3 of the order are Nil.
- (iv) The company has not given any loans, guarantees or security to which provisions of section 185 and 186 of the Companies Act, 2013 are applicable.
- (v) In our opinion and according to the information and explanation given to us, with regard to the deposits accepted, the company has complied with the directives issued by the Reserve Bank of India, and the provisions of sections 73 to 76 and other relevant provisions of the Companies Act, 2013 and the rules framed thereunder. No order has been passed by the Company law board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal against this

Company in any matter relating to the deposits accepted by the company.

- (vi) As per the information and explanation furnished to us, maintenance of Cost records has been specified by the Central Government U/s. 148(1) of the Act for this Company and we are of the opinion that, the prescribed accounts and records have been made and maintained by the Company. However, we have not conducted any audit of the same.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the company, amounts deducted or accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-

tax, service tax, Goods and service Tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities and there are no such amounts outstanding due for a period of more than six months as at the Balance Sheet date.

- (b) According to the information and explanations given to us, following are the details of statutory dues which have not been deposited on account of disputes. Apart from this there are no other disputed dues of income tax or duty of customs or duties of excise pending payment :

Name of the statute	Nature of dues	Amount (Rs in lakhs)	Period to which the amount relates	Forum where dispute is pending	Remarks
APVAT Act, 2005	Penalty under APVAT	1.38	June 2014 to March 2015	The Appellate Deputy Commissioner (CT), Tirupati	An amount of Rs 0.52 lakhs has been paid under protest
APVAT Act, 2005	APVAT	16.48	April 2015 to June 2017	Company is preparing for filing of appeal before the Appellate Deputy Commissioner (CT), Tirupati	Order passed by Asst Comm Chittoor in AAO no 148991 dated 02/03/2019 there is an excess payment of tax of Rs 2,00,960 for the same period.

- (viii) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings from financial institutions, bank and Government. The Company has not issued debentures.
- (ix) During the year no money was raised by way of initial public offer or further public offer (including debt instruments) by the company.
- (x) On the basis of information and explanations give to us no material fraud by the company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has paid or provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- (xii) 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.
- (xiii) According to the information and explanations given to us and based on our examination of records of the company transactions with related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details of such

transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.

- (xiv) The company has not made any preferential allotment / private placement of shares/fully or partly convertible debentures during the year under review. Hence, compliance to the provision of section 42 of Companies Act, 2013 is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of records, the company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly paragraph 3 (xv) of the Order is not applicable. Hence, compliance to the provision of section 192 of Companies Act, 2013 is not applicable.
- (xvi) According to the information and explanations given to us and based on our audit, the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Gokhale & Co
Chartered Accountants
FRN: 000942S

Place : Hyderabad
Date : 14-05-2019

sd/-
Padam Kumar Kaliya
Partner
Membership No 243378



Annexure - B to the Auditors' Report

Report on the Internal Financial Controls over Financial Reporting in terms of 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 Nile Limited ('the Company') as of March 31, 2019 in conjunction with our audit of the IND-AS 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". 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

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) 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
- (iii) 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 March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of Internal Financial 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 Gokhale & Co
Chartered Accountants
Firm Regn. No 000942S

Sd/-
Padam Kumar Kaliya
Partner
Membership No 243378

Place: Hyderabad
Date: 14.05.2019