

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF REMI PROCESS PLANT AND MACHINERY
LIMITED**

Report on the Financial Statements:

We have audited the accompanying standalone financial statements of **REMI PROCESS PLANT AND MACHINERY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information as required for fair present of financial statements.

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 the preparation of these standalone 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 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 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 standalone 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.

Contd.....2.

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 standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India,

- i. in the case of the Balance Sheet, of the state of affairs of the company as at 31st March, 2018;
- ii. in the case of the Statement of Profit and Loss, of the **Profit** for the year ended on that date; and
- iii. in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements.

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.

Contd.....3.

- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Companies (Indian Accounting Standards) Rules 2015 (as amended) under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 to Auditors' Report.
- 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 the impact of pending litigations on its financial position in its financial statements.
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For SUNDARLAL, DESAI & KANODIA,
Chartered Accountants,
FRN 110560W**

Sd/-

**(M. B. DESAI)
Partner**

PLACE : MUMBAI
DATED : 30TH MAY, 2018

Membership Number 33978

ANNEXURE "A" TO AUDITORS REPORT
REMI PROCESS PLANT AND MACHINERY LIMITED
For the year ended 31st March 2018

1. a) The company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The Company has a regular program of physically verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years.in accordance with the program, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodically of physical verification is reasonable having regards to the size of the company and the nature of its assets.
- c) According to the information and explanation given to us and on the basis of our examination of the records of the company, the title deed of immovable of property are held in the name of the company. .
2. According to the information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management. The discrepancies noticed on verification between the physical stocks and the book records were not material having regard to the size of the operations of the Company and the same have been properly dealt with in the books of account.
3. As per the information and explanations given to us, the company has granted loans to associate companies/ parties Covered in the register maintained under Section 189 of the Companies Act. In our opinion the terms and condition on which said advance given is not prima facie prejudicial to the interest of the company.
4. In our opinion According to the information and explanation given to us, the company has complied with the provision of section 185 and 186 of the Act, with respect to the loan and investments made.
5. As per the information and explanations given to us, the company has not accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
6. The Central government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act & as informed to us, the same has also not been maintained.

Contd.....2.

7. The Central government has not prescribed the maintenance of cost records under section 148 (1) of the Companies Act & as informed to us, the same has also not been maintained.
8. a) According to the information and explanation given to us and based on the books and records examined by us the Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other statutory dues, wherever applicable, have been generally deposited regularly during the year with appropriate authorities. There are no outstanding statutory dues as on 31st March, 2018 for a period of more than six months from the date they become payable.
- b) According to the information and explanation given to us and based on the books and records examined by us, there are no dues of Income Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, cess and other statutory dues, wherever applicable, which have not been deposited on account of any dispute are as follows:

Sr. No.	Name of the Statute	Relevant Period	Amount (Rs.)	Form where dispute is pending
1.	The Income Tax Act	2011-2012	10,76,380/-	The Comm. of Income Tax (Appeals)

9. The Company does not have any loans or borrowings from any financial institution, banks, governments and debenture holders during the year. Accordingly, this para is not applicable.
10. The Company did not raised any money by way of initial public offer or further public offer (including debt instruments) and term loan during the year. Accordingly, this para is not applicable.
11. According to the information and explanation given to us, no fraud on or by the company has been noticed or reported during the year.
12. As per the information and explanations given to us and based our examination of the record of the company, the company has paid/provide for managerial remuneration in accordance with the provision of section 197 read with schedule V to the Act,
13. In our opinion and according to the information and explanation given to us, the Company is not a nidhi company. Accordingly, this para is not applicable.

14. According to the information and explanation given to us and based on our examination of the record of the company, transaction with the related parties are in accordance with the section 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statement as required by the applicable accounting standards.
15. According to the information and explanation given to us and based on our examination of the record of the company, the Company has not made any preferential allotment or private placement of share or fully or partly convertible during the year.
16. According to the information and explanation given to us and based on our examination of the record of the company, the company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, this para is not applicable.
17. The Company is not required to be registered under section 45-IA of reserve bank of India Act, 1934.

**For SUNDARLAL, DESAI & KANODIA,
Chartered Accountants,
FRN 110560W**

Sd/-

**(M. B. DESAI)
Partner**

Membership Number 33978

PLACE : MUMBAI
DATED : 30TH MAY, 2018

Annexure B To The Independent Auditor's Report Of Even Date On The Financial Statements of.

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 ("the Company") as of March 31, 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 criteria established by the Company considering the size of company and 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 ("the Guidance Note"). 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.

Contd.....2.

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 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.

Contd.....3.

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 were operating effectively as at March 31, 2018, based on the assessment of essential components of internal controls over financial reporting stated in the Guidance Note carried out by the Company and representation to that effect is made available to us by the Company.

**For SUNDARLAL, DESAI & KANODIA,
Chartered Accountants,
FRN 110560W**

Sd/-

(M. B. DESAI)

Partner

Membership Number 33978

PLACE : MUMBAI

DATED : 30TH MAY, 2018