

INDEPENDENT AUDITORS' REPORT

To the Members of Choksi Imaging Limited

Report on the Standalone Ind As Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **M/s CHOKSI IMAGING LIMITED** which comprise the Balance Sheet as at March 31, 2019, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, 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 accounting principles generally accepted in India including Indian Accounting Standards (Ind AS) specified under section 133 of the Act , of the state of affairs of the Company as at March 31, 2019, and profit/loss, (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 (SAs) specified under section 143(10) of the Companies Act, 2013. 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 financial statements under the provisions of the Companies Act, 2013 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 statements of the 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, 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:

Key Audit Matter	How our audit addressed the key audit matter
Litigation Matter- Claims against company not acknowledged as Debt	Our procedures included, but were not limited to the following:
<p>Refer note no 2.27 to the accompanying financial statements.</p> <p>As at 31st March 2019, the contingent liability reported in notes accompanying financial statements is on account of order passed by Commissioner of Customs for the levy of SAD & penalty thereon amounting to Rs 15.74 crores and further penalty on executives/director of the company amounting to Rs 75 lacs.</p> <p>The Company has filed an appeal before the Honorable Tribunal of Customs against the said order and management is expecting a favorable order based on the legal advisory's opinion.</p> <p>Considering the materiality of the amount involved this matter has been identified as a key audit matter for the current year audit.</p>	<p>Obtained an understanding of management's stance on the said matter based on the provisions of the law prevailing at that period of time.</p> <p>Assessed the professional competence and capabilities of the legal adviser engaged by the management.</p> <p>Based on our procedures, we also considered the adequacy of disclosures in respect of the said litigation as a contingent liability in the notes to the standalone financial statements.</p>

Information Other than the 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether 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.

Responsibility of Management 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, (changes in equity) 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. 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 implementation and maintenance of 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 statement 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 is also responsible for overseeing the company's financial reporting process

Auditor's Responsibility for the Audit of the Financial Statements

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 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 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 sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure 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:

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.

- a. 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 [and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.]
- b. 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.

- c. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- d. 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.
- e. With respect to the adequacy of the internal financial controls over financial reporting (IFCoFR) of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- f. 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 – **Refer Note 2.27** to the 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended 31 st March, 2019.

FOR KARIA & SHAH

CHARTERED ACCOUNTANTS
Firm Registration No. 112203W

Sd/-
Sanjay Shah
(PARTNER)

Place : Mumbai

Date: 25th May 2019

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT
CHOKSI IMAGING LTD. F.Y.2018-19.**

Referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date.

1. In respect of its Fixed Assets :
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
 - b) As per the information and explanation given to us, the property, plant and equipment have been physically verified by the management during the year, which in our opinion is reasonable, considering the size of the company and nature of asset. The frequency of physical verification is reasonable and no material discrepancies were noticed on such verification.
 - c) The title deeds comprising all the Immovable Properties of the land and acquired buildings which are freehold are held in the name of Company.

2. In respect of Inventories :

According to information and explanation given to us physical verification of inventory has been conducted at reasonable intervals except for inventories lying with third parties where confirmations have been received by the management, and no material discrepancies were noticed on physical verification during the year.

3. In respect of the loan, secured or unsecured granted by the company to / from companies firms or other parties covered in the register maintained under sec 189 of Companies act 2013:
 - a) According to the information and explanations given to us the company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under sec. 189 of The Companies Act 2013.

4. According to the information and explanations given to us, the Company has complied with the provision of section 185 and 186 of The Companies Act 2013 in respect of loan, investments, guarantees and securities, as applicable.

5. According to the information and explanation given to us, the Company has not accepted any deposit and hence reporting under paragraph 3(v) of the Order is not applicable.

6. The maintenance of cost records has been specified by the Central Government, under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records and are of opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

7. In respect of Statutory Dues :
 - a) According to information and explanations given to us, in our opinion, the Company is generally regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Income Tax, VAT, Wealth Tax, Service Tax, Custom Duty, GST, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - b) According to the information and explanation given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Service Tax, VAT, Custom Duty, GST and Cess were in arrears as at 31st March 2019 for a period of more than Six months from the date they became payable.
 - c) Details of dues of Income-tax, Service tax, Custom Duty, Excise Duty, and Value Added Tax, GST which have not been deposited as on 31st March 2019 on account of dispute are given below :

(Amount. In Lakhs)

Name of Statue	Nature of Dues	Forum where dispute is pending	Periods to which the amount relates	Amount unpaid	Amount paid in protest
The Customs Act 1962	Custom Duty	Central, Excise, Service Tax Appellate Tribunal	2011-12 2012-13 2013-14	1574.64	59.04
The Customs Act 1962	Custom Duty- Executive Offence	Central, Excise, Service Tax Appellate Tribunal	2011-12 To 2013-14	75.00	5.62

8. Based on our audit procedure and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of its dues to any financial institution and banks and government and dues to debenture holders.
9. In our opinion and according to the information and explanation given to us, money raised by way of term loans have been applied by the company during the year for the purposes of which they were raised or as per purposes revised with appropriate approvals, other than temporary deployment pending application of proceeds. The Company has neither raised any moneys by way of public offer nor were such proceeds pending to be applied, during the current year.
10. According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
11. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
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 where 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 and hence reporting under paragraph 3(xiv) of the Order is not applicable.
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 him. Accordingly, paragraph 3(xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **KARIA & SHAH**

Chartered Accountants
Firm Registration No. 112203W

Partner : Sanjay Shah
Membership No: 042529

Place : Mumbai
Date : 25th May 2019

ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT

Annexure B to the Independent Auditor's Report of even date on financial statement of M/s CHOKSI IMAGING LIMITED on the standalone financial statements for the year ended on 31 MARCH, 2019

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 Choksi Imaging Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date which includes a jointly controlled operation.

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 prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 31 March 2019, 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 **KARIA & SHAH**

Chartered Accountants
Firm Registration No. 112203W

Partner : Sanjay Shah
Membership No: 042529

Place : Mumbai
Date : 25th May 2019