

Independent Auditors' Report

To the Members of Vakrangee Limited,

Report on the Standalone Financial Statements

We have audited the accompanying Standalone Financial Statements of **VAKRANGEE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Standalone Financial Statements").

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 Financial Statements that give a true and fair view of the financial position, financial performance including Other Comprehensive Income and the Statement of Changes in Equity and Cash Flows of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed 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.

This responsibility also includes the 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 Standalone 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. In conducting 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 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 Standalone Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Standalone Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone 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 Standalone 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 Standalone Financial Statements.

We believe that the audit evidence obtained by us 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, of the State of affairs of the Company as at March 31, 2018, and its Profits including Other Comprehensive Income and the Statement of Changes in Equity and its Cash Flows for the year ended on that date.

Other Matter

The comparative financial information of the Company for the year ended March 31, 2017, prepared in accordance with Indian Accounting Standards, included in these Standalone Financial Statements, have been audited by another Firm of Chartered Accountants who, vide their report dated May 30, 2017, expressed an unmodified opinion. Our opinion is not modified in respect of above matter.

Report on Other Legal and Regulatory Requirements

- As required by Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of sub-section (11) of Section 143 of the Act, we give in the "**Annexure A**", a statement on the matter specified in Paragraphs 3 and 4 of the Order.

Independent Auditors' Report

2. As required by the 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, the Statement of Changes in Equity and the Statement of Cash Flows 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 prescribed under Section 133 of the Act, read with Companies (Indian Accounting Standard) Rules, 2015, as amended.
 - e. On the basis of the written representations received from the directors of the Company as on March 31, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 B**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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 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. Refer to Note 40 to the 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 has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **A. P. Sanzgiri & Co.**
Chartered Accountants
FRN: 116293W

Ankush Goyal
Partner
M.No :146017

Mumbai
June 14, 2018

Annexure A to The Auditors' Report

The Annexure referred to in Independent Auditor's Report to the members of the Company on the Standalone Financial Statements for the year ended March 31, 2018, we report that:

i. FIXED ASSET

- a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b. As explained to us, fixed assets have been

physically verified by the management in a phased periodical manner, 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 physical verification.

- c. According to the information and explanations given by the management, the title deeds/ Lease deeds of immovable properties are held in the name of the Company except the following:

(Amount in ₹ lakhs)

Particulars	No. of cases	Gross Block as on 31st March 2018	Net Block as on 31st March 2018	Remarks
Leasehold Land & Building	1	3,150.30	3,145.32	Leasehold Land & Building acquired by the entity during the year for which the letter of allotment is received and supplementary agreement entered, however, lease deeds is pending execution.

- ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- iii. The Company has granted loans to body corporate covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act");
 - a. In our opinion, the rate of interest and other terms and conditions on which the loans have been granted to the body corporate listed in the register maintained under Section 189 of the Act were not, prejudicial to the interest of the Company.
 - b. In the case of the loan granted to the body corporate listed in the register maintained under Section 189 of the Act, the borrower has been regular in the payment of the principal and interest as stipulated.
 - c. There are no overdue amounts in respect of the loan granted to a body corporate listed in the register maintained under Section 189 of the Act.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans, securities, guarantee, and investment made.
- v. The Company has not accepted any deposits from the public.
- vi. The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- vii. **STATUTORY DUES**
 - a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, employees' state insurance, value added tax, goods and service tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

Annexure A to The Auditors' Report

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, employees' state insurance, value added tax, duty of customs, service tax, goods and service tax, cess and other material statutory dues were in arrears as at March 31, 2018 for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, there are no dues of duty of customs, goods and service tax and Income tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of Service Tax and Value-added Tax have not been deposited by the Company on account of disputes:

Name of the statute	F.Y. to which the matter pertains	Amount in (₹) lakhs*	Forum where the dispute is pending
The Finance Act, 1994	2009-2013	144.47	Customs Excise and Service Tax Appellate Tribunal
Maharashtra Value Added Tax Act, 2002	2011-12	444.47	Joint Commissioner of Sales Tax (Appeals)

* Net of Amount paid under Protest.

- 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 to a financial institution, bank, and government. The Company has not issued any debentures.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3 (ix) of the Order is not applicable in all these respects.
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. In our opinion and according to the information and explanations give to us, the Company has paid /provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. 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 the Section 177 and 188 of the Companies Act, 2013 where applicable and the details of transactions with the related parties have been disclosed in the standalone financial statements as required by applicable Indian Accounting Standard.
- xiv. 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.
- xv. 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, clause 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For **A. P. Sanzgiri & Co.**
Chartered Accountants
FRN: 116293W

Ankush Goyal
Partner
M.No :146017

Mumbai
June 14, 2018

Annexure B to The Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Vakrangee Limited ("the Company") as of March 31, 2018, in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing 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 Standalone 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 authorisations 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.

Annexure B to The Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

Opinion

In our opinion, to best of our information and according to the explanation given to us, 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **A. P. Sanzgiri & Co.**
Chartered Accountants
FRN: 116293W

Ankush Goyal
Partner
M.No :146017

Mumbai
June 14, 2018