Independent Auditor's Report

To the Members of Vakrangee Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **VAKRANGEE LIMITED** ("the Company"), which comprise 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 Statement of Cash Flows 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 in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, 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 of the standalone financial statements in accordance with the Standards on Auditing (SAs) 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 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 ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matter

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 reports.

1. **Estimates Involving in Capitalisation of Capital Expenditure, and determining their useful lives**
   (Refer Note 1" Significant Accounting Policies", Critical Accounting Estimates and Note 4 "Property, Plant and Equipment" for details)

   Company has capitalised additions to Property, Plant and Equipment (PPE), mainly related to the Automated Teller Machine (ATM) purchased newly from the OEM. Expenditure such as freight cost and cost to bring the asset to the location and new acquisition cost are capitalised. Identification and allocation of the related expenditures involves judgement and estimation of future economic benefit.

   The useful lives of PPE items are based on management's estimates regarding the period during which the asset or its significant components will be used. The estimates are based on historical experiences, market practice and group decision on technical evaluation of useful lives of the ATM.

   Capital expenditure and new acquisition is not considered to be an area of significant risk for our audit but as it requires considerable time and resource to audit due to its magnitude, it is considered to be a key audit matter.

   Principal Audit Procedure

   We assessed whether the Company's accounting policy in relation to the capitalisation of expenditures are in sync and in compliance with IND AS and found them to be consistent.

   We obtained a listing of capital expenditures and major acquisition during the year and, on a sample basis, checked whether the assets were undertaken based on internal purchase order that had been properly approved by the key person with such authority with no material exceptions noted. We inspected a sample of contracts and underlying invoices to determine whether the classification between capital and operating expenditure was appropriate. We noted no material exceptions.

   We evaluated whether the useful lives of the component determined and applied by the management were in line with historical experience, group assessment and the market practice.

   We checked whether the depreciation of PPE items was commenced timely, by comparing the date of the reclassification from work in progress to asset in use, with the date of the act of completion of the work. We noted no material exceptions.

Reference to related disclosures

The Company has provided information on the disclosure of the addition, deletion of PPE and depreciation for the year on such addition and existing asset in Note 4 of the standalone financial statement.

2. **Cash, Cash Equivalent, Bank Balance and Fixed Deposit**
   Cash, cash equivalent, Bank Balance and fixed deposit consist of cash in hand, Balance with bank in current accounts and term deposit (current and non-current).

The nature and contractual terms of the financial assets determined the presentation on the balance sheet. We focused on this area as it is material to the standalone financial statements and area of significant risk for our audit as it requires considerable time and resource to audit due to its magnitude, it is considered to be a key audit matter.

The Company's disclosure about cash, cash equivalent and other financial assets are included in Note 8 and Note 13 of the standalone financial statements.

Principal Audit Procedure

Balance with Bank in Current Account

We have obtained list of various bank accounts maintained by Company along with their usages, type and closing balance as appearing in the books as of the reporting date. We reconciled the Bank balances to bank confirmations and items of reconciliation as appearing in the books of accounts. We have independently sought Bank Balance confirmation from the respective bank.

Cash in Hand and cash lying in the ATM owned and Operated by Company

We have conducted physical verification on the reporting date and have obtained the details of denomination of cash in hand verified. For cash lying in ATM machines owned and operated by Company, we have sought physical cash verification report conducted by management. We have also independently verified on sample basis during our audit period and the reconciliation has been carried out.

Term Deposit (Non-current and current)

We have obtained list of Fixed deposit opened by Company and lying in the Bank as on the reporting date. We have verified Balance appearing in the Books to the Bank Balance confirmation provided by management to us. We have also independently sought Fixed Deposit Bank Balance confirmation on the reporting date from the respective Banks. We have also verified interest income against these Fixed deposit booked by the Company with the statement of fixed deposit provided to us during the audit period.

We have independently sought from the Bank for the Fixed deposit which are lien against Bank guarantee and letter of credit provided to various government departments and vendors.

Our audit procedures included review of the classification of the cash, cash equivalent and other financial assets and any restriction on the use of the cash and cash equivalent.

3. Information Technology environment

We identified the information technology environment as an area of focus in our audit, since Vakrangee Limited are dependent on their technology structure, both for the processing of their operations, as well as for the reasonable preparation and presentation of their standalone financial statements.

The Company has technological infrastructure for its business activities, as well as ongoing plans for the improvement and maintenance of the access of the management and change in the pertinent systems and applications, the development of new programs and automated controls and automated components in the relevant business processes. The Control to authorise, control restrict and cancel accesses to technology environment and programme changes are fundamental for mitigating the potential risk of fraud or error based on the misuse or improper change in the systems of the Company, thus ensuring the integrity of the financial information and accounting records.

The Company has an information technology structure which comprises more than one technology environment with different processes and segregated controls. The lack of suitability of the general technology control environment and its dependent controls could trigger incorrect processing of critical information for the preparation of the standalone financial statements.

Principal Audit Procedure

We evaluated and tested the design and operational effectiveness of the general controls of information system i.e. VKMS of the Company. Although our audit is not for the purpose of giving an opinion on effectiveness of the information technology controls, we reviewed the group's framework of governance of IT and the controls on the management of access to the data, the development of and changes in programs, generation of financial information and other useful data for review of analytical data.

The IT environment and the controls established by management combined with the testing of controls, including compensating controls, which we have applied, provide us reasonable basis for our reliance in the integrity and reliability of the information generated for the preparation of the Company's financial Statements.

4. Assessment of Credit Impairment loss of Financial Assets

The assessment of credit impairment loss is a Key Audit Matter as the Company applies Expected Credit Loss (ECL) model on the financial assets as defined in the significant accounting policies given under *Note 2 (B) (xi) (d)*. The value of financial assets on the balance sheet is significant and there is a high degree of complexity and judgement involved for the Company in estimating individual and collective credit impairment provisions against these assets.

The Company's models to calculate ECLs are the weighted average of credit losses with the respective risks of default occurring as the weights being inherently complex and judgement is applied in determining the correct construct of the models.

There are also a number of key assumptions made by the Company in applying the accounting standard requirements to the models, including the selection and input of forward-looking information.

The ECL model adopted by the management is based on their specific recoverability assessment on individual item with reference to the aging profile, historical payment pattern and the past record of default.

For the purpose of impairment assessment, significant judgements and assumptions, including the credit risks of customers, the timing and amount of realisation of these assets, are required for the identification of impairment events and the determination of the impairment charge.

Principal Audit Procedure

We have performed the following procedures in relation to assessment of Credit Impairment loss of Financial Assets:

- Tested the accuracy of ageing of financial assets at year end based on the agreed terms of contract with respective party;
- Assessed the recoverability of the unsettled financial assets on a sample basis through our evaluation of management's assessment and latest correspondence with customers; and
- Evaluated the assumption used in ECL calculations under various stress scenarios and the process used by management for classification of trade receivables as given in *Note 6 & 12* of the Standalone financial statements.

We found the key judgements and assumptions used by management in the Credit Impairment loss assessment of financial assets to be supportable based on the available evidence.

5. **Recognition and Measurement of Deferred Tax**

The recognition and measurement of deferred tax items requires, at the level of the tax entity, the complete determination of all differences between the recognition and the measurement of assets and liabilities in accordance with the respective local tax provisions and financial reporting in accordance with IND AS as well as the calculation of tax loss carry forwards. This requires the significant calculation on account of carry forwards of losses, Mat Credit entitlement and identification of temporary differences. Furthermore, the assessment of the ability to use deferred tax assets is based on the expectations of the management regarding the Company economic development, which is influenced by the current market environment, Co-venture support and the assessment of future market development (Domestic and Overseas) and thus requires the use of judgment.

Deferred Tax disclosed in Note 9 of the Standalone Financial Statement of Company for year ended include Deferred tax asset created on temporary differences of Rs 92.52 lacs. In light of this, the recognition and measurement of deferred taxes was a key audit matter.

Principal Audit Procedure

In assessing the recognition and measurement of deferred taxes for the Company, among other procedures, we analysed the underlying processes for the complete capture and measurement of deferred taxes and examined the controls implemented to prevent or detect and correct errors.

Current tax laws allow to carry forward unused tax loss for 8 assessment years and from the assessment year in which such tax loss was incurred.

During The Year, Taxation Laws (Amendment) Ordinance, 2019 promulgated by President of India which was published in Gazette of India in September 2019. The Ordinance has brought significance changes to Corporate Income Tax Rates. The Ordinance provides an option to domestic Companies to pay Income Tax at lower Rate (22%) instead of Normal Rate 30%.

We have been informed by the Company's Management, Company has exercised Option of Lower Tax rate for Financial Year 2019-20 i.e. Assessment Year 2020-21

We have referred Ind AS Technical Facilitation Group (ITFG –Formed by ICAI) Clarification given in Bulletin 23 regarding effect to lower tax rate as per ordinance while determining current tax and deferred tax asset or liabilities for the purpose of presenting financial statements as on March 31, 2020.

Para 46 and 47 of Ind AS 12, Income Taxes, State as follows:

Current tax liabilities (assets) for the current and prior periods shall be measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities shall be measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

We examined on a sample basis the identification and quantification of differences between the recognition and measurement of assets and liabilities according to tax regulations and financial reporting pursuant to IND AS. We also reperformed the calculation of deferred taxes.

Since, Company has intended to opt for Lower Tax rate as per Ordinance, Company has given effect while determining the current tax and deferred tax asset or liabilities for the purpose of presenting financial statement for the year ending March 2020.

We have also focused on adequacy of the Company's disclosures on deferred income tax positions and assumption used.

Our audit procedures did not lead to any reservations regarding the recognition and measurement of deferred taxes.

Reference to related disclosures

The Company has provided information on the recognition and measurement of deferred taxes in the Note 9 of the standalone financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Annual Report, for example 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 such other information is materially inconsistent with the standalone 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, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. 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 standalone financial statements, the 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 the 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 Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone 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 Companies Act, 2013, we are also responsible for expressing 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 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.

Materiality is the magnitude of the misstatement in the standalone financial statement that, individually or in aggregate, makes it probable that the economic decision of the reasonably knowledgeable user of the of the financial statement may be influenced. We considered quantitative materiality and qualitative factor in (i) planning the scope of our audit work and in evaluating the result of our work, and (ii) evaluate the effects of any identified misstatement in the financial statements.

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 matter communicated with those charge with governance, we determine those matters that were of most significance in audit of standalone financial statement of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulation precludes public disclosure about the matters or when, in extremely rare circumstances, we determine that the matters 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

1. 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**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. 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, the Statement of Changes in Equity and the Cash Flow Statement 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 Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 the financial reporting.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

According to the information and explanations given to us, the Company paid remuneration amounting of 1411.43 lacs to its Executive Directors. As the Company did not have adequate profits in the financial year ended March 31, 2020, the remuneration paid in excess of limits specified under section 197 of Act read with Schedule V thereto, the Company has complied with statutory requirement prescribed to regularize such excess payments, including seeking approval of shareholders, as necessary.

   (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, 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 Note 37 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 amount, required to be transferred to the Investor Education and Protection Fund by the Company.

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

Anil Agrawal
Partner
Membership No: 041396
UDIN: 20041396AAAAAC2527

Date: July 31, 2020
Place: Mumbai

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **VAKRANGEE LIMITED**)

i. FIXED ASSET

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The Company has a program of verification to cover all the item of fixed assets in a phased manner which, in our opinion, is reasonable, having regard to the size of the Company and nature of its assets. Pursuant to program, certain fixed assets were physically verified by the management during the year. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company.

ii. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.

iii. The Company has not granted any loans, secured or unsecured, to companies, firm, limited liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act").

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of the Section 185 and 186 of the Act, in respect to the loans, making investment and providing guarantees and securities, as applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposit during the year. The Company does not have any unclaimed deposits and therefore the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 are not applicable.

vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus reporting under clause 3(vi) of the order is not applicable to 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.

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, 2020 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.

viii. The Company has not taken any loans and borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company.

ix. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable to the Company.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud 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 paid remuneration amounting of Rs 1411.43 lacs to its Executive Directors. As the Company did not have adequate profits in the financial year ended March 31, 2020, the remuneration paid in excess of limits specified under section 197 of Act read with Schedule V thereto, the Company has complied with statutory requirement prescribed to regularize such excess payments, including seeking approval of shareholders, as necessary.

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 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 and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.

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

Anil Agrawal
Partner
Membership No: 041396
UDIN: 20041396AAAAAC2527

Date: July 31, 2020
Place: Mumbai

Annexure "B" to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of **VAKRANGEE LIMITED** of even date)

Report on the Internal Financial Controls over Financial Reporting with reference to the aforesaid Standalone Financial Statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of VAKRANGEE LIMITED ("the Company") as of March 31, 2020 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 of the Company.

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 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, 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, 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 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

Anil Agrawal
Partner
Membership No: 041396
UDIN: 20041396AAAAAC2527

Date: July 31, 2020
Place: Mumbai