

INDEPENDENT AUDITORS' REPORT

To,
**The Members of
Kaiser Corporation Limited**

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Kaiser Corporation Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, 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 Ind AS financial statements).

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance (including other Comprehensive Income), cash flows and changes in equity 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 maintenance of adequate accounting records in accordance with the provisions of the Act for the 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order issued under section 143(11) of the Act.

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 standalone Ind AS 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 Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind

AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 31 March, 2018, and its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

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 Act, 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 Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015 as amended;
 - (e) On the basis of the written representations received from the directors as on 31 March, 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 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 B", and

- (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 does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

FOR SURESH SURANA & ASSOCIATES LLP
Chartered Accountants
Firm's Reg. No. 121750W/W-100010

Ramesh Gupta
Partner
Membership No.: 102306

Place: Mumbai
Date: 29 May 2018

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

- (I) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to information and explanations given to us, the fixed assets have been physically verified by the management according to the regular programme of periodical verification in a phased 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 verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company does not have immovable properties and hence, paragraph 3(i)(c) of the Order is not applicable to the Company.
- (ii) In our opinion and according to information and explanations given to us, physical verification of inventory has been conducted at reasonable intervals by the management. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on physical verification of stock as compared to book records were not material and the same have been properly dealt with in the books of account.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the Paragraph 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the Order are not applicable to the Company.
- (iv) According to information and explanations given to us, the Company has not made investments, granted loan or given security during the year. However, the Company has given guarantees to bank for loan taken by the subsidiary Company. As the section 185 of the Companies Act, 2013 is not applicable for guarantee given on behalf of subsidiary Company; accordingly, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits during the year from the public to which the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 and any other relevant provisions of the Act and the rules framed thereunder apply.
- (vi) According to the information and explanations given to us, the maintenance of cost records pursuant to Rules made by the Central Government for the maintenance of cost records under Sub-Section (1) of Section 148 of the Act are not applicable to the Company as it satisfy the condition mentioned in sub clause (B) of Section 148(1) of the Act.
- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, goods and service tax, value added tax, cess and any other statutory dues with the appropriate authorities. There are no arrears of outstanding statutory dues as at the 31 March, 2018 for a period of more than six months from the date they became payable. As informed, statutory dues in the nature of duty of customs, duty of excise and service tax are not applicable to the Company.

- b) According to information and explanations given to us, there are no dues on account of income tax, sales tax, value added tax and cess which have not been deposited with the appropriate authorities on account of any dispute.
- (viii) In our opinion and according to information and explanations given to us, the Company has no borrowings from banks, financial institutions, government or by way of debentures. Accordingly, paragraph 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) and term loans. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.
- (x) To the best of knowledge and according to the information and explanations given to us, no fraud by the Company or any fraud on the Company by its officers or employees have been noticed or reported during the year.
- (xi) According to information and explanations given 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 of the Act.
- (xii) The Company is not a Nidhi Company. Accordingly, the paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with 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 standalone Ind AS financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made preferential allotment or private placement of shares or fully or partly paid convertible debentures during the year. Accordingly, the paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us, 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 to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

FOR SURESH SURANA & ASSOCIATES LLP

Chartered Accountants

Firm's Reg. No. 121750W/W-100010

Ramesh Gupta

Partner

Membership No.: 102306

Place: Mumbai

Date: 29 May 2018