

# Tai Industries Limited

Registered Office

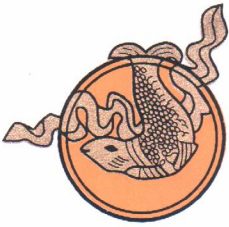
53A, Mirza Ghalib Street, 3rd Floor, Kolkata - 700 016  
 Phone : (033) 2226 0938, 4041 6666, Fax : (033) 2249 7319  
 E-mail : info@taiind.com, Website : www.taiind.com  
 CIN : L01222WB1983PLC059695

## STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2018

(₹, In lakhs)

	Particulars	Quarter Ended			Year Ended	
		31.03.2018 (Audited)	31.12.2017 (Un-audited)	31.03.2017 (Audited)	31.03.2018 (Audited)	31.03.2017 (Audited)
I.	Revenue from Operations	1,881.23	2,200.31	1,977.94	7,399.76	6,830.32
II.	Other Income	75.85	87.17	8.98	178.47	131.24
III.	<b>Total Income ( I + II )</b>	<b>1,957.08</b>	<b>2,287.48</b>	<b>1,986.92</b>	<b>7,578.23</b>	<b>6,961.56</b>
IV.	<b>Expenses</b>					
	(a) Cost of Materials consumed	-	-	-	-	-
	(b) Purchases of stock-in-trade	1,441.60	1,517.87	1,711.56	5,919.02	5,592.92
	(c) Changes in inventories of finished goods	-	-	-	-	-
	stock-in-trade	(49.53)	131.37	(13.38)	(11.27)	(30.56)
	and work-in-progress	-	-	-	-	-
	(d) Employee benefits expense	96.96	83.44	90.61	344.05	324.48
	(e) Finance costs	-	-	-	-	-
	(f) Depreciation and amortisation expense	22.93	24.18	5.81	93.99	18.53
	(g) Other expenses	436.11	420.50	188.34	1,196.40	986.97
	<b>Total Expenses (IV)</b>	<b>1,948.07</b>	<b>2,177.36</b>	<b>1,982.94</b>	<b>7,542.19</b>	<b>6,892.34</b>
V.	<b>Profit/ (Loss) before exceptional items and tax (III-IV)</b>	<b>9.01</b>	<b>110.12</b>	<b>3.98</b>	<b>36.04</b>	<b>69.22</b>
VI.	Exceptional Items	-	-	-	-	-
VII.	<b>Profit/ (Loss) before tax (V-VI)</b>	<b>9.01</b>	<b>110.12</b>	<b>3.98</b>	<b>36.04</b>	<b>69.22</b>
VIII.	Tax Expenses					
	(1) Current Tax	-	-	-	-	(1.94)
	(2) Deferred Tax	(2.90)	-	3.41	(2.90)	8.95
IX.	<b>Profit / (Loss) for the period from continuing operations (after tax) (VII-</b>	<b>11.91</b>	<b>110.12</b>	<b>0.57</b>	<b>38.94</b>	<b>62.21</b>
X.	Profit / (Loss) from discontinued operations	-	-	-	-	-
XI.	Tax expense of discontinued operations	-	-	-	-	-
XII.	Profit / (Loss) from Discontinued operations (after tax) (X-XI)	-	-	-	-	-
XIII.	<b>Profit / (Loss) for the period (IX+XII)</b>	<b>11.91</b>	<b>110.12</b>	<b>0.57</b>	<b>38.94</b>	<b>62.21</b>
XIV.	Other Comprehensive Income					
	A (i) Items that will not be reclassified to profit or loss	14.02	12.39	-	36.10	3.27
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(5.66)	(0.84)	-	(6.56)	1.82
	B (i) Items that will be reclassified to profit or loss	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-
XV.	<b>Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit</b>	<b>20.27</b>	<b>121.67</b>	<b>0.57</b>	<b>68.48</b>	<b>67.30</b>
XVI.	<b>(Loss) and Other Comprehensive Income for the period)</b>					
XVI.	Earnings per Equity Share (for continuing operations) :					
	(1) Basic (₹)	0.20	1.84	0.01	0.65	1.04
	(2) Diluted (₹)	0.20	1.84	0.01	0.65	1.04
XVI.	Earnings per Equity Share (for discontinued operations) :					
	(1) Basic (₹)	-	-	-	-	(0.03)
	(2) Diluted (₹)	-	-	-	-	(0.03)
XVI.	Earnings per Equity Share (for continuing and discontinued operations) :					
	(1) Basic (₹)	0.20	1.84	0.01	0.65	1.04
	(2) Diluted (₹)	0.20	1.84	0.01	0.65	1.04





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## STATEMENT OF ASSETS AND LIABILITIES

(₹ in lakhs)

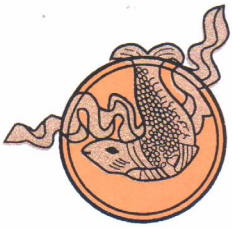
Particulars	As at 31ST MARCH 2018 (Audited)	As at 31ST MARCH 2017 (Audited)
<b>ASSETS</b>		
<b>(1) Non-Current Assets</b>		
(a) Property, Plant & Equipment	89.95	172.85
(b) Capital work-in-progress	-	-
(c) Intangible assets	17.85	17.38
(d) Financial assets		
(i) Investments	213.76	189.84
(ii) Other financial assets	161.07	107.82
(e) Deferred tax assets (net)	-	-
(f) Other non-current assets	4.99	5.64
Sub total -Non current assets	<b>487.62</b>	<b>493.53</b>
<b>(2) Current assets</b>		
(a) Inventories	288.71	277.44
(b) Financial assets		
(i) Trade Receivables	3,095.87	2,596.31
(ii) Cash & cash equivalents	124.75	121.51
(iii) Other Bank Balances	11.02	11.04
(iv) Other financial assets	3.37	13.43
(c) Current tax assets(net)	19.96	9.90
(d) Other current assets	1,774.15	1,624.03
Sub total Current assets	<b>5,317.83</b>	<b>4,653.66</b>
<b>TOTAL - ASSETS</b>	<b>5,805.45</b>	<b>5,147.19</b>
<b>EQUITY AND LIABILITIES</b>		
<b>(1) Equity</b>		
(a) Equity Share Capital	600.00	600.00
(b) Other Equity	610.91	542.43
Sub total Equity	<b>1,210.91</b>	<b>1,142.43</b>
<b>(2) Non-current liabilities</b>		
(a) Employee Benefit Obligation	66.71	78.87
(b) Deferred tax liabilities (net)	8.17	4.50
(c) Other non-current liabilities	-	-
Sub total -Non current liabilities	<b>74.88</b>	<b>83.37</b>
<b>(3) Current liabilities</b>		
(a) Financial liabilities		
(i) Borrowings	-	-
(ii) Trade payables	3,825.43	3,250.91
(iii) Other financial liabilities	52.24	80.85
(b) Short Term Provisions	32.15	28.88
(c) Current tax liabilities (net)	-	-
(d) Other current liabilities	589.05	558.97
(e) Employee Benefit Obligation	20.79	1.78
Sub total - Current liabilities	<b>4,519.66</b>	<b>3,921.39</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>5,805.45</b>	<b>5,147.19</b>

*Rohan Ghosh*

Rohan Ghosh  
 (Managing Director)  
 (DIN:-00032965)



Place : Kolkata  
 Date : 28th May 2018



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### Notes:

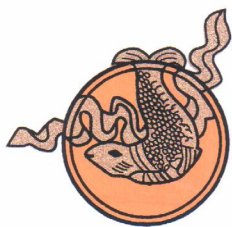
1. The Company has adopted the Indian Accounting Standards (Ind AS) from 1<sup>st</sup> April 2016 and these financial results have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 – Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued there under and other accounting principles generally accepted in India.
2. The format for unaudited quarterly results as prescribed in SEBI's Circular CIR/CFD/CMD/15/2015 dated 30<sup>th</sup> November 2015 has been modified to comply with the requirements of SEBI's Circular CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016, Ind AS and Schedule III (Division II) to the Companies Act, 2013 as applicable to the companies that are required to comply with Ind AS.
3. The Ind AS compliant financial results for the quarter ended 31<sup>st</sup> December 2017 have been stated in terms of SEBI's Circular CIR/CFD/FAC/62/2016 dated 5<sup>th</sup> July 2016. The statutory auditors have carried out limited review of financial results of the Company for the quarter ended 31<sup>ST</sup> December 2017
4. Consequent to transition from the previous Indian GAAP to Ind AS, the reconciliation of profit/(loss) is provided as below for the previous year in accordance with the requirements of paragraph 32 of Ind AS 101 – First time Adoption of Ind AS.

(Rs in Lakhs)

Particulars	12 months ended 31/03/2017
<b>Net Profit/(Loss) under Previous GAAP (IGAAP)</b>	<b>54.03</b>
Add / (Less) : Adjustment on account of	
Fair valuation of financial assets as per Ind AS 109	0.34
Actuarial loss on employee defined benefit plan recognised in other comprehensive income (net of tax)	7.84
Net Profit/ (Loss) as per Ind AS	62.21
Other Comprehensive Income (net of tax) as per Ind AS	5.09
<b>Total Comprehensive Income for the period as per Ind AS</b>	<b>67.30</b>

Other Comprehensive Income primarily includes impact of fair valuation of quoted non-current investments and re-measurement gains/losses on actuarial valuation of post-employment defined benefit plan.





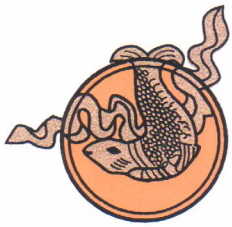
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5. Exemption applied at transition:  
Ind AS 101 (First-time Adoption of Indian Accounting Standards) provides a suitable starting point for accounting in accordance with Ind AS and is required to be mandatorily followed by first-time adopters. Ind AS 101 allows first-time adopter exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions in its financial results:  
Property, Plant and Equipment were carried in the statement of financial position prepared under previous GAAP as at March, 31, 2016. The Company has opted to regard such carrying amount as deemed cost at the date of transition i.e., April, 1, 2016.
6. The above financial results were reviewed by the Audit Committee of the Company and approved by the Board of Directors of the Company at its meeting held on May 28, 2018.
7. The Company is primarily engaged in business of trading of goods and managed organisationally as a single unit. Therefore, according to the management, the Company's operations are carried in a single segment.
8. Management is continuing with its efforts to locate the relevant papers and documents for reconciling old outstanding balances of debtors and advances and in the process has been able to adjust substantial funds. Pending reconciliation, no provision for old debts and advances has been made in the accounts.
9. Figures in respect of the results for the quarter ended March 31, 2018 and March 31, 2017 are the balancing figures between the audited financial results of full financial years and the published year to date figures upto the third quarter of the respective financial years.





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10. Reconciliation of Total equity between IND AS compliant results and previously reported results are given below :

Particulars	(₹, In lakhs)	
	As at March 31, 2017	As at April 01, 2016
<b>Total equity (shareholder's funds) as per previous GAAP</b>	1852.19	1798.16
<b>Adjustments:</b>		
Lifetime expected credit loss on Trade Receivables	(779.74)	(779.74)
Lifetime expected credit loss on Advance given	(20.26)	(20.26)
Fair valuation of equity investments	103.61	88.89
Fair valuation of security deposits paid	(2.20)	(2.52)
Proposed Dividend including tax	-	36.11
Tax effects of adjustments	(11.17)	(9.39)
<b>Total adjustments</b>	<b>(709.76)</b>	<b>(686.92)</b>
<b>Total equity as per Ind AS</b>	<b>1142.43</b>	<b>1111.25</b>

11. Figures of the periods/years have been regrouped/recast, wherever necessary, to confirm to the current period's classification.

For and on behalf of the Board

Rohan Ghosh  
(Managing Director)  
(DIN:-00032965)

Place : Kolkata  
Date : 28<sup>th</sup> May 2018



## **INDEPENDENT AUDITOR'S REPORT**

To

The Members of

**TAI INDUSTRIES LIMITED**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of **TAI INDUSTRIES LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information for the year ended on that date ( hereinafter referred to as " Standalone Ind AS 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 Ind AS financial statements that gives a true and fair view of the state of affairs (financial position), Profit or loss (financial performance), cash flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of



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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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these Standalone financial statements based on our audit.

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

We conducted our audit of the Standalone Ind AS 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 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 (financial position) of the Company as at 31st March, 2018, its profit (financial performance), its cash flows and the changes in equity for the year ended on that date.

## Emphasis of Matters

- a) We draw attention to Note no. 41 of other Notes to the Standalone Ind AS Financial Statements where management has stated about its efforts to locate the relevant papers and documents for reconciling old outstanding debtors which could not be made available to us for adequate verification and confirmation. In view of the continuing efforts of the management which were documented in the normal course, our opinion is not modified in respect of this matter.
- b) Attention is drawn to Note no. 32.4 of other Notes to the Standalone Ind AS Financial Statements where management has stated about its efforts to reconcile GST liability with Input tax paid for GST. Our opinion is not modified in respect of this matter.

## Other Matters

The comparative financial information of the Company for the year ended March 31, 2017 and the transition date opening balance sheet as at April 1, 2016 included in these standalone Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards ) Rules, 2006, duly audited and on which unmodified opinions were expressed in reports for the year ended March 31, 2017 and March 31, 2016 dated May 25, 2017 and May 26, 2016 respectively, as adjusted for the differences in accounting principles adopted by the Company on transition to the Ind AS which have been audited by us.





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## 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 said Order, to the extent applicable.
2. Further to our comments in the Annexure referred to in the Paragraph 1 above, as required by section 143(3) of the Act, we report, to the extent applicable 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 purpose 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, the Cash Flow Statement 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 financial statements comply with the Indian Accounting Standards (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 31<sup>st</sup> March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer our separate Report in "**Annexure B**".
  - (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, read with the Companies (Audit and Auditors) Amendment Rules, 2017, 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 no 32.1 of other Notes to Accounts;



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- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **KAMG & ASSOCIATES**  
Chartered Accountants  
(Firm's Registration No.311027E)



**(Amitabha Niyogi)**

Partner

Membership No.056720

Place: Kolkata

Date: May, 28, 2018

## Annexure-A

### Annexure to the Auditor's Report

(Referred to in Paragraph 1 of '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) The Company has a regular programme of physical verification of fixed Assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were stated to be verified during the year and no material discrepancies were stated to be noticed on such verification. In our opinion, this frequency of physical verification as stated is reasonable having regard to the size of the Company and nature of business.
- (c) The title deed of immovable properties is held in the name of the Company.
- (ii) The Inventory has been physically verified and certified by the management at the year end. In our opinion, the frequency of verification is reasonable. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of account.
- (iii) On the basis of examination of books of account of the Company and on the basis of information and explanations given to us, 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. Therefore, clauses (iii) (a), (b) and (c) of the aforesaid Order are not applicable to the Company.
- (iv) In our opinion and according to the information and explanation given to us, during the year the Company has not given loans, made investments, given guarantees and provided securities covered by provisions of section 185 and 186 of the Act.
- (v) The Company has not accepted any deposits from public during the year, within the meaning of the directives issued by The Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Moreover, no order has been passed by Company Law board or National Company Law Tribunal or the Reserve Bank of India or any other court or tribunal.

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- (vi) The Central Government has not prescribed maintenance of cost records under sub section (i) of section 148 of the Act for any of the products of the Company.
- (vii) (a) According to the information and explanations given to us and from the records of the Company examined by us, the Company has been regular in depositing undisputed statutory dues including Provident fund, Employees' State Insurance, Income tax, Sales tax, Service tax, duty of Customs, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities. On the basis of checking of records of the Company and according to the information and explanations given to us, there were no arrears of statutory dues as on the last day of the financial year concerned outstanding for a period of more than six months from the date they became payable.  
  
(b) On the basis of checking of records of the Company and according to the information and explanations given to us, there were no dues of income tax, sales tax, service tax, duty of Customs, duty of excise, value added tax, cess as on the last day of the financial year concerned which have not been deposited on account of any dispute.
- (viii) On the basis of records of the Company examined by us, there is no loan outstanding to financial institution, bank, government or dues to debenture holders. Therefore, clause (viii) of the aforesaid Order is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The Company has not taken any term loans during the year. Therefore, the clause (ix) of the aforesaid Order is not applicable to the Company.
- (x) During the course of our examination of the records of the Company, and according to the information and explanations given to us, we have neither come across any instance of fraud by the Company or any fraud on the Company by its officers or employees noticed or reported during the year nor have we been informed of any such case by the management.
- (xi) On the basis of our examination of the records of the Company, the managerial remuneration has been paid /provided in accordance with the requisite approvals mandated by the provisions of section 197 of the Act read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company. Therefore, clause (xii) of the aforesaid Order is not applicable to the Company.



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- (xiii) On the basis of our examination of the books of account of the Company and according to the information and explanations given to us, the transactions entered into with the related parties are in compliance with section 177 and 188 of the Act and the same has been disclosed in the Ind AS Financial Statements as required by the applicable Accounting Standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) On the basis of our examination of the records of the Company and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, clause (xvi) of the aforesaid Order is not applicable to the Company.

For KAMG & ASSOCIATES  
Chartered Accountants  
(Firm's Registration No.311027E)



*Amitabha Niyogi*

(Amitabha Niyogi)

Partner

Membership No.056720

Place : Kolkata

Date : 28th May, 2018

**Annexure B****ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF TAI INDUSTRIES LIMITED****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")****Report on the Financial Statements**

We have audited the internal financial controls over financial reporting of Tai Industries Limited ("the Company") as of March 31<sup>st</sup>, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the 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. 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.

**Auditor's 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 Standards on Auditing, to the extent applicable to an audit of internal financial controls and the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note"), both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



# KAMG & ASSOCIATES

Chartered Accountants

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 includes 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 judgement, 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 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

In view 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.



## Emphasis of matters

Reference is drawn to the following notes on financial statements –

- i) Note No- 41 of Standalone Ind AS financial statements where management has stated about its efforts to locate the relevant papers and documents for reconciling old outstanding debtors which could not be made available to us for adequate verification and confirmation.
- ii) Note no- 32.4 of other Notes to the Standalone Ind AS Financial Statements where management has stated about its efforts to reconcile GST liability with Input tax paid for GST.

## Opinion

In our opinion, read with the possible effects of the weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, 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<sup>st</sup>, 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 and on behalf of  
**KAMG & Associates**  
Chartered Accountants  
Firm Registration No. 311027E

  
**(Amitabha Niyogi)**

Partner  
Membership No.056720



Kolkata, The 28<sup>th</sup> May, 2018