

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF INDUS FERRO TECH LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **INDUS FERRO TECH LIMITED**, ("the Company") which comprises the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder.

This responsibility also includes 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.

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 financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors' consider internal financial control relevant to the Company's preparation of the 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 we have obtained 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 31 March 2017 and its loss and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1 . As required by section 143 (3) of the Act, 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 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 Accounting Standards prescribed under section 133 of the Act, as applicable
- e) On the basis of written representations received from the directors taken on record by the Board of Directors, none of the director is disqualified as on 31st March, 2017 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 control, refer to our separate report in "**Annexure A**". 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, 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 notes 27 to the financial statements.
 - ii. The Company did not have any long term contract including derivative contract having any material foreseeable losses for which provision was required to be made under the applicable law or accounting standard;
 - iii. There are no amounts required to be transferred to the Investor Education and Protection Fund by the Company; and
 - iv. The Company has provided requisite disclosures in its standalone financial statement as to holdings as well as dealings in Specified Bank Notes during the period from 8 November, 2016 to 30 December, 2016. Based on audit procedure and relying on management representations, the disclosures are in accordance with the books of accounts maintained by the Company. Refer Note 16 to the standalone financial statements.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order) issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the order.

For P. B. Deshpande & Co
Chartered Accountants
FRN - 102396W

Place - Pune
Date - 01 September 2017

P. B. Deshpande
Partner
Membership No. : 036185

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal & Regulatory Requirements' of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **Indus Ferro Tech Limited** (the "Company") as of 31 March 2017 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. 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to and 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 the testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedure selected depends on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud and 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 over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial controls 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 controls 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 authorisation 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 future periods are subject to the risk that the internal financial controls 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 the best of our information and according to the explanations given to us, the Company has, in all material respects an adequate internal financial Controls systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, 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 P. B. Deshpande & Co
Chartered Accountants
FRN- 102396W

Place – Pune
Date – 01 September 2016

P. B. Deshpande
Partner
Membership No. – 036185

"ANNEXURE B" TO THE INDEPENDENT AUDITORS' REPORT

Referred to in paragraph 2 of our "Report on Other Legal & Regulatory Requirement" on even date, we report that:

i. In respect of its fixed assets :

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The Company has a programme of verification of its fixed assets to cover all the items in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) According to records of the company examined by us the title deeds of immovable properties are held in the name of the company.

- ii. The management has conducted physical verification of inventory and stocks lying with third parties, at reasonable intervals. In our opinion, the frequency of physical verification is reasonable. As informed to us, the discrepancies noticed on verification between the physical stocks and the book records were not material and have been properly dealt with in the books of account.
- iii. According to the information and explanations given to us, the Company has not granted loans, secured or unsecured, to companies firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013, Accordingly, the provisions of clause 3 (iii) (a) (b) and (c) are not applicable to the Company.
- iv. The Company has not entered into any transaction which attracts the provisions of section 185 and 186 of the Companies Act, 2013.
- v. In our opinion and according to information and explanations given to us, the Company has not accepted public deposits, hence the directive issued by Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014, are not applicable to it. As per information and explanation given to us, no order has been passed, against the company, by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- vi. The maintenance of Cost Records pursuant to the Rules made by the Central Government under section 148 (1) of the Companies Act, 2013 are not applicable to the Company, since the Company has not achieved threshold limit of turnover during the year.

vii. According to the information and explanations given to us, in respect of statutory dues:

- (a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Employees State Insurance, Income-tax, Sales Tax, Service Tax, Custom Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanation given to us, no undisputed amounts payable in respect of statutory dues were in arrears as at 31 March 2017, for a period more than six months from the date they became payable.
- (c) Details of dues of Income-tax which have not been deposited as on 31 March 2017, on account of disputes are given below :

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which amount relates	Amount involved (Rs.)	Amount unpaid (Rs.)
Income Tax Act, 1961	Assessment u/s 143(3)	(CIT) Appeal	A.Y. 2013-14	97,250	97,250

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and governments. Company has not issued any debentures; therefore there are no dues payable to debenture holders.
- ix. In our opinion and according to the information and explanation given to us, the Company has not raised money by way of initial public offer or future public offer (including debts instruments) and money raised by way of the term loans have been applied by company during the year for the purpose for which they were raised.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the company and no material fraud on the company by its officers or employees has been noticed or reported during the year.
- xi. According to information and explanations given to us and based on our examination of the records, the Company has not engaged services of any managerial personnel and not paid/provided any remuneration to such personnel. Accordingly, provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. The company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, the Company is in compliance with section 177 and 188 of the Companies Act 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

- xiv.** According to the information and explanations given to us, during the year the company has not made any preferential allotment for private placement of shares or fully or partly convertible debentures and hence reporting under (xiv) of CARO 2016 is not applicable to the company.
- xv.** In our opinion and according to the information and explanations given to us, during the year the company has not entered into any non cash transactions with its directors or persons connected with him and hence provisions of section 192 of the companies act 2013 are not applicable.
- xvi.** The company is not require to be register under section 45-IA of the Reserve Bank of India Act 1934.

For P. B. Deshpande & Co
Chartered Accountants
FRN - 102396W

Sd/-

P. B. Deshpande
Partner
Membership No. : 036185

Place - Pune
Date - 01 September 2017