

PKMG & COMPANY

CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS,
RAJHANS INFRACON (INDIA) PRIVATE LIMITED.

Report on the standalone Financial Statements

We have audited the accompanying financial statements of RAJHANS INFRACON (INDIA) PRIVATE LIMITED ("the company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, 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 Financial Statements

The Company's Board of Directors is responsible for the matters in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 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 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 disclosures in the financial statements. The procedures selected depend on our 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, we consider internal financial control relevant to the Company's preparation of the financial statements that give true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, as well as evaluating the overall presentation of the 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 financial statements.



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Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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;

- a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016;
- b) In the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) In the case of the Cash Flow Statement, of the cash flows 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 the paragraph 3 and 4 of the order to the extent applicable.
2. 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 appears from our examination of those books.
 - c) the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) On the basis of written representations received from the directors as on 31 March, 2016, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2016, 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 included in the Auditor's Report and to our 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 derivatives 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.

Place : SURAT
Date : 01/09/2016



FOR PKMG AND COMPANY
Chartered Accountants
Firm Reg No. 129894W

PANKAJ KARNAWAT
(Partner)

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ANNEXURE - A TO THE AUDITORS' REPORT

The Annexure referred to in our report to the members of RAJHANS INFRACON (INDIA) PRIVATE LIMITED for the year ended 31st March, 2016.

- (i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situations of fixed assets.
- (b) According to information and explanation given to us, fixed assets have been physically verified by the management according to the regular programme of periodical verification in a phase manner, which in our opinion is reasonable having regard to the size of the company and the nature of its fixed assets. No material discrepancies were noticed on such verification. However, there is no evidence available to substantiate the same.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) (a) According to information and explanation given to us, the inventory has been physically verified by management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable.
- (b) In our opinion and according to information and explanation given to us, the procedure of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (iii) In respect of loans granted to companies, firms or other parties in the register maintained under section 189 of the Companies Act. The company has not granted any loans, secured or unsecured to parties covered in register required to be maintained under section 189 of the Act, hence clause (b) and (c) are not applicable to the company.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans making, investments, providing guarantees and securities as applicable.
- (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 or any other relevant provisions of the Act and the rules framed there under apply.
- (vi) As informed to us, the maintenance of cost records has been specified by the central government under sub section (1) of section 148 of the Act, in respect of the activities carried on by the company. Maintenance of cost records is under process.



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- (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, wealth tax, service tax, duty of customs, value added tax, cess and other statutory dues as applicable with the appropriate authorities. There are no arrears of outstanding statutory dues as at the last day of the financial year for a period more than six month from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of sales tax, wealth tax, service tax, duty of customs, 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 the information & explanation given to us, the Company has not defaulted in repayment of dues to financial institutions or banks. The company does not have any borrowing by way of debentures.
- (ix) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments. The term loans outstanding at the beginning of the year have been applied for the purposes for which they were raised.
- (x) During the course of our examination of the books of accounts and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanation given to us, we have neither come across any instance of fraud on or by the company, noticed or reported during the year, nor have we been informed of such case by management.
- (xi) The provisions of section 197 read with Schedule V to the Companies Act managerial remuneration is not applicable to private company.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- (xiii) In our opinion, all transactions with the related parties are in compliance with section 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards. The vigil mechanism required to be constituted as per Section 177(9) is yet to be established.
- (xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.



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- (xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- (xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

Place : SURAT
Date : 01/09/2016

FOR PKMG AND COMPANY
Chartered Accountants


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