

## Annexure A to the Independent Auditors' Report – 31 March 2018

(Referred to in our report of even date)

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| <p>(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.</p> <p>(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, certain fixed assets were physically verified by the management during the year. In our opinion, and according to the information and explanations given to us, no material discrepancies were noticed on such verification.</p> <p>(c) In our opinion and according to the information and explanations given to us by the management and on the basis of an examination of the records of the Company, the title deed of the immovable properties as disclosed in Note 3 of the standalone Ind AS financial statements are held in the name of the Company, except in the case of leasehold land, freehold land and buildings with a carrying value of ₹11 Crores, ₹2 Crores and ₹1 Crore (Gross block of ₹11 Crores, ₹2 Crores and ₹1 Crore) as at 31 March 2018 respectively, wherein as explained to us, the Company is in process of reconciling fixed assets register with the title deeds and hence we are unable to comment on the same.</p> <p>(ii) The inventory, except goods in transit and stocks lying with third parties, has been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of such verification is reasonable. For stocks lying with third parties at the year-end, written confirmations have been obtained and in respect of goods-in-transit, subsequent goods receipts have been verified or confirmations have been obtained from the parties. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been dealt with in books of account.</p> <p>(iii) The Company has granted unsecured loans to two companies covered in the register maintained under Section 189 of the Act. There are no firms/Limited Liability Partnership/other parties covered in the register maintained under Section 189 of the Act.</p> <p>(a) In respect of the aforesaid loans, the terms and conditions under which such loans were granted are not prejudicial to the Company's interest.</p> <p>(b) In respect of one loan, the schedule of repayment of principal and payment of interest has been stipulated, and the party is repaying the principal amounts, as stipulated,</p> | <p>and is also regular in payment of interest as applicable. In respect of an another loan, which is repayable on demand, we are informed that the amount of interest and principal demanded by the Company has been paid during the year and thus, there has been no default on the part of the parties to whom the money has been lent.</p> <p>(c) There are no amount overdue for more than ninety days at the balance sheet date</p> <p>(iv) In our opinion and according to the information and explanation given to us, the Company has complied with provisions of Section 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees, and securities, as applicable.</p> <p>(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposit from the public during the year in terms of the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.</p> <p>(vi) We have broadly reviewed the books of account maintained by the Company as specified under Section 148(1) of the Act, for maintenance of cost records in respect of the products manufactured by the Company, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not, made a detailed examination of cost records with a view to determine whether they are accurate or complete.</p> <p>(vii) (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, Employees' State Insurance, Income-tax, Sales-tax, Value added tax, Duty of excise, Service tax, Duty of Excise, Goods and Service tax, Duty of customs, Cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there has been slight delay in a few cases.</p> <p>According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-tax, Sales-tax, Duty of excise, Service tax, Goods and Service tax, Duty of customs, Value added tax, Cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.</p> |
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