

# **INDEPENDENT AUDITORS' REPORT**

## **TO THE MEMBERS OF RAIPUR FABRITECH PRIVATE LIMITED**

### **Report on the IND AS Financial Statements**

We have audited the accompanying IND AS financial statements of **RAIPUR FABRITECH PRIVATE LIMITED** ("the company") which comprise the Balance Sheet as at 31<sup>st</sup> March 2018, 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 stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these IND AS 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 adequate 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 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 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 there under.

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 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 auditor considers 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, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. 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 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 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 including IND AS, of the state of affairs of the Company as at 31st March 2018, its Cash Flows and 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, 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, Cash Flow Statement & the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid IND AS 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, 2018 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.
- g) In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
  - 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 are required to be transferred by the Company to the Investor Education and Protection Fund.

**For, BEGANI & BEGANI  
CHARTERED ACCOUNTANTS  
(FRN : 010779C)**

**DATE : 19.05.2018  
PLACE : RAIPUR (C.G.)**

**(VIVEK BEGANI)  
PARTNER  
M.NO. 403743**

**RAIPUR FABRITECH PRIVATE LIMITED, RAIPUR (C.G.)**  
**Annexure A to Independent Auditor's Report (CARO 2016)**

In terms of the information and explanations sought by us and given by the company and the books and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that: -:

- (i) (a) The Company does not possess any Fixed Assets during the year under audit, hence the said clause is not applicable.
- (ii) In respect of its inventories:**
  - a) The Company does not possess any Inventory during the year under audit, hence the said clause is not applicable.
- (iii)** The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (iv)** The Company has not provided any loans, investments, guarantees and security under section 185 and 186 of the Companies Act, 2013.
- (v)** In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits in contravention of Directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- (vi)** The Company is not manufacturing or producing any product, hence the said clause is not applicable to the Company.
- (vii)** (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company has no Liability to pay any statutory dues for the year under Audit.
  - (b) The company has not disputed payment of any statutory dues.
- (viii)** According to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowing to a financial institution or banks.
- (ix)** The Company has not raised any money by way of initial public offer, further public offer and term loans.
- (x)** Based upon the audit procedures performed 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 has been noticed or reported during the

course of our audit, that causes the financial statements to be materially misstated.

- (xi) The Provisions of Section 197 is not applicable to the Company as the Company is a Private Limited Company.
- (xii) The company is not a Nidhi Company hence this clause is not applicable.
- (xiii) Based upon the audit procedures performed and according to the information and explanations given to us, the Company has not entered in any transaction with related parties; hence the said Clause is not applicable.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) The company has not entered into any non-cash transactions with directors or persons connected with him.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**For, BEGANI & BEGANI  
CHARTERED ACCOUNTANTS  
(FRN : 010779C)**

**DATE : 19.05.2018  
PLACE : RAIPUR (C.G.)**

**(VIVEK BEGANI)  
PARTNER  
M.NO. 403743**

# **ANNEXURE B to the Auditors Report**

## **Report on the Internal Financial Controls 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 **RAIPUR FABRITECH PRIVATE LIMITED** ("the Company") as of 31<sup>st</sup> March 2018 in conjunction with our audit of the IND AS 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 (ICAI). 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") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, 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.

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 testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

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 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 authorisations 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 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.

## **Opinion**

In our opinion, the Company has, 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 31<sup>st</sup> March 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, BEGANI & BEGANI  
CHARTERED ACCOUNTANTS  
(FRN : 010779C)**

**(VIVEK BEGANI)  
PARTNER  
M.NO. 403743**

**DATE : 19.05.2018  
PLACE : RAIPUR (C.G.)**

**Raipur Fabritech Private Limited**  
**Balance Sheet as at 31st March 2018**

(Amount in Rs.)

Particulars	Note No	31-Mar-18	31-Mar-17
<b>ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Property, Plant & Equipment			
(b) Capital work-in-progress			
(c) Investment Property			
(d) Other Intangible Assets			
(e) Intangible Assets under development			
(f) Financial Assets			
(i) Investments			
(ii) Loans			
(g) Other Non- current Assets	3	230,072	217,126
<b>Total Non Current Assets</b>		<b>230,072</b>	<b>217,126</b>
<b>(2) Current Assets</b>			
(a) Inventories			
(b) Financial Assets			
(i) Investments			
(ii) Trade receivables			
(iii) Bank, Cash & cash equivalents	4	38,778	1,500
(iv) Loans			
(c) Other Current Assets			
<b>Total Current Assets</b>		<b>38,778</b>	<b>1,500</b>
<b>TOTAL ASSETS</b>		<b>268,850</b>	<b>218,625</b>
<b>EQUITY AND LIABILITIES:</b>			
<b>Equity</b>			
(a) Equity Share capital	5	210,000	210,000
(b) Other Equity			
<b>Liabilities</b>			
<b>Share application money pending allotment</b>			
<b>Total Equity</b>		<b>210,000</b>	<b>210,000</b>
<b>(1) Non-current Liabilities :</b>			
(a) Financial Liabilities			
(i) Borrowings			
(ii) Other long term liabilities			
(b) Provisions			
(c) Deferred tax liabilities (Net)			
(d) Other non current liabilities			
<b>Total Non Current Liabilities</b>		-	-
<b>(2) Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Borrowings			
(ii) Trade Payables			
(iii) Other financial liabilities			
(b) Other current liabilities	6	58,850	8,625
(c) Provisions			
<b>Total Current Liabilities</b>		<b>58,850</b>	<b>8,625</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>268,850</b>	<b>218,625</b>
<b>Significant Accounting Policies</b>	2		
<b>AS PER OUR REPORT OF EVEN DATE ATTACHED</b>			
<b>For, Begani &amp; Begani</b>		<b>ON BEHALF OF THE BOARD OF DIRECTORS</b>	
<b>Chartered Accountants</b>			
<b>(FRN: 010779C)</b>			
<b>(VIVEK BEGANI)</b>	<b>PANKAJ SARDA</b>	<b>RAVI THAKURDAS LADDHA</b>	
<b>PARTNER</b>	<b>DIRECTOR</b>	<b>DIRECTOR</b>	
<b>M. No.403743</b>	<b>DIN 00008190</b>	<b>DIN 00008358</b>	
<b>PLACE : RAIPUR</b>		<b>PLACE: RAIPUR</b>	
<b>DATE : 19.05.2018</b>		<b>DATE : 19.05.2018</b>	



# Raipur Fabritech Private Limited

## CASH FLOW STATEMENT FOR THE PERIOD ENDED 31st March 2018

	PARTICULARS	Period ended 31.03.2018 (Rupees)	Period ended 31.03.2017 (Rupees)
<b>A.</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES :</b>		
	Net Profit before tax as per Profit & Loss Account	-	-
	<u>Adjustment for :</u>		
	Depreciation	-	-
	Interest (Net)	-	-
	Unrealised Exchange (Gain)/Loss	-	-
	Dividend income	-	-
	(Profit) / Loss on sale of fixed assets	-	-
		-	-
	Operating Profit before Working Capital changes	-	-
	<u>Adjustment for :</u>		
	Inventories	-	-
	Trade and other receivable	-	-
	Loans and Advances	-	-
	(Increase)/Decrease in Fixed deposits with scheduled banks	-	-
	Current Liabilities	-	-
		-	-
	Cash generated from Operations	-	-
	Direct Taxes (Net)	-	-
	<b>Net cash from Operating Activities</b>	-	-
<b>B.</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES :</b>		
	Investment in Fixed Assets including Capital WIP	-	-
	Increase in Preliminary/Preoperative Expenses	230072	(20295)
	Increase in Other current liabilities	(58850)	37
	<b>Net Cash used in Investing Activities</b>	<b>171222</b>	<b>(20258)</b>
<b>C.</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES :</b>		
	Proceeds from issue of Share Capital	-	-
	Repayment of Borrowings	-	-
	Short term borrowings	-	-
	<b>Net Cash from financing Activities</b>	-	-
	Increase/( decrease) in Cash and Cash equivalents ( A+B+C)	171222	(20258)
	<b>Net Increase/( decrease) in Cash and Cash equivalents</b>	<b>171222</b>	<b>(20258)</b>
	<b>CASH AND CASH EQUIVALENTS AS AT 01/04/2017</b>	<b>1500</b>	<b>21758</b>
	<b>CASH AND CASH EQUIVALENTS AS AT 31/03/2018 (as per Note'4)</b>	<b>38778</b>	<b>1500</b>
	<b>Increase/( decrease) in Cash and Cash equivalents</b>	<b>37278</b>	<b>(20258)</b>

**Notes:**

(a) Cash and cash equivalent include the following :

Balances with Scheduled banks

	<b>38778</b>	<b>1500</b>
	<b>38778</b>	<b>1500</b>

(b) Figures in brackets represent outflows.

**AS PER OUR REPORT OF EVEN DATE ATTACHED  
FOR, BEGANI & BEGANI  
Chartered Accountants  
(FRN: 010779C)**

**ON BEHALF OF THE BOARD OF DIRECTORS**

(VIVEK BEGANI)  
PARTNER  
M. No. 403743  
PLACE: RAIPUR  
DATE : 19.05.2018

(PANKAJ SARDA)  
Director  
DIN 00008190  
  
PLACE: RAIPUR  
DATE : 19.05.2018

(RAVI THAKURDAS LADDHA)  
Director  
DIN 00008358

**AUDITORS' CERTIFICATE**

We have examined the attached Cash flow Statement of M/s Raipur Fabritech Private Limited for the period ended 31st March, 2017. The statement has been prepared by the Company in agreement with the corresponding Balance Sheet of the company.

**FOR, BEGANI & BEGANI  
Chartered Accountants  
(FRN: 010779C)**

PLACE: RAIPUR  
DATE : 19.05.2018

(VIVEK BEGANI)  
PARTNER  
M. No. 403743

**Raipur Fabritech Private Limited**  
**Notes to financial statements for the year ended 31 Mar 2018**

**1 Corporate Information**

The Company has been incorporated during the financial year 2011-12 to undertake fabrication activities. As the company has not yet started its commercial operation, statement of Profit and Loss has not been prepared.

**2 Significant Accounting Policies**

(i) Basis of Preparation of Financial Statements

The IND AS financial statement of the Company are prepared under the historical cost convention using the accrual method of accounting in accordance with the generally accepted accounting principles in India, mandatory accounting standards as specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 .

(ii) Use of Estimates

The preparation of financial statements, in conformity with Generally Accepted Accounting Principles, requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities as at the date of financial statement and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

(iii) Cash Flow Statement

Cash flows are reported using the indirect method. The cash flows from operating, investing and financing activities of the company are segregated.

(iv) Preliminary Expenses

Preliminary Expenses will be written off completely in the Financial Year in which operations of the company will begin.

**Raipur Fabritech Private Limited**  
Notes to financial statements for the year ended 31 Mar 2018

Note No		(Amount in Rs.)		(Amount in Rs.)	
		As at 31 March 2018		As at 31 March 2017	
<b>3</b>	<b>Other non-current assets</b>				
	Other ( Preliminary & Preoperative Expenses)		230,072		217,126
	<b>Total</b>		<b>230,072</b>		<b>217,126</b>

<b>4</b>	<b>Cash and cash equivalents</b>				
	Balances with banks (Union Bank of India)		38,778		1,500
	<b>Total</b>		<b>38,778</b>		<b>1,500</b>

Note No		(Amount in Rs.)		(Amount in Rs.)	
		As at 31 March 2018		As at 31 March 2017	
<b>5</b>	<b>Share Capital</b>				
(i)	Share Capital				
	Equity Share Capital				
	Authorised Share capital (500000 Equity share @10 each)		5,000,000		5,000,000
	Issued, subscribed & fully paid share capital (21000 Equity share @10 each)		210,000		210,000
	<b>Total</b>		<b>210,000</b>		<b>210,000</b>

(ii)	Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period -				
	Particulars	Equity Shares	Amount	Equity Shares	Amount
		As at 31 Mar 2018		As at 31 March 2017	
		Number	Rs.	Number	Rs.
	Shares outstanding at the beginning of the year	21,000	210,000	21,000	210,000
	Shares Issued during the year	-	-	-	-
	Shares bought back during the year	-	-	-	-
	Shares outstanding at the end of the year	21000	210,000	21000	210,000

(iii)	The Company has only one class of share- Equity Shares-having a par value of Rs. 10 each per share. All equity shares carry equal voting and distribution rights.				
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(iv)	Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares				
	Name of Shareholder	As at 31 March 2018		As at 31 March 2017	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
	Shri Pankaj Sarda	5000	23.81	5000	23.81
	Shri Ravi Ladhha	5000	23.81	5000	23.81
	Sarda Energy & Minerals Limited	11000	52.38	11000	52.38

Note No		As at 31 March 2018		As at 31 March 2017	
		<b>6</b>	<b>Other current liabilities</b>		
	Short-term borrowings (Loans)		50,000		-
	Others (For Audit Fee)		8,850		8,625
	<b>Total</b>		<b>58,850</b>		<b>8,625</b>

**Raipur Fabritech Private Limited**  
**Notes to financial statements for the year ended 31 Mar 2018**

- 7 Previous year figures have been regrouped and rearranged wherever necessary.
- 8 Related Party Transactions  
The details of related parties & nature of relationship are given below:  
Name of Related Parties: -  
Holding Company – Sarda Energy & Minerals Ltd.  
Key Management Personnel:  
Shri Pankaj Sarda - Director  
Shri Ravi Thakurdas Laddha - Director
- | <u>Material Transaction with related</u> | 31-Mar-18 | 31-Mar-17 |
|--|-----------|-----------|
| Loans payable (Shri Pankaj Sarda)        | 50,000    | -         |
| Loan Received (Shri Pankaj Sarda)        | 50,000    | -         |
- 9 Contingent liability not provided for is Nil (Previous year : Nil)
- 10 Value of imports on CIF Basis is Nil (Previous year : Nil)
- 11 Expenditure/Earning in foreign currency is Nil (Previous year : Nil)
- 12 As the company has not yet commenced its commercial operation, profit & loss accounts has not been prepared.
- 13 Pre-operative expenditure pending capitalization will be capitalized when the company starts its commercial operation
- 14 As there is no timing difference, deffered tax asset/liability has not been provided for in the books of account.
- 15 The company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises development Act, 2006) claiming their status as on 31st March,2018 as micro, small or medium enterprises. Consequently the amount paid/payable to these parties during the year is nil.

**AS PER OUR REPORT OF EVEN DATE**

**For, Begani & Begani**  
**Chartered Accountants**  
**(FRN: 010779C)**

**ON BEHALF OF THE BOARD OF DIRECTORS**

**(VIVEK BEGANI)**  
**PARTNER**  
**M. No.403743**  
**PLACE : RAIPUR**  
**DATE : 19.05.2018**

<b>PANKAJ SARDA</b>	<b>RAVI THAKURDAS LADDHA</b>
<b>DIRECTOR</b>	<b>DIRECTOR</b>
<b>DIN 00008190</b>	<b>DIN 00008358</b>
<b>PLACE: RAIPUR</b>	
<b>DATE : 19.05.2018</b>	