

**Limited Review Report**

To,
The Board of Directors
Thakral Service (India) Limited

1. Introduction

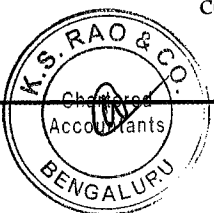
We have reviewed the accompanying Statement of Unaudited Financial Results of **Thakral Services (India) Limited ('the Company')** for the Quarter and nine months ended December 31, 2019 ("the Statement"), being submitted by the company pursuant to requirements of Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016. This Statement which is responsibility of the Company's management and approved by the Board of Directors, has been prepared in accordance with recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" as prescribed under section 133 of Companies Act, 2013 ("the Act") read with relevant rules issued there under and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. Scope of Review

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit accordingly, we do not express an audit opinion.

3. Basis for Qualified Conclusion

- a) The company has closing stock amounting to Rs. 1,88,72,339/- as on December 31, 2019, out of which inventory worth Rs.10,26,413 was lying with the third parties, however, no physical verification has been conducted in respect of the above mentioned inventory and we were not provided with the confirmations for the stock lying with third parties. Further for other inventory available with company, company does not have policy to create a provision for non-moving inventory. Based



on data provided to us we were unable to quantify the provision needed for slow and non-moving inventory.

Accordingly, we were unable to comment on the existence and condition of the inventory as on December 31, 2019 to comment the accuracy, completeness and fair value of the inventory.

- b) The company has an outstanding trade receivable amounting to Rs.13,77,27,603 for which the company has neither obtained balance confirmations nor statement of accounts from its customers to reconcile the same. Significant amounts are outstanding for more than 180 days. As a result of this, we are unable to comment on provision to be accrued for the doubtful receivables and the recoverability of outstanding balances as at December 31, 2019 and its consequential impact on Financial Results.

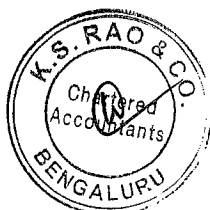
4. Qualified Conclusion

Based on our review conducted as above, except for the possible effects of the matters described in the "Basis for Qualified Conclusion" paragraph above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as modified by Circular No. CIR/CFD/FAC/62/2016 July 5,2016, Including the manner in which is to be disclosed, or that it contains any material misstatements.

5. Emphasis of Matter

We draw attention to the following matters:

Company has accumulated losses of Rs. 148.38 lakhs as at December 31, 2019, significant trade receivables are outstanding for a period of more than six months, and Outstanding balance in Provident Fund(PF) Payable amounting to Rs.61,60,467 not been remitted to the appropriate authority, ESI payable amounting to Rs.10,16,603 and the consequential impact of matters specified in Basis for Qualified Opinion Paragraph above. The management is of the view based on the orders on hand and future orders expected to be received, company will be able to have improved cash flows and long-term sustainability. Also, company is expecting that trade receivables of the company will be recovered which helps to maintain sufficient cash flows and able to pay the statutory dues and other obligations.



Our conclusion on the statement is not qualified in respect of the above matter.

For K.S. Rao & Co
Chartered Accountants
ICAI Firm registration no: 003109S



Hitesh Kumar P
Partner
Membership number: 233734
UDIN No: 20233734AAAABY2673

Place: Bengaluru
Date: 26th February, 2020

