

**Date:** May 11, 2019

To  
**BSE Limited**  
Compliance Department  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort  
Mumbai - 400001.

Dear Sir/Madam,

**Sub: Outcome of the Board Meeting held on May 11, 2019, pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").**

**Ref: Security Code: 514418**

Pursuant to Regulations 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with Schedule III to the Listing Regulations, we would like to inform you that at the Meeting of Board of Directors of the Company held today i.e. May 11, 2019, the Board has, inter alia, approved the Audited Financial Results of the Company for quarter and year ended March 31, 2019.


A copy of said Financial Results along with Auditor's Report with unmodified opinion is enclosed herewith.

Further, we would also like to inform you that the Board of Directors has recommended a Final Dividend of Re.1 per Equity Share of Rs. 10/- each of the Company which shall be paid/dispatched on and from the fifth day from the conclusion of the Annual General Meeting subject to approval of the shareholders of the Company. The date of the Annual General Meeting will be intimated to the stock exchange in due course.

The meeting of the Board of Directors concluded at 1.50 p.m.

We request you to kindly take the above information on record.

Thanking you,  
Yours faithfully,  
For Mangalam Organics Limited

  
Heena Tank  
Company Secretary  
Encl: As above



**AUDITED FINANCIAL RESULTS FOR THE 4TH QUARTER AND YEAR ENDED ON 31st MARCH, 2019**

Rs. In Lacs

Sr. No.		Quarter ended on			Year ended on	Year ended on
		31.03.2019 Audited	31.12.2018 Un-Audited	31.03.2018 Audited	31.03.2019 Audited	31.03.2018 Audited
1	Income					
	[a] Revenue from operations	10,639.51	12,143.39	5,642.39	42,462.48	24,423.74
	[b] Other Income	-	26.32	48.76	179.97	124.67
	<b>Total Income [1a + 1b]</b>	<b>10,639.51</b>	<b>12,169.71</b>	<b>5,691.15</b>	<b>42,642.45</b>	<b>24,548.41</b>
2	Expenses					
	[a] Cost of material consumed	6,610.74	5,350.81	4,479.17	24,936.70	16,849.45
	[b] Purchase of stock-in-trade	86.79	120.90	74.54	404.00	241.64
	[c] Change of inventories of finished goods, work in process and stock-in-trade	(326.90)	(294.73)	(725.54)	(829.33)	51.91
	[d] Excise duty	-	-	-	-	340.92
	[e] Employee benefit expenses	544.40	852.47	367.02	2,224.59	1,248.07
	[f] Finance cost	95.72	129.35	30.37	363.42	256.27
	[g] Depreciation and amortisation expenses	202.11	140.01	182.63	621.17	550.23
	[h] Other expenses	969.77	1,684.17	715.31	4,862.20	3,170.98
	<b>Total Expenses (a)+(b)+(c)+(d)+(e)+(f)+(g)+(h)</b>	<b>8,182.63</b>	<b>7,982.98</b>	<b>5,123.50</b>	<b>32,582.75</b>	<b>22,709.52</b>
3	Profit /(Loss) before exceptional Items / and tax (1-2)	<b>2,456.88</b>	<b>4,186.73</b>	<b>567.65</b>	<b>10,059.70</b>	<b>1,838.89</b>
4	Exceptional items	214.69	(560.18)	-	102.88	-
5	Profit / (loss) before tax (3-4)	2,671.57	3,626.55	567.65	10,162.58	1,838.89
6	Tax expenses					
	Current Tax	1,085.38	1,000.00	260.00	2,885.38	700.00
	Deffered tax (Income) / Expenses	11.45	-	12.05	11.45	(306.67)
7	Other comprehensive Income (net of tax)	(26.24)	-	(12.45)	(26.24)	(13.23)
8	<b>Total Comprehensive Income for the period ( Net of Tax) (5-6+7)</b>	<b>1,548.50</b>	<b>2,626.55</b>	<b>283.15</b>	<b>7,239.51</b>	<b>1,432.33</b>
9	Paid-up equity share capital [Face Value of each share Rs.10/-]	856.44	856.44	905.27	856.44	905.27
10	Other Equity	-	-	-	11,278.04	5,215.91
11	Earnings Per Share in Rs. (nominal value of share of Rs. 10/- each) Basic & Diluted - Not annualised	18.08	30.67	3.13	84.05	15.82

**NOTES :**

- The above Audited Financial Results were reviewed by the Audit Committee and thereafter were approved by the Board of Directors of the Company at its meeting held on 11th May, 2019.
- Post applicability of Goods and Service Tax (GST) w.e.f. 1st July 2017, revenue from operations are disclosed net of GST. Accordingly the revenue from operations from 1st July 2017 are reported net of GST and hence are not comparable with revenue figures reported prior to 1st July, 2017 which were reported inclusive of Excise Duty.
- The Board of Directors at their meeting have recommended a final dividend of Rs. 1/- per equity share of the face value of Rs. 10/- each of the Company which shall be paid / despatched on and from the fifth day from the conclusion of the Annual General Meeting subject to approval of the share holders of the Company.





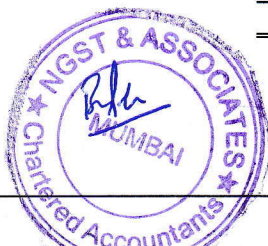
- 4] The financial results of the Company have been prepared in accordance with the Companies (Indian Accounting Standard) Rules, 2015 (IND-AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- 5] The segment-wise reporting as defined in Ind-AS-108 is not applicable since the Company has only one reportable segment "Chemicals".
- 6] Figures for the quarter ended March 31, 2019 and the corresponding quarter ended in the previous year as reported in these financial results are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto the end of the third quarter of the relevant financial year. Also the figures upto the end of the third quarter were subjected to review.
- 7] Corresponding figures of the previous period have been re-grouped / re-arranged wherever necessary to make them comparable.

**STATEMENT OF ASSETS & LIABILITIES**

(Rs. In Lakhs)

Particulars	As on 31st March, 2019	As on 31st March, 2018
<b>ASSETS</b>		
(1) <u>Non-current assets</u>		
(a) Property, Plant and Equipment	5,089.24	3,285.80
(b) Capital work-in-progress	405.12	105.79
(c) Financial Assets	-	
(i) Investments	0.25	0.25
(ii) Loans	177.09	339.52
(iii) Other financial assets	14.37	347.28
	<b>5,686.07</b>	<b>4,078.64</b>
(2) <u>Current assets</u>		
(a) Inventories	6,640.46	3,391.80
(b) Financial Assets		
(i) Investments	-	50.69
(ii) Trade receivables	3,724.66	2,386.33
(iii) Cash and cash equivalents	253.04	617.97
(iv) Bank balances & other than (iii) above	0.51	479.57
(v) Other financial assets	286.43	817.11
(c) Other current assets	2,700.64	1,097.43
	<b>13,605.74</b>	<b>8,840.90</b>
<b>Total Assets</b>	<b>19,291.81</b>	<b>12,919.54</b>
<b>EQUITY AND LIABILITIES</b>		
(1) <u>Equity</u>		
(a) Equity Share capital	856.44	905.27
(b) Other Equity	11,278.05	5,215.91
	<b>12,134.49</b>	<b>6,121.18</b>
<u>Liabilities</u>		
(2) <u>Non-current liabilities</u>		
(a) Financial Liabilities		
(i) Borrowings	628.45	76.87
(b) Provisions	216.71	196.18
(c) Deferred tax liabilities (net)	277.51	260.15
	<b>1,122.67</b>	<b>533.20</b>
(3) <u>Current liabilities</u>		
(a) Financial Liabilities		
(i) Borrowings	4,330.89	3,900.01
(ii) Trade payables	1,314.75	1,838.39
(iii) Other financial liability	28.91	30.99
(b) Other current liabilities	224.66	204.73
(c) Provisions	11.89	11.89
(d) Current tax liabilities (net)	123.53	279.16
	<b>6,034.64</b>	<b>6,265.17</b>
<b>Total Equity and Liabilities</b>	<b>19,291.81</b>	<b>12,919.55</b>

Place : Mumbai  
Date : 11th May, 2019



For Mangalam Organics Limited  
Pannkaj Dujodwala  
Managing Director (DIN 00546353)





**Independent Auditor's Report**

**To the Members of Mangalam Organics Limited**

**Report on audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **Mangalam Organics Limited** ("*the Company*") which comprises the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity) and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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 March 31, 2019, and total comprehensive income (comprising of profit and comprehensive income), changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the "Management Discussion and Analysis" and "Director's Report", but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.







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**Responsibility of Management and Those Charged with Governance 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 of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process

**Auditor's Responsibility for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions







that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

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 Companies Act, 2013, we give in the Annexure "A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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 (including other comprehensive income), the statement of changes in equity 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 specified under Section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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"





# NGST & Associates

## Chartered Accountants

- 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:
1. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note XX to the financial statements;
  2. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  3. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

Place: Mumbai  
Date: 11<sup>th</sup> May 2019



For NGST & Associates  
Chartered Accountants  
Firm Regn. No 135159W

*Bhupendra S*

Bhupendra S Gandhi  
Partner  
M. No. 122296





**ANNEXURE – A TO AUDITOR'S REPORT**  
**(Referred to our report of even date)**

**The Annexure referred to in our Independent Auditors' Report to the members of the Company on the Financial Statements for the year ended 31<sup>st</sup> March, 2019, we report that:**

- i) (a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) According to the information and explanation given to us, all the fixed assets have been physically verified by the management during the year and we are informed that the management on such verification has noticed no material discrepancies. In our opinion the frequency of verification is reasonable.
- c) The title deeds of immovable properties are held in the name of the company except that they are mortgaged to bank as per the report given by the external valuer during the year and as per the management and we have relied upon the same.
- ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) As explained to us, there is no material discrepancy noticed on physical verification of inventory as compared to book records.
- iii) (a) In our opinion and according to the information and explanation given to us the company has not granted any secured or unsecured loans to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 and therefore clause iii b and iii c are not applicable.
- iv) In our opinion and according to the information and explanation provided to us in respect of loans, investments, guarantees and security, the provisions of section 185 and 186 of the Companies Act 2013 have been complied with.
- v) In our opinion and according to the information and explanation given to us by the management, the company has not accepted any deposit from the public and therefore 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 are not applicable.
- vi) The Central Government has prescribed maintenance of the cost records under sub section (1) of section 148 of the Companies Act, 2013 in respect to the company's products. We have broadly reviewed the books of accounts & records maintained by the company in this connection and are of the opinion that prima facie, the prescribed accounts and records have been made & maintained. We have however, not made a detailed examination of the records with a view to determining whether they are accurate or complete.





vii) (a) According to the records of the Company, undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, income tax, custom duty and goods and service tax and other material statutory dues applicable to it have *generally* been regularly deposited with the appropriate authorities and no undisputed amounts payable in respect of these were outstanding, at the year end, for a period of more than six months from the date they became payable.

(b) According to the information and explanation given to us, there are no dues outstanding of income-tax, sales-tax, service tax, customs duty, excise duty and cess on account of any dispute except as stated below:-

Name of the statute	Nature of dues	Amount of demand	Payment of demand	Period to which the amount relate	Forum where dispute is pending
The Central Excise Act, 1944	Camphor Price difference – Excise duty	64,52,240	11,12,067 (Our Cum duty calculation as per supreme court order)	February 2004 to May 2005	CESTAT
The Central Excise Act, 1944	Excise duty	10,91,99,456	NIL	April 1999 to August 2003	High Court
The Central Excise Act, 1944	Excise Duty	1,68,88,229	1,45,58,818 (Cum duty)	September 2003 to November 2004	High Court
The Central Excise Act, 1944	Excise Duty	81,44,105	70,01,466 (Cum duty)	December 2004 to September 2005	CESTAT
The Central Excise Act, 1944	Interest	1,68,38,001	1,68,38,001	July 1999 to January 2004	Commissioner of Central Excise and Customs (Appeals) for excess calculation of Interest of Rs. 91,30,615/- paid under protest.
The Central Excise Act, 1944	Interest	2,20,73,762	2,20,74,070	September 2003 to November 2004	CESTAT

viii) According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to financial institutions or banks. Further, the Company has not issued any debenture.

ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). As per the information and explanation given to us by the management, term loans were applied for the purpose for which the loans were obtained.



- x) During the course of our examination of the books and records of the company and according to the information and explanation given to us, we have neither come across any instances of fraud on or by the company or any fraud on the company by its officers or employees, which has been noticed or reported during the current year, nor we have been informed of such case by the management.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid / provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) This clause is not applicable since 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 non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

**For NGST & Associates**  
**Chartered Accountants**  
**Registration No.135159W**

*Bhupendra*

**Bhupendra Gandhi**  
**Partner**  
**M. Ship No. 122296**  
**Place: Mumbai**  
**Date: 11<sup>th</sup> May, 2019**







**ANNEXURE – B TO THE AUDITORS' REPORT**

**Report on the Internal Financial Controls under Clause (l) of Sub-Section 143 of The Companies Act, 2013 ("The Act")**

We have audited the internal financial controls over financial reporting of Mangalam Organics Limited ('the company'), as of 31 March 2019, in conjunction with our audit of the 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 March 2019, 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 NGST & Associates  
Chartered Accountants  
Registration No.135159W**

*Bhupendra*

**Bhupendra Gandhi  
Partner  
M. Ship No. 122296  
Place: Mumbai  
Date: 11<sup>th</sup> May, 2019**

