



**MUNJAL AUTO**  
INDUSTRIES LIMITED

Waghodia Plant

REF/SECY/2017

June 09, 2017

To,  
The Secretary,  
BSE Ltd.  
25<sup>th</sup> Floor,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
MUMBAI - 400 001

Sub: Reply to discrepancies in Financial Results of the Company for the quarter/year ended March 31, 2017

Ref: STOCK CODE: 520059

Your Ref: mail dated 31<sup>st</sup> May, 2017 from [rakesh.parekh@bseindia.com](mailto:rakesh.parekh@bseindia.com)

Dear Sir,

With reference to the captioned email dated 31<sup>st</sup> May, 2017, regarding discrepancies in Financial Result of the Company for the quarter/ year ended March 31, 2017 filed by us on 22<sup>nd</sup> May, 2017, we would like to furnish point wise information/document as follows:

(1) Declaration

(2) & (3) Quarterly and yearly Financial Results for the period ended March 31, 2017 as per schedule III of the Companies Act, 2013.

Kindly take above information on your record.

Thanking you,

Yours faithfully,  
For **MUNJAL AUTO INDUSTRIES LTD.**

  
**Rakesh Johari**  
Company Secretary  
ACS19153





**MUNJAL AUTO**

INDUSTRIES LIMITED

Waghodia Plant

REF/SECY/2017

June 08, 2017

To,  
The Secretary,  
BSE Ltd.  
25<sup>th</sup> Floor,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort,  
MUMBAI - 400 001

Sub: Declaration relating to Disclosure of the impact of Audit Qualification by  
The Listed Entities in line with SEBI (Listing Obligations and Disclosure  
Requirements) (Amendment) Regulations, 2016

STOCK CODE: 520059

Dear Sir,

We hereby declare that pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended by SEBI (Listing Obligations and Disclosure Requirements) (Amendments) Regulations, 2016 read with Clause No.4.1 of Circular No. CIR/CFD/CMD/56/2016 dated May 27,2016 issued by SEBI that the Company has received Audit Report for the year ended 31<sup>st</sup> March,2017 from the Auditors with **Unmodified opinion**.

We hereby further declare that the Company has made declaration to the aforesaid effect by way of foot note to the Audited Financial Results for the year ended 31<sup>st</sup> March, 2017 while submitting the same to the stock exchanges.

Thanking you,

Yours faithfully,

For **MUNJAL AUTO INDUSTRIES LTD.**

**Sudhir Kumar Munjal**  
Chairman & Managing Director  
DIN : 00084080



Corporate Office :- 301, 3rd Floor, Galleria Tower, DLF Ph - IV Gurgaon - 122 002, Tel: 91 - 124 - 4057891 - 92. Fax: 91 - 0124 - 4369506

Waghodia Plant/Regd. Office :- 187, GIDC, Industrial Estate, Waghodia - 391 760, Distt. Vadodara (Gujarat), Tel: 91 - 2668 - 26421 - 26, Fax: 91 2668 - 262427

Bawal Plant :- Plot no. 37, Sector 5, Ph - II, G.C. Bawal-123 501, Distt. Rewari (HR), Tel: 91 - 1284 - 264435 - 36, Fax: 91 - 01284 - 264434

Haridwar Plant :- Plot no - 11, Industrial Park II, Vill, Salempur Mehdood, Distt. Haridwar - 249 402 (Uttarakhand), Tel: 91 - 01334 - 235530, 32, Fax: 91 - 01334 - 235533

For more information please mail [mail@munjialauto.com](mailto:mail@munjialauto.com) or visit us [www.munjialauto.com](http://www.munjialauto.com)

CIN. L34100GJ1985PLC007958

# MUNJAL AUTO INDUSTRIES LIMITED

Regd. Office.: 187, GIDC Industrial Estate, Waghodia - 391 760, Dist: Vadodara

CIN No. L34100GJ1985PLC007958, www.munjalauto.com, E Mail : cs@munjalauto.com, Tel. No. (02668)262421-22

## STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2017

(Rs. in Lacs)

Sr. No.	Particulars	3 Months ended	Preceding 3 Months ended	Corresponding 3 months ended in the previous year	Year to date figure for current year ended	Previous year ended
		31-Mar-17	31-Dec-16	31-Mar-16	31-Mar-17	31-Mar-16
		(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
PART - I		(i)	(ii)	(iii)	(iv)	(v)
1.	Income					
a.	Revenue from Operations	23,621.41	20,561.85	25,182.64	92,952.89	96,831.44
b.	Other Income	119.53	69.78	44.24	336.89	331.32
	<b>Total Revenue (a+b)</b>	<b>23,740.94</b>	<b>20,631.63</b>	<b>25,226.88</b>	<b>93,289.78</b>	<b>97,162.76</b>
2.	Expenses					
a.	Cost of Material consumed	16,396.46	13,802.94	17,067.18	63,856.81	67,373.24
b.	Purchase of Stock-in-Trade	-	-	-	-	-
c.	Change in Inventory of Finished goods, Work in Progress and Stock in Trade	(138.05)	69.22	544.20	(187.75)	355.68
d.	Employee benefits expense	1,628.02	1,234.46	1,223.38	5,588.71	5,211.33
e.	Finance Costs	119.71	132.24	198.98	547.63	794.30
f.	Depreciation and amortisation expense	448.61	443.44	434.43	1,741.27	1,666.10
g.	Other expenses	2,164.93	2,362.92	2,769.35	9,701.52	10,965.89
h.	Excise Duty on sales	2,015.35	1,741.86	2,142.45	7,960.20	8,325.44
g.	<b>Total Expenses</b>	<b>22,635.03</b>	<b>19,787.08</b>	<b>24,379.97</b>	<b>89,208.39</b>	<b>94,691.98</b>
3.	<b>Profit before exceptional and extraordinary items and tax (1-2)</b>	<b>1,105.91</b>	<b>844.55</b>	<b>846.91</b>	<b>4,081.39</b>	<b>2,470.78</b>
4.	Exceptional items	-	-	-	-	-
5.	<b>Profit before extraordinary items and tax (3-4)</b>	<b>1,105.91</b>	<b>844.55</b>	<b>846.91</b>	<b>4,081.39</b>	<b>2,470.78</b>
6.	Extraordinary Items	-	-	-	-	-
7.	<b>Profit before Tax (5-6)</b>	<b>1,105.91</b>	<b>844.55</b>	<b>846.91</b>	<b>4,081.39</b>	<b>2,470.78</b>
8.	Tax Expense					
	-Current Tax	158.21	155.20	100.30	829.33	263.73
	-Deferred Tax	37.03	64.34	109.69	75.39	199.45
9.	<b>Profit (Loss) for the period from continuing operations (7-8)</b>	<b>910.67</b>	<b>625.01</b>	<b>636.92</b>	<b>3,176.67</b>	<b>2,007.60</b>
10.	Profit (Loss) for the period from discontinuing operations	-	-	-	-	-
11.	Tax Expense of discontinuing operations	-	-	-	-	-
12.	Profit (Loss) for the period from discontinuing operations after tax (10-11)	-	-	-	-	-
13.	<b>Profit (Loss) for the period (9 +12)</b>	<b>910.67</b>	<b>625.01</b>	<b>636.92</b>	<b>3,176.67</b>	<b>2,007.60</b>
14.	Earnings Per equity share					
a)	Basic	1.82	1.25	1.27	6.35	4.02
b)	Diluted	1.82	1.25	1.27	6.35	4.02

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on May 22, 2017 and duly audited by Statutory Auditors.
- 2 The Board at its meeting on May 22, 2017 considered and recommended a dividend @100% i.e. Rs.2.00 per equity share on FV of Rs.2/- each for the financial year 2016-17, subject to approval of members of the company.
- 3 The Board has also recommended for issue of Bonus Shares in the ratio of 1:1 i.e. one Equity Share of Rs.2/- each for every one fully paid up Equity Share held as on record date, subject to approval of members of the company. Record date will be intimated in due course.
- 4 Tax Expense includes current tax net off MAT Credit entitlement and deferred tax.
- 5 Company's operations comprise of only one segment i.e. "Parts and components for Automobiles", in terms of AS-17 issued by Institute of Chartered Accountants of India.
- 6 The figures of last quarter are the balancing figure between audited figures in respect of full financial year and published year to date figures upto the 3rd quarter of the financial year.
- 7 The Company has received unmodified Audit Report for the year ended 31st March, 2017 from the Statutory Auditors which has been reviewed by the Audit Committee and Board of Directors of the Company at their respective meeting held on May 22, 2017.
- 8 Figures of the previous periods have been regrouped and / or recast, wherever considered necessary to conform to the groupings of the current period.



## STANDALONE AUDITED BALANCE SHEET AS ON 31ST MARCH, 2017

(Rs. In Lacs)

	Particulars	(Rs. In Lacs)	
		As at 31.03.2017 (Audited)	As at 31.03.2016 (Audited)
<b>A</b>	<b>EQUITY AND LIABILITIES</b>		
1	<b>Shareholders' Funds</b>		
a)	Share Capital	1,000.00	1,000.00
b)	Reserves and Surplus	24,035.60	20,858.94
	<b>Sub total- Shareholders' funds</b>	<b>25,035.60</b>	<b>21,858.94</b>
2	<b>Non Current Liabilities</b>		
(a)	Long Term Borrowings	2,889.48	4,607.20
(b)	Deferred Tax Liabilities (Net)	1,054.07	978.69
(c)	Other Long Term Liabilities	-	-
(d)	Long Term Provisions	635.53	644.29
	<b>Sub total- Non current liabilities</b>	<b>4,579.08</b>	<b>6,230.18</b>
3	<b>Current Liabilities</b>		
(a)	Short Term Borrowings	88.84	718.33
(b)	Trade Payables	10,254.06	9,269.52
(c)	Other Current Liabilities	3,224.10	2,915.85
(d)	Short Term Provisions	490.97	393.36
	<b>Sub total- Current liabilities</b>	<b>14,057.97</b>	<b>13,297.06</b>
	<b>TOTAL- EQUITY AND LIABILITIES</b>	<b>43,672.65</b>	<b>41,386.18</b>
<b>B</b>	<b>ASSETS</b>		
1	<b>Non Current Assets</b>		
(a)	Fixed Assets		
(i)	Tangible Assets	18,502.73	17,381.58
(ii)	Intangible Assets	175.10	173.14
(iii)	Capital Work In Progress	169.11	1,425.84
(b)	Non Current Investments		
(c)	Long Term loan and advances	982.13	691.74
(d)	Other non-current assets	2,630.88	2,630.27
	<b>Sub total- Non current assets</b>	<b>22,459.95</b>	<b>22,302.57</b>
2	<b>Current Assets</b>		
(a)	Current Investments	4,481.59	2,230.72
(b)	Inventories	2,425.38	2,741.03
(c)	Trade Receivables	13,295.98	12,783.73
(d)	Cash and Cash equivalents	229.12	292.69
(e)	Short Term loans and advances	780.63	1,035.44
(f)	Other Current Assets		
	<b>Sub total- Current assets</b>	<b>21,212.70</b>	<b>19,083.61</b>
	<b>TOTAL- ASSETS</b>	<b>43,672.65</b>	<b>41,386.18</b>

By order of the Board  
For MUNJAL AUTO INDUSTRIES LIMITED

*Sudhir Kumar Munjal*

SUDHIR KUMAR MUNJAL  
CHAIRMAN & MANAGING DIRECTOR  
DIN : 00084080

Date : May 22, 2017

Place : Gurugram



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF MUNJAL AUTO INDUSTRIES LIMITED**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Munjal Auto Industries Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the 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 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 maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting 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 controls, 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 the 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 a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the 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

### 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, of the state of affairs of the Company as at 31st March, 2017, and its profit and its 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 paragraphs 3 and 4 of the Order.
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, the Statement of Profit and Loss, and the 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 the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 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".



INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF MUNJAL AUTO INDUSTRIES LIMITED  
For the year ended on 31st March, 2017

- (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:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company did not have long term contracts including derivative contracts requiring provision for material foreseeable losses.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
  - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management.

**FOR VAKIL JAIN & HINDOCHA**  
Chartered Accountants  
Firm Registration No. 112894W



*S Surendra Modiani*

**SURENDRA MODIANI**  
Partner  
Membership No. 047966

**Place: VADODARA**  
**Date: May 22, 2017**

## ANNEXURE-A TO INDEPENDENT AUDITOR'S REPORT

### Annexure referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's Report to the members of Munjal Auto Industries Limited for the year ended 31<sup>st</sup> March, 2017

- i) (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets;
- (b) These fixed assets have been physically verified by the management at reasonable intervals. We are informed that no material discrepancies were noticed on such verification;
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties, which are freehold, are held in the name of the Company. In respect of immovable properties which are leasehold and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.
- ii) The physical verification of inventory has been conducted at reasonable intervals by the management and no material discrepancies were noticed on physical verification.
- iii) The Company has not granted any loans, secured or unsecured, to companies, firm or other parties covered in the register maintained under section 189 of the Companies Act and therefore, the matters referred in clauses (iii)(a), (iii)(b) and (iii)(c) of paragraph 3 of the order are not applicable.
- iv) The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of clause (iv) of paragraph 3 of the said Order are not applicable to the Company.
- v) The Company has not accepted any deposits during the year and does not have any unclaimed deposits.
- vi) According to our information, the Central Government of India has not specified the maintenance of cost records under sub-section (1) of the section 148 of the Companies Act for the products of the company.
- vii) According to the information and explanations given to us and as shown by our examination of the books of accounts:
  - (a) The Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues applicable to it to the appropriate authorities.





- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income tax, value added tax, service tax or duty of customs which have not been deposited on account of any dispute.

The particulars of dues of Sales Tax and Duty of Excise which have not been deposited as on March 31, 2017 on account of disputes are as under;

Name of the statute	Amount involved (Rs.)	Period to which amount relates	Forum where dispute is pending
Gujarat Sales Tax Act	25,49,704/- (out of total demand of Rs.31,88,704/-)	Financial year 2002-03	Commissioner of Commercial Tax (Appeals)
The Central Excise Act, 1944	58,76,332/-	June,2008 to March,2009	Commissioner of Customs, Excise and Service Tax(Appeals)

- viii) The Company has not defaulted in repayment of loans or borrowings to Bank. There are no loans or borrowings from financial institutions and government and the Company has not issued any debentures.
- ix) The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) or term loans during the year.
- x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi) 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) As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause (xii) of paragraph 3 of the Order are not applicable to the Company.
- xiii) The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, the provisions of Clause (xiv) of paragraph 3 of the Order are not applicable to the Company.
- xv) The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause (xv) of paragraph 3 of the Order are not applicable to the Company.



INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF MUNJAL AUTO INDUSTRIES LIMITED  
For the year ended on 31st March, 2017

- xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

**FOR VAKIL JAIN & HINDOCHA**  
Chartered Accountants  
Firm Registration No. 112894W



*Surendra Modiani*

**SURENDRA MODIANI**  
Partner  
Membership No.047966

**Place: VADODARA**  
**Date: May 22,2017**

## **ANNEXURE-B TO INDEPENDENT AUDITOR'S REPORT**

**[Referred to in paragraph 2(f) under the heading "Report on Other Legal and Regulatory Requirements" of the Independent Auditor's Report to the members of Munjal Auto Industries Limited for the year ended 31<sup>st</sup> March, 2017]**

### **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 **Munjal Auto Industries Limited** ("the Company") as of March 31, 2017 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 judgement, 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 March 31, 2017, 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.

Place: VADODARA  
Date: May 22, 2017

FOR VAKIL JAIN & HINDOCHA  
Chartered Accountants  
Firm Registration No. 112894W



*S. Surendra Modiani*  
SURENDRA MODIANI  
Partner  
Membership No.047966