

# Bodhtree Human Capital Private Limited

Balance Sheet as at 31st March, 2017

	Note No.	As at 31st March, 2017	As at 31st March, 2016
		Rs	Rs
<b>EQUITY AND LIABILITIES</b>			
<b><u>Shareholders' Funds</u></b>			
(a) Share Capital	2	100,000	100,000
(b) Reserves and Surplus	3	(82,108)	(51,295)
		<b>17,892</b>	<b>48,705</b>
<b><u>Current Liabilities</u></b>			
(a) Trade Payables	4	70,045	41,295
(b) Other Current Liabilities	5	12,063	10,000
		<b>82,108</b>	<b>51,295</b>
<b>Total</b>		<b>100,000</b>	<b>100,000</b>
<b>ASSETS</b>			
<b><u>Current Assets</u></b>			
(a) Cash and cash equivalents	6	100,000	100,000
		<b>100,000</b>	<b>100,000</b>
<b>Total</b>		<b>100,000</b>	<b>100,000</b>

Significant Accounting Policies

1

(Note No.8 to 12 forms integral part of the financial Statement)

As per our attached report of even date

For Nisar & Kumar  
Chartered Accountants

For and on behalf of the Board

  
T.N.V. Visweswara Rao  
Partner



Place: Hyderabad  
Date : 11-05-2017

  
Director  
DIN. 06653230  
Place: Hyderabad  
Date : 11-05-2017



  
Director  
DIN. 07760334

# Bodhtree Human Capital Private Limited

## Statement of Profit and Loss for the year ended 31st March, 2017

	Note No.	For the year ended 31st March, 2017	For the year ended 31st March, 2016
		Rs.	Rs.
Revenue from operations		-	-
<b>Total Revenue</b>		-	-
<b>Expenses:</b>			
Other Expenses	7	30,813	51,295
<b>Total Expenses</b>		<b>30,813</b>	<b>51,295</b>
Profit / (Loss) before tax		(30,813)	(51,295)
<b>Tax expense:</b>			
Current tax		-	-
Profit/(Loss) for the year from continuing operations		<b>(30,813)</b>	<b>(51,295)</b>
Earning per equity share of Rs. 10 each	8		
(1) Basic		(3.08)	(74.89)
(2) Diluted		(3.08)	(74.89)

Significant Accounting Policies 1  
(Note No.8 to 12 forms integral part of the financial Statement)

As per our attached report of even date

**For Nisar & Kumar**  
Chartered Accountants

*T.N.V. Visweswara Rao*  
T.N.V. Visweswara Rao  
Partner

Place: Hyderabad  
Date : 11-05-2017



**For and on behalf of the Board**

*[Signature]*  
Director  
DIN. 06653230  
Place: Hyderabad  
Date : 11-05-2017

*[Signature]*  
Director  
DIN. 07760334



# Bodhtree Human Capital Private Limited

## Cash Flow Statement for the Year ended 31st March, 2017

	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	(Rs.)	(Rs.)
<b>Cash Flow from Operating Activities</b>		
Profit/(Loss) before Tax	(30,813)	(51,295)
Adjustment for:	-	-
<b>Operating Cash Flow before Working Capital Changes</b>	<b>(30,813)</b>	<b>(51,295)</b>
<u>Adjustment for:</u>		
(Increase)/Decrease in Long Term Advances	-	-
(Increase)/Decrease in Loans & Advances	-	-
Increase/(Decrease) in Trade Payables	28,750	51,295
<b>Cash generated from Operations</b>	<b>(2,063)</b>	<b>-</b>
<b>Net Cash Flow from Operating Activities</b>	<b>(2,063)</b>	<b>-</b>
<b>Cash Flow from Investing Activities</b>	<b>-</b>	<b>-</b>
<b>Net Cash Flow from Investing Activities</b>	<b>-</b>	<b>-</b>
Issue of Shares	-	100,000
<b>Cash Flow from Financing Activities</b>	<b>-</b>	<b>100,000</b>
<b>Net Increase / (Decrease) in cash and Cash equivalents</b>	<b>-</b>	<b>100,000</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>100,000</b>	
<b>Cash and cash equivalents at the end of the year</b>	<b>100,000</b>	<b>100,000</b>

Cash and Cash equivalents included in the cash flow statement comprise of the following balance sheet amounts

	As at 31st March, 2017	As at 31st March, 2016
	Rs.	Rs.
<b>Cash on Hand</b>	-	-
<b>Balance with scheduled banks in</b>		
- Cheque on hand	-	100,000
- HDFC CURRENT ACCOUNT	100,000	
<b>Cash and cash equivalents</b>	<b>100,000</b>	<b>100,000</b>

### Note:

The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard – 3 on Cash Flow Statements.

As per our attached report of even date

For Nisar & Kumar  
Chartered Accountants

  
T.N.V. Visweswara Rao  
Partner

Place: Hyderabad  
Date : 11-05-2017



For and on behalf of the Board

  
Director  
DIN. 06653230  
Place: Hyderabad  
Date : 11-05-2017

  
Director  
DIN. 07760334  
Place: Hyderabad  
Date : 11-05-2017



## Bodhtree Human Capital Private Limited

Significant Accounting Policies And Notes Forming Part of the Accounts for the year ended 31st March, 2017

### Note 1

#### Significant Accounting Policies

##### 1.1 Basis of Accounting :

The financial statements are prepared under historical cost convention in accordance with the generally accepted accounting principles in India ("Indian GAAP") and comply in all material respects with the mandatory Accounting Standards ("AS") prescribed in the Companies (Accounting Standard) Rules, 2006, the provisions of the Companies Act, 2013 (to the extent notified).

##### 1.2 Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and estimated useful lives of fixed assets. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

##### 1.3 Tangible Fixed Assets

The Fixed Assets are recorded at cost. Cost includes purchase cost together with all incidental costs of acquisition, installation and commissioning up to the date of capitalisation.

##### 1.4 Capital Work-in-Progress:

Capital Work-in-progress includes all expenditure for supply and installation of plant and machinery and other capital assets and also includes capital advances and preoperative expenditure. Preoperative expenditure includes expenditure incurred during the project construction which are accumulated and shown under capital work in progress until the completion of the project.

##### 1.5 Depreciation

Depreciation on fixed assets (other than freehold land and Capital Work-in-progress) is provided on a straight-line method over their estimated useful lives at the rates as prescribed under Schedule II of the Companies Act, 2013. Depreciation is charged on pro-rata basis from the date of capitalisation. Individual assets costing Rs. 5,000 or less are fully depreciated in the year of acquisition.

##### 1.6 Revenue Recognition

Revenue from services are recognised on accrual basis in accordance with the terms of the contract.

##### 1.7 Earnings Per Share

The company reports basic Earnings per share (EPS) in accordance with Accounting Standard 20 on "Earnings per share". Basic EPS is computed by dividing the net Profit or Loss for the year attributable to equity share holders by the weighted average number of equity shares outstanding during the year.

Dilutive Potential Equity shares are deemed to have been converted as of the beginning of the year, unless they have been issued at a later date. The number of shares used in computing Diluted EPS comprises of weighted average shares considered for deriving Basic EPS, and also the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares where applicable.

##### 1.8 Taxes on Income

Tax expenses comprises both current and deferred taxes. Provision for current tax is made based on the applicable tax rates and tax laws with respect to that year. Deferred tax assets and liabilities are recognised for the future tax consequences attributable to differences between financial statements carrying amounts of existing assets and liabilities and their respective tax bases and operating loss carry forwards. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The effect of deferred tax assets and liabilities of a change in tax rates is recognised in the profit and loss account in the year of change.

Minimum alternative tax (MAT) paid in accordance to the tax laws, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax after setting off of brought forward losses. Accordingly, MAT is recognised as an asset in the balance sheet when it is probable that the future economic benefit associated with it will flow to the Company and the asset can be measured reliably. The company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that company will pay normal income tax during the specified period.

##### 1.9 Contingent Liabilities & Provisions:

Provisions are recognised in the accounts for present probable obligations arising out of past events that require outflow of resources, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events but their existence confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company, unlike likelihood of an outflow of resources is remote. Contingent assets are not recognised in the account, unless there is virtual certainty as to its realisation.



## Bodhtree Human Capital Private Limited

Significant Accounting Policies And Notes Forming Part of the Accounts for the year ended 31st March, 2017

### Note 2.

#### Share Capital

Particulars	As at 31st March, 2017 (Rs.)	As at 31st March, 2016 (Rs.)
<b>Authorised Capital</b>		
10,000 Equity Shares of Rs.10 each	100,000	100,000
	<b>100,000</b>	<b>100,000</b>
<b>Issued, Subscribed &amp; Paid up Capital</b>		
10,000 Equity Shares of Rs.10 each fully paid up	100,000	100,000
<b>Total</b>	<b>100,000</b>	<b>100,000</b>

a. Reconciliation of Equity Shares outstanding at the beginning and at the end of the year

	31st March, 2017		31st March, 2016	
	No. of shares	Amount	No. of shares	Amount
At the Beginning of the year	10,000	100,000	-	-
Issued during the year	-	-	10,000	100,000
Outstanding at the end of the year	10,000	100,000	10,000	100,000

(including shares held by nominee of the holding company)

b. Details of shareholders holding more than 5% shares in the company

	31st March, 2017		31st March, 2016	
Name	Nos.	%age	Nos.	%age
Bodhtree Consulting Limited	10,000	100%	10,000	100%

(including shares held by nominee of the holding company)



**Bodhtree Human Capital Private Limited**

**Significant Accounting Policies And Notes Forming Part of the Accounts for the year ended 31st March, 2017**

**Note 3**

**Reserve & Surplus**

Particulars	As at 31st March, 2017	As at 31st March, 2016
	(Rs.)	(Rs.)
<b>Surplus in Statement of Profit and Loss</b>		
Balance as at the beginning of the year	(51,295)	-
Add: Profit / (Loss) for the year	(30,813)	(51,295)
Balance as at the end of the year	(82,108)	(51,295)
<b>Total</b>	<b>(82,108)</b>	<b>(51,295)</b>

**Note 4**

**Trade Payables**

Particulars	As at 31st March, 2017	As at 31st March, 2016
	(Rs.)	(Rs.)
Trade Payables other than Acceptances:		
Dues to micro enterprises and small enterprises		
Others	70,045	41,295
<b>Total</b>	<b>70,045</b>	<b>41,295</b>

**Note 5**

**Other Current Liabilities**

Particulars	As at 31st March, 2017	As at 31st March, 2016
	(Rs.)	(Rs.)
Advances from Related party	12,063	10,000
<b>Total</b>	<b>12,063</b>	<b>10,000</b>



**Bodhtree Human Capital Private Limited****Note 6****Cash & Cash Equivalents**

Particulars	As at 31st March, 2017	As at 31st March, 2016
	(Rs.)	(Rs.)
HDFC Current Account	100,000	-
Cheque on hand	-	100,000
<b>Total</b>	<b>100,000</b>	<b>100,000</b>

**Note 7****Other Expenses**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
	(Rs.)	(Rs.)
Auditors Remuneration	28,750	28,625
Incorporation expenses written off	-	22,670
Miscellaneous Expenses	2,063	-
<b>Total</b>	<b>30,813</b>	<b>51,295</b>

**Note:8****Earnings Per share**

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Net profit / (loss) for the year	(30,813)	(51,295)
Weighted average number of equity shares for the purpose of calculating basic earnings per share	10,000	685
Weighted average number of equity shares for the purpose of calculating diluted earnings per share	10,000	685
Basic / Diluted earnings per share of face value of Rs.10 each	(3.08)	(74.89)



**Bodhtree Human Capital Private Limited**

**Note: 9**

**Related Party Disclosures**

Enterprises Commonly controlled or influenced by major shareholders/directors of Bodhtree Consulting the company : Limited

**Transactions with Related Parties**

Particulars	2016-17	2015-16
	(Rs.)	(Rs.)
<b>Issue of Shares</b>		
-Bodhtree Consulting Limited	-	100,000
<b>Advances Received</b>		
-Bodhtree Consulting Limited	2,063	10,000
<b>Balances outstanding at the end of the year</b>		
Credit Balances-Bodhtree Consulting Limited	12,063	10,000

**Note: 10**

**Payments to Auditors**

Statutory Audit Fee Rs.28,750/- (Previous Year- Rs.28,625/-)

**Note: 11**

The Company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016

**Note: 12**

Previous year figures have been regrouped / re arranged / re-classified wherever considered necessary to conform to the classification of the current year.

As per our attached report of even date


**For Nisar & Kumar**  
Chartered Accountants

  
T.N.V. Visweswara Rao  
Partner

Place: Hyderabad  
Date : 11-05-2017



**For and on behalf of the Board**

  
Director  
DIN. 06658230  
Place: Hyderabad  
Date : 11-05-2017





## **NISAR & KUMAR**

*Chartered Accountants*

**Head office :**

Door No. 6-2-941, Flat No. 205,  
Mughal's Emami Mansion, Khairatabad,  
Hyderabad - 500 004  
Tel. No. 040-66758388, M. No. 09246458388  
E-mail : [contact@nisarkumar.in](mailto:contact@nisarkumar.in)

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BODHTREE HUMAN CAPITAL PRIVATE LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of **BODHTREE HUMAN CAPITAL PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, 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.

#### **Auditors' 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.



#### **Branch Offices :**

1305, Arcadia Building, Next to Earnest House,  
NCPA Marg, Nariman Point, Mumbai - 400 021.  
Mobile No. : 09819730646

**A-17 & 18, EVEREST BUILDING,  
TARDEO ROAD, TARDEO, MUMBAI-400 034.**

C/o 27-K. M. Surat - Hazira Road,  
Hazira, Gujarat State -394 270  
Mob. No. 09879102440

D.No. 2-5-16, Sriranga Nilayam,  
Juvvalapalem Road,  
Bhimavaram - 534202  
Tel : 08816-230388

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 March 31, 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 (Auditors' 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) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, 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 March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 report in 'Annexure B'; and



(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 does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The company did not have any holdings or dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016.

**For Nisar & Kumar**  
Chartered Accountants  
(Firm Registration No. 127820 W)



*T.N.V. Visweswara Rao*  
T.N.V. Visweswara Rao  
Partner  
(Membership No. 204084)

Place: Hyderabad  
Date: 11/05/2017

## **ANNEXURE A to the Auditor's Report**

**The annexure referred to in Independent Auditor's Report to the members of the Company on the financial statements for the year ended March 31, 2017, we report that:**

- (i) Since the company does not own any fixed assets and immovable properties Clause (i)(a), (b) and (c) are not applicable.
- (ii) Since the company does not have inventory Clauses (ii) are not applicable.
- (iii) Based on the audit procedures applied by us and according to the information and explanations provided by the management, 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.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- (v) In our opinion and according to the information and explanations given to us, during the year the company has not accepted any deposits from the public within the meaning of the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under.
- (vi) As informed to us, maintenance of cost records has not been specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013.
- (vii) According to the records of the company, there are no any statutory dues of Employee State Insurance, Value Added Tax, provident fund, income-tax, service tax, duty of excise, duty of customs and cess and hence the clause vii (a) & (b) are not applicable.
- (viii) According to the records of the company, the company does not have any borrowings from a financial institution, bank, Government or dues to debenture holders hence this clause is not applicable.
- (ix) According to the record of the company, during the year the company has not raised funds by way of public offering or term loans and hence this Clause is not applicable.
- (x) Based upon the audit procedures performed and information and explanations given by the management, we report that no fraud on or by the company has been noticed or reported during the course of our audit.
- (xi) Based upon information and explanations given by the management, the Company has not paid any managerial remuneration and hence this clause is not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.



(xiii) In our opinion, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

(xiv) During the year under review the company has not made private placement of Shares. Accordingly, the provisions of this clause are not applicable.

(xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with them hence this clause is not applicable to the Company.

(xvi) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

**For Nisar & Kumar**  
Chartered Accountants  
(Firm Registration No. 127820 W)

Place: Hyderabad  
Date: 11/05/2017



*T.N.V. Visweswara Rao*  
T.N.V. Visweswara Rao  
Partner  
(Membership No. 204084)

## **ANNEXURE B to the Auditor's 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 **BODHTREE HUMAN CAPITAL PRIVATE 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 the 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.

### **Auditor's 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") issued by the ICAI 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 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 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: Hyderabad  
Date: 11/05/2017



For Nisar & Kumar  
Chartered Accountants  
(Firm Registration No. 127820 W)

  
T.N.V. Visweswara Rao  
Partner  
(Membership No. 204084)