



RAJESWARI & ASSOCIATES

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of **PRIVILEGE POWER AND INFRASTRUCTURE PRIVATE LIMITED**

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **PRIVILEGE POWER AND INFRASTRUCTURE PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss, the statement of Changes in Equity and the statement of Cash Flow for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flow of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under and Order issued under section 143 (11) of the Act.



We conducted our audit of the Ind AS Financial Statements 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 Ind AS Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS Financial Statements.

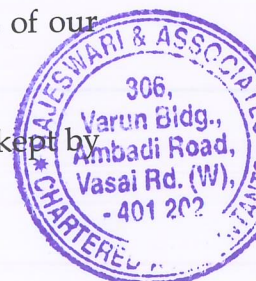
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS Financial Statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS Financial Statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31st March, 2018 and its loss, total comprehensive income, the changes in equity and its cash flows for the year ended on that date.

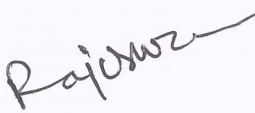
Report on Other Legal and Regulatory Requirements

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, and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the "Annexure A" a statement on the matters specified in the paragraph 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 including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- (d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (g) 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 Ind AS Financial Statements as referred to in notes to the Ind AS Financial Statements;
 - 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.

For **Rajeswari & Associates,**
Chartered Accountants
Firm Registration No: 123005W


SVN Rajeswari
Proprietor
Membership No.:112940



Place: Mumbai
Date: 29th May, 2018



RAJESWARI & ASSOCIATES

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"ANNEXURE-A" TO THE INDEPENDENT AUDITOR'S REPORT

Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date on the Ind AS financial statements for the year ended 31st March, 2018 of **PRIVILEGE POWER AND INFRASTRUCTURE PRIVATE LIMITED:**

- (i)
 - (a) The Company has maintained proper records showing full particulars, including quantitative and situation of fixed assets.
 - (b) All the fixed assets have been physically verified by the management in a phased manner, over a period of one year, which in our opinion, is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
 - (c) The title deeds of the immovable property are held in the name of the Company.
- (ii) The inventories have been physically verified by the management at reasonable intervals during the year. In our opinion, the frequency of verification is reasonable. On the basis of our examination of inventory records, no material discrepancy was discovered during the period.
- (iii) The Company has not granted any loans to Companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act and therefore, the provisions of clause (iii) of paragraph 3 of the Order are not applicable to the Company.
- (iv) The Company has not granted any Loans or given any Guarantees to directors or made any investments as mentioned in the Section 185 and Section 186 of the Act and hence the provisions of clause (iv) of Paragraph 3 of the Order are not applicable to the Company.
- (v) The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Act and the rules framed there under.
- (vi) As the aggregate value of turnover of the Company during the immediately preceding financial year did not exceed Rupees Thirty Five Crores, the provisions of Companies (cost records and audit) Rules, 2014 notified by the Central Government under Section 148 of the Act are not applicable to the Company for the current financial year.



- (vii) (a) According to the information and explanations given to us, the Company is generally regular in depositing undisputed amount of statutory dues in respect of Provident Fund, Employee's State Insurance, Income-Tax, Sales Tax, Service-Tax, VAT, Goods and Service Tax, cess and other material applicable statutory dues have generally been regularly deposited with the appropriate authorities and as on 31st March, 2018, no such dues were outstanding for a period of more than six months from the date they became payable except for the following:-

| Nature of dues (including interest) | Amount (in Lakhs) |
|-------------------------------------|-------------------|
| TDS | 17.27 |
| Service Tax | 73.53 |
| GST | 0.18 |
| ESIC, PF & PT | 2.72 |

- (b) According to the information and explanations given to us, there are dues of Income Tax which have not been deposited with the appropriate authorities on account of any dispute.

| Name of The Statute | Nature of Dues | Forum where the Dispute is Pending | Period to which the Amount Relates | Amount Involved (Rs in Lakhs) | Amount unpaid (Rs in Lakhs) |
|----------------------|-------------------|------------------------------------|------------------------------------|-------------------------------|-----------------------------|
| Income Tax Act, 1961 | Income Tax Demand | CIT Appeals | F.Y. 2012-13 | 34.61 | 34.61 |
| Income Tax Act, 1961 | Income Tax Demand | CIT Appeals | F.Y. 2014-15 | 100.17 | 100.17 |

- (viii) Based on our Audit procedures and as per the information and explanations given by the management, the Company has defaulted in repayment of loans and interest to banks and financial institutions. The detail of unpaid overdue installments to banks and financial institutions as at 31st March, 2018 are aggregated to Rs. 51,071.54 lakhs. The overdue relates to the Financial Years 2015-16, 2016-17 and 2017-18.
- (ix) The Company has not raised funds through initial public offer or further public offer (including debt instruments) and term loans during the financial year.

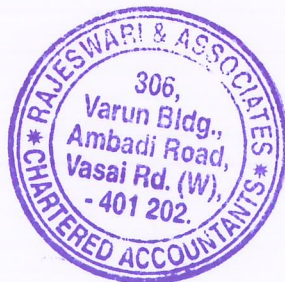


- (x) Based on the audit procedure performed and the representation obtained from the management, no case of fraud on or by the Company has been noticed or reported during the course of our audit.
- (xi) The Company has not paid Managerial Remuneration during the year hence the provisions of clause (xi) of the Paragraph 3 of the Order are not applicable.
- (xii) The Company is not a Nidhi Company as specified by the Act and hence the provisions under clause (xii) of the Paragraph 3 of the Order are not applicable.
- (xiii) Based on the audit procedure performed and the representation from the management, no case of related party transactions occurred during the financial year and hence the provisions of Section 177 and 188 are not applicable to the Company.
- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Paragraph 3 of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence reporting under clause (xv) of Paragraph 3 of the Order is not applicable to the Company.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For Rajeswari & Associates,
Chartered Accountants
Firm Registration No: 123005W

Rajeshwari

SVN Rajeswari
Proprietor
Membership No.:112940



Place : Mumbai
Date : 29th May, 2018



RAJESWARI & ASSOCIATES

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"ANNEXURE B" TO THE INDEPENDENT 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 **PRIVILEGE POWER AND INFRASTRUCTURE PRIVATE LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

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") 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. 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 Ind AS 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 authorizations of management and directors of the Company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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, to the best of our information and according to the explanations given to us, 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, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Rajeswari & Associates,**
Chartered Accountants
Firm Registration No: 123005W

Rajeswari

SVN Rajeswari
Proprietor
Membership No.:112940



Place: Mumbai
Date: 29th May, 2018

Privilege Power & Infrastructure Private Limited

Financial Year : 2017-18

| | | | | | Rs. In lakhs |
|----------------------------|--|--|--|--|--------------|
| TDS | | | | | |
| TDS payable - Contractor | | | | | 2.11 |
| TDS payable - Professional | | | | | 15.00 |
| TDS payable - Salary | | | | | 0.15 |
| | | | | | |
| | | | | | 17.27 |
| | | | | | |
| Service Tax | | | | | |
| Interest payable | | | | | 33.67 |
| Service tax Payable | | | | | 39.05 |
| Krishi Kalyan Cess payable | | | | | 0.38 |
| SBC payable | | | | | 0.42 |
| | | | | | |
| | | | | | 73.53 |
| | | | | | |
| GST | | | | | |
| CGST payable | | | | | 0.05 |
| SGST payable | | | | | 0.05 |
| RCM-CGST | | | | | 0.05 |
| RCM - SGST | | | | | 0.05 |
| | | | | | 0.18 |
| | | | | | |
| ESIC, PF & PT | | | | | |
| ESIC | | | | | 0.49 |
| Provident Fund | | | | | 2.05 |
| Professional Tax payable | | | | | 0.19 |
| | | | | | 2.72 |