CIL Securities Ltd

REGD. OFF : 214, RAGHAVA RATNA TOWERS, CHIRAG ALI LANE, ABIDS, HYDERABAD - 500 001.
PHONE NO. OFF : 040-23202465, 23203155, FAX : (040) 23203028
E.mail : advisors@cilsecurities.com
CIN No - L 67120TG1989PLC010188

CILS/SEC/LODR/MAY/2018 **Date: 22.05.2018**

To
BSE LIMITED
PHIROZE JEEJEEBHOY TOWERS
DALAL STREET
MUMBAI- 400001

Dear Sir,

Sub: Outcome of the Board Meeting

Ref: Intimation under SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: Our Stock Code 530829

We hereby inform you that the Board of Directors of the Company at its meeting held on Tuesday, 22nd Day of May, 2018, approved the Audited Financial Results for the Financial Year 2017-18 pursuant to Regulation 33 of the Listing Regulations.

Please find enclosed herewith the copy of the said financial results along with the Auditors Report thereon which was also placed before the Board of Directors.

We hereby confirm and declare that the Statutory Auditors of the Company M/s **Sridhar Jhawar & Associates**, Chartered Accountants (FRN: 016921S) has issued Audit Report with un-modified opinion in respect of Annual Audited Financial Statements for the year ended 31st March, 2018.

The Board of Directors recommend a dividend of Rs0.50(Fifty Paise)Per Equity Share of face value of Rs.10/- each to the equity shareholders of the Company for the Financial Year 2017-18.

This is for your information and records.

Thanking You,

Yours Sincerely,

FOR CIL SECURITIES LIMITED

CIL SECURITIES LIMITED HYDERABAD

K K MAHESHWARI
MANAGING DIRECTOR
DIN: 00223241

Encl:
1. Audited Financial Results of the Company for the Fourth Quarter and Financial Year ended on 31st March, 2018 along with segment wise results and Statement of Assets & Liabilities as on 31st March, 2018
2. Auditors Report

CIL Securities Ltd

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Audited Financial Results for the Quarter and Year ended 31st March 2018

(Rs in Lacs)

	Particulars	Quarter Ended 31st March, 2018	Preceeding Quarter Ended 31st Dec, 2017	Corresponding Quarter Ended 31st March,2017	Year Ended 31st March,2018	Year Ended 31st March,2017
		Rs.	Rs.	Rs.	Rs.	Rs.
		Audited	Unaudited	Audited	Audited	Audited
A	**CONTINUING OPERATIONS**					
1	Revenue from operations (gross)	159.15	180.80	289.58	675.79	931.49
2	Other income	0.10	0.08	3.06	0.18	3.20
3	**Total revenue (1+2)**	159.25	180.88	292.64	675.97	934.69
4	**Expenses**					
	Employee benefits expense	35.98	34.74	31.69	140.27	134.57
	Finance costs	0.00	0.00	0.00	0.00	0.37
	Depreciation expense	3.61	3.54	4.21	13.76	15.51
	Other expenses	91.39	95.25	81.62	370.13	293.19
	Total expenses	130.98	133.53	117.52	524.16	443.64
5	**Profit / (Loss) before exceptional and extraordinary items and tax (3 - 4)**	28.27	47.35	175.12	151.81	491.05
6	Exceptional items	0.00	0.00	0.00	0.00	0.00
7	**Profit / (Loss) before extraordinary items and tax (5 ± 6)**	28.27	47.35	175.12	151.81	491.05
8	Extraordinary items	0.00	0.00	0.00	0.00	-433.87
9	**Profit / (Loss) before tax (7 ± 8)**	28.27	47.35	175.12	151.81	57.18
10	**Tax expense:**					
	(a) Current tax expense	8.47	9.22	10.22	31.80	10.22
	(b) Current tax expense relating to prior years	0.00	0.00	0.00	0.00	-0.02
	(c) Net current tax expense	8.47	9.22	10.22	31.80	10.20
	(d) Deferred tax	2.70	-0.03	2.87	1.50	0.04
		11.17	9.19	13.09	33.30	10.24
11	**Profit / (Loss) from continuing operation (9±10)**	17.10	38.16	162.03	118.51	46.94
12	**Profit / (Loss) for the year**	17.10	38.16	162.03	118.51	46.94
13	**Other Comprehensive Income**	0.00	0.00	0.00	0.00	0.00
14	**Total Comprehensive Income for the period (12+13) Comprising Profit (Loss) and Other Comprehensive Income for the period)**	17.10	38.16	162.03	118.51	46.94
15	**Earnings per share (of ` 10/- each):**					
	(a) Basic	0.35	0.76	3.25	2.37	0.94
	(i) Continuing operations					
	(b) Diluted	0.35	0.76	3.25	2.37	0.94
	(i) Continuing operations					

By Order of the Board
CIL Securities Limited

K K Maheshwari
Managing Director
DIN: 00223241

Place:Hyderabad
Date: 22.05.2018

CIL Securities Ltd

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Reconciliation of statement of Profit & Loss as previously reported under I-GAAP and Ind-AS

(Rs.In Lacs)

	Particulars	Quarter Ended March 2017		
		I-GAAP	Effect of transaction to Ind-AS	Ind-As
	Continuing Operations			
I	Revenue from operation	289.58	-	289.58
II	Others income	3.06	-	3.06
III	**Total Inome (I+II)**	292.64		292.64
IV	Expenses			
	Employee benefits expenses	31.69	-	31.69
	Finance Cost	0.00	-	0.00
	Depreciation expense	4.21	-	4.21
	Other expenses	81.62	-	81.62
		-		-
	Extraordinary items		-	-
	Total Expenses	117.52	-	117.52
V	Profit before tax (III-IV)	175.12	-	175.12
VI	Tax Expenses:	-	-	-
	Income tax	10.22	-	10.22
	Deferred tax	2.87	-	2.87
	MAT credit utilised	-		-
	Profit for the period (V-VI)	13.09	-	13.09
	Others Comprehensive Income	-		-
	Total Comprehensive Income for the period	13.09	-	13.09

By order of the Board of Directors
CIL Securities Limited

CIL Securities Limited * Hyderabad *

K K Maheshwari
Managing Director
DIN: 00223241

Place: Hyderabad
Date: 22.05.2018

CIL Securities Ltd

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PART I – BALANCE SHEET
Name of the Company: CIL SECURITIES LIMITED
Balance Sheet as at : 31stMach,2018

	Particulars	Note No.	Figures for the reporting Year ended on 31-03-2018 (Apl-17 to March -18) 2017-18	Figures for the previous reporting Year ended on 31-03-2017 (Apl-16 to Mar-17) 2016-17
			(AUDITED)	(AUDITED)
			Rs.	Rs.
1	ASSETS			
	Non-current assets			
	(a) Property, Plant and Equipment		50,74,851	50,31,539
	(b) Capital work-in-progress		-	-
	(c) Investment Property		-	5,89,36,200
	(d) Goodwill		-	-
	(e) Other Intangible assets		4,34,377	7,15,662
	(f) Intangible assets under development		-	-
	(g) Biological Assets other than bearer plants		-	-
	(h) Financial Assets		-	-
	(i) Investments (Fixed Deposits with Banks)		-	-
	(ii) Trade receivables		-	-
	(iii) Loans		-	-
	(iv) Others (to be specified)		-	-
	(i) Deferred tax assets (net)		5,32,389	6,81,410
	(j) Other non-current assets		1,49,75,938	1,49,75,938
2	Current assets			
	(a) Inventories		-	-
	(b) Financial Assets		-	-
	(i) Investments		11,24,80,939	5,21,24,701
	(ii) Trade receivables		4,82,16,729	3,44,86,857
	(iii) Cash and cash equivalents		8,72,00,694	11,61,56,747
	(iv) Bank balances other than (iii) above		-	-
	(v) Loans		9,29,763	14,21,950
	(vi) Others (to be specified)		-	-
	(c) Current Tax Assets (Net)		1,79,111	4,50,827
	(d) Other current assets		3,20,24,413	9,08,887
	Total Assets		30,20,49,204	28,58,90,718

Place: Hyderabad
Date: 22.05.2018

For and behalf of Board of Directors of
CIL Securities Limited
K K Maheshwari
Managing Director
DIN:00223241

CIL Securities Limited Hyderabad

CIL Securities Ltd

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	Particulars	Note No.	Figures for the reporting year ended on 31-03-2018 (Apl-17 to March -18) 2017-18	Figures for the previous reporting Year ended on 31-03-2017 (Apl-16 to Mar-17) 2016-17
			(AUDITED)	(AUDITED)
			Rs.	Rs.
-1	EQUITY AND LIABILITIES			
	(a) Equity Share capital		5,00,00,000	5,00,00,000
	(b) Other Equity - Reservs & Surplus		16,18,87,285	15,00,35,960
-2	LIABILITIES			
	Non-current liabilities			
	(a) Financial Liabilities		-	-
	(i) Borrowings		-	-
	(ii) Trade payables			
	(iii) Other financial liabilities (other than those specified in item (b), to be specified)		2,75,000	2,75,000
	(b) Provisions		29,16,571	27,32,204
	(c) Deferred tax liabilities (Net)		-	-
	(d) Other non-current liabilities		-	-
-3	Current liabilities			
	(a) Financial Liabilities		-	-
	(i) Borrowings		-	-
	(ii) Trade payables		8,40,37,535	7,65,07,932
	(iii) Other financial liabilities (other than those specified in item (c)		-	-
	(b) Other current liabilities		22,52,513	28,10,536
	(c) Provisions		-	30,08,942
	(d) Current Tax Liabilities (Net)		6,80,300	5,20,144
	Total Equity and Liabilities		30,20,49,204	28,58,90,718

For and behalf of Board of Directors of
CIL Securities Limited

Place: Hyderabad
Date: 22.05.2018

K K Maheshwari
Managing Director
DIN:00223241

CIL securities ltd

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SEGMENT WISE REVENUE, RESULTS, ASSETS AND LIABILITIES FOR THE QUARTER AND PERIOD ENDED 31st March 2018

(Rs. In Lacs)

Particulars	As at for the Quarter Ended 31st March 2018	As at for the Quarter Ended 31st Dec 2017	Corresponding Three Month Ended in the Previous year 31st March 2017	Year to date figures for current period ended 31st March,2018	As at for the Year Ended 31st March 2017
	(Audited)	(Audited)	(UnAudited)	(Audited)	(Audited)
Segment Revenue					
Securities Dealing and Broking	141.57	161.45	271.02	610.15	882.34
Merchant Banking Fee	2.15	1.00	0.00	7.05	-
Consultancy Fee	-	-	0.25	-	1.15
Registrar & Share Transfer Agents	12.63	15.41	8.76	47.71	36.86
Demat / Depository	2.80	2.94	2.85	10.88	11.14
Total	159.15	180.80	282.88	675.79	931.49
Less: Inter segment revenue	0.00	0.00	0.00	0.00	0.00
Total Revenve from Operations	**159.15**	**180.80**	**282.88**	**675.79**	**931.49**
Segment Results					
Securitis Dealing and Broking	22.19	42.53	170.50	132.11	476.11
Merchant Banking Fee	0.75	0.14	0.00	3.15	-
Consultancy Fee	-	-	0.18	-	0.90
Registrar & Share Transfer Agents	5.18	3.61	4.13	14.30	11.86
Demat / Depository	0.15	1.07	0.32	2.25	2.55
Total	**28.27**	**47.35**	**175.13**	**151.81**	**491.42**
Less:					
i. Interest & Finance Charges	-	-	-	-	0.37
ii. Other un-allocable expenditure net off un-allocable income	-	-	-	-	-
Add/Less:					
Extraordinary Income/Loss	-	-	-	-	-433.87
Total Profit before Tax	**28.27**	**47.35**	**175.13**	**151.81**	**57.18**
Segment Assets:					
Securities Dealing and Broking	2954.56	3263.23	2788.67	2954.56	2788.67
Merchant Banking	5.15	5.20	5.40	5.15	5.40
Registrar & Share Transfer Agents	34.28	34.60	35.94	34.28	35.94
Demat / Depository	26.50	27.81	28.90	26.50	28.90
Un-allocable corporate assets	-	-	-	-	-
Total Segment Assets	**3020.49**	**3330.84**	**2858.91**	**3020.49**	**2858.91**
Segment Liabilities:					
Securities Dealing and Broking	898.40	1226.02	852.48	898.40	852.48
Merchant Banking	1.05	1.05	0.91	1.05	0.91
Registrar & Share Transfer Agents	1.92	1.75	4.70	1.92	4.70
Demat / Depository	0.25	0.25	0.46	0.25	0.46
Un-allocable corporate liabilities	-	-	-	-	-
Total Segment Liabilities	**901.62**	**1229.07**	**858.55**	**901.62**	**858.55**

Notes

1. The above Financial Results as reviewed by the Audit Committee were taken on record by the Board of Directors of the Company at their meeting held on 22nd May, 2018.
2. Extraordinary item represents Loss on account of Unrecoverable amount written off during the Previous Year
3. The figures for the quarter ended 31st March 2018 are the balancing figures between Audited figures in respect of the Financial Year ended 31st March 2018 and the unaudited published to date figures upto 31st Dec 2017,being the end of the Third quarter of the financial year.
4. Previous year figures have been regrouped / rearranged wherever considered necessary.
5. The Company has adopted Indian Accounting Standards (Ind AS) notified by the Ministry of Corporate Affairs from 1st April, 2017 with a transition date of 1st April, 2016 and accordingly these financial result have been prepared in accordance with the Company (Indian Accounting Standards) Rule, 2015 (Ind-AS) prescribed under section 133 of the Companies Act, 2013.

For and on behalf of Board of Directors of
CIL Securities Limited

CIL Securities Limited * Hyderabad *

K K Maheshwari
Managing Director
DIN: 00223241

Place: Hyderabad
Date: 22.05.2018

INDEPENDENT AUDITORS' REPORT

To
The Members of CIL Securities Limited

Report on the Financial Statements

We have audited the accompanying financial statements of CIL Securities Limited (the Company'), which comprisesof the Balance sheet as at March 31, 2018, and the Statement of Profit and Loss and the Cash Flow statement for the year then ended and a summary of 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 the 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 the frauds and other irregularities; selection and application of appropriate accounting policies; making judgement and estimates that are reasonable and prudent; and design, implementation and maintenance of internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

SRIDHAR JHAWAR & ASSOCIATES Hyderabad Chartered Accountants

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:

(a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2018;

(b) In the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and

(c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies(Auditors Report) Order, 2016 issued by the Central Government of India in terms of sub-section(11) of section 143 of the Act (hereafter referred to the "Order"),we give in the annexure 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 purpose of our audit;
b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
c. The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
d. In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with Accounting Standards referred to in Section 133 of the Companies Act, 2013 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, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Sub Section (2) of section 164 of the Companies Act,2013.

f. With respect to the adequecy of the External financial control over financial reporting of the Company and the operating effectivenes of such controls, refer to our Separate report in 'Annexure B'and.

g. With respect to the other matters included in the Auditor's Report and to our 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.
2 The Company is not required to make provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.
3 The Company is not required to transfer any amount to the Investor Education and Protection Fund.

Place: Hyderabad
Date: 22.05.2018

SRIDHAR JHAWAR & ASSOCIATES Hyderabad Chartered Accountants

ForSridharJhawar& Associates
Chartered Accountants

CA Sridhar Jhawar
M No: 239116 Firm No: 016921S

Annexure referred to in Paragraph 'Report on Other Legal Regulatory Requirements' of our report

We report that

1.
   a) The company has maintained proper records showing full particulars including quantitative details of fixed assets.
   b) All the fixed assets have been physically verified by the management at reasonable intervals. In our opinion, the frequency of verification is reasonable. To the best of our knowledge, no material discrepancies have been noticed on verification.
   c) Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the title deeds of immoveable properties are held in the name of the company.

2. The Company is a Service Company,primarlily rendering brokerage services and also carring on investment activity. Accordingly it does not hold any Physical inventoriy. There, Paragragh 3 (ii) of the order is not applicable to the Company.

3. According to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained u/s 189 of the act. Accordingly, the provisions of clause 3(iii)(a), (b), and (c) of the order are not applicable and hence not commented upon.

4. In our opinion and according to the information and explanations given to us, the there are no loans, guarantees and securities granted in respect of which the provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

5. The company has not accepted deposits from public and hence directives issued by the Reserve Bank of India and the provisions of section 73 to 76 of the Companies Act , 2013 and rules framed there under are not applicable for the year under audit.

6. According to the information and explanation given to us, the Central Government has not prescribed the maintenance of cost records under section 148 of the Act for any of its product.

7
   a) According to the records of the company, the company has been regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees State Insurance , Investor protection Fund, Income Tax and other statutory dues and according to the information and explanation given to us , no statutory dues were outstanding as at 31.03.2018 for a period of more than 6 months from the date they became payable
   b) According to the information and the explanations given to us, there are no such statutory dues, which have not been deposited on account of any disputes.

8. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we are of the opinion that the company has not defaulted in repayment of dues, if any, to any Financial Institutions, banks, governments or dues to debenture holders.

9. According to the information and explanation given to us, no moneys were raised of initial public offer or further public offer (including debt instruments) and term loans.

10. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, no fraud on or by the company has been noticed or reported during the year.

11. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we are of the opinion that the managerial remuneration has been paid by or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act 2013.

12. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards

13. In our opinion, the company is not a Nidhi company. Therefore provisions of clause 3(xii) of the order are not applicable to the company and hence not commented upon.

14. According to the information and explanation given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence not commented upon.

15. Based on our audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him.

16. According to the information and explanations given to us, the provisions of section 45-IA of the Reserve bank of India Act, 1934 are not applicable to the company.

Place: Hyderabad
Date: 22.05.2018

ForSridharJhawar& Associates
Chartered Accountants

Sridhar Jhawar

CA Sridhar Jhawar
M No: 239116 Firm No: 016921S

Annexure A to the Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Subsection 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of CIL Securities Limited ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone 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 procedure selected depends 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 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.

SRIDHAR JHAWAR & ASSOCIATES Hyderabad Chartered Accountants

Annexure 'B'

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, 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.

Place: Hyderabad
Date: 22.05.2018

ForSridharJhawar& Associates
Chartered Accountants

SRIDHAR JHAWAR & ASSOCIATES Hyderabad Chartered Accountants

CA SridharJhawar
M No: 239116 Firm No: 016921S