

To,

Date: 29.06.2020

BSE Limited,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai- 400001.

Dear Sir/Madam,

**Sub:** Outcome of board meeting under regulation 30 read with 33 (3) (c) of SEBI (Listing Obligations and Disclosure requirements) regulations, 2015

**Ref:** Mahaveer Infoway Limited (Scrip Code: 539383)

With reference to the subject cited, this is to inform the Exchange that at the Board meeting of M/s. Mahaveer Infoway Limited held on Monday, the 29th day of June, 2020 at 4.00 P.M. at the registered office of the Company situated at 7-1-24/2/C, 301/A, Dhansi Surabhi Complex, Greenlands, Ameerpet, Hyderabad, Telangana, 500016 the following were duly considered and approved by the Board:

1. Audited financial results for the quarter & year ended 31.03.2020.
2. Auditors Report for the quarter & year ended 31.03.2020.
3. Appointment of Mr. S. Sarveswar Reddy as secretarial auditor of the company for the financial year 2020-21.

The meeting of the Board of Directors commenced at 4.00 P.M (IST) and concluded at 5:30 pm (IST)

This is for the information and records of the Exchange, please.

Thanking you.

Yours faithfully,

For Mahaveer Infoway Limited



**Ashok Kumar Jain,**  
**Managing Director**  
**(DIN: 00043840)**

**Encl: as above**

To,

Date: 29.06.2020

BSE Limited,  
P.J. Towers, Dalal Street,  
Mumbai - 400001

Dear Sir,

**Sub: Declaration pursuant to regulation 33 (3) (d) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 for Unmodified Opinion.**

**Ref: Scrip Code - 539383**

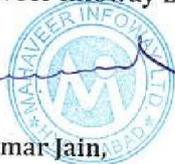
I, Ashok Kumar Jain, Managing Director of M/s. Mahaveer Infoway Limited hereby declare that, the Statutory Auditors of the company, M/s. Raja Sekhar S & Associates., Chartered Accountants have issued an Audit Report with unmodified/unqualified opinion on Audited Financial Results of the company for the quarter and year ended 31st March, 2020.

This declaration is issued in compliance of Regulation 33(3)(d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended vide. Circular No.CIR/CFD/CMD/56/2016 dated 27-05-2016.

Thanking you,

Yours faithfully,

**For Mahaveer Infoway Limited**

**Ashok Kumar Jain,**  
**Managing Director**  
**(DIN: 00043840)**

Particulars	Standalone		Consolidated	
	As at 31-03-2020 (Audited)	As at 31-03-2019 (Audited)	As at 2020	31-03-2019 (Audited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
Plant, Property and Equipment	13,258,530	13,567,801	13,258,530	13,567,801
Capital work in progress	-	-	-	-
Investment Property	-	-	-	-
Goodwill	-	-	-	-
Other Intangible Assets	-	-	-	-
Intangible Assets under development	-	-	-	-
Biological Assets other than bearer plants	-	-	-	-
<b>Financial Assets</b>				
i. Investments	17,789,000	17,789,000	17,804,000	17,489,000
ii. Loans	-	-	-	-
iii. Other Financial Assets	-	-	-	-
Deferred tax assets	429,900	354,268	429,900	354,268
Other Non Current Assets	-	-	-	15,000
<b>Total non-current assets</b>	<b>31,477,430</b>	<b>31,711,069</b>	<b>31,492,430</b>	<b>31,426,069</b>
<b>Current Assets</b>				
Inventories	18,613,437	19,326,009	18,613,437	19,326,010
<b>Financial Assets</b>				
(i) Investments	-	-	-	-
(ii) Trade receivables	17,104,950	21,554,465	18,566,066	23,015,581
(iii) cash and cash equivalents	495,394	296,695	495,394	297,665
(iv) Bank Balances other than (iii) above	95,148	52,674	96,247	52,804
(v) Loans	11,506,643	12,203,676	11,634,443	12,331,476
(vi) other financial assets	-	-	-	-
Other Current Assets	8,929,942	12,143,289	9,700,449	12,913,796
Assets classified as held for sale	-	-	-	-
<b>Total of Current Assets</b>	<b>56,745,515</b>	<b>65,576,808</b>	<b>59,106,036</b>	<b>67,937,332</b>
<b>TOTAL ASSETS</b>	<b>88,222,944</b>	<b>97,287,878</b>	<b>90,598,465</b>	<b>99,363,400</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
Equity Share capital	55,090,000	55,090,000	55,090,000	55,090,000
<b>Other Equity</b>				
-Equity component of compound financial instruments	-	-	-	-
-Reserves and surplus	(5,949,453)	(1,104,929)	(4,362,828)	(152,955)
-Other reserves	-	-	-	-
<b>Total Equity</b>	<b>49,140,547</b>	<b>53,985,071</b>	<b>50,727,172</b>	<b>54,937,045</b>
<b>Non Controlling Interest</b>				
	-	-	500,000	834,650
<b>LIABILITIES</b>				
<b>Non Current Liabilities</b>				
<b>Financial Liabilities</b>				
i. Borrowings	-	-	-	-
ii. Other Financial Liabilities	-	-	-	-
Provisions	-	-	-	-
Employee Benefit Obligations	-	-	-	-
Deferred Tax Liabilities	-	-	-	-
Government Grants	-	-	-	-
Other non current liabilities	-	-	-	-
<b>Total Non Current Liabilities</b>	<b>-</b>	<b>-</b>	<b>500,000</b>	<b>-</b>
<b>Current Liabilities</b>				
<b>Financial Liabilities</b>				
i. Borrowings	36,187,175	33,565,986	36,187,175	33,565,986
ii. Trade payables	1,773,200	3,939,260	1,773,198	4,195,639
iii. Other financial liabilities	-	-	-	-
Provisions	400,298	1,116,623	432,816	1,149,142
Other current liabilities	721,724	4,680,939	978,103	4,680,939
Government Grants	-	-	-	-
<b>Current liabilities(net)</b>	<b>39,082,397</b>	<b>43,302,808</b>	<b>39,371,292</b>	<b>43,591,706</b>
Liabilities directly associated with assets classified as held for sale	-	-	-	-
<b>Total current liabilities</b>	<b>39,082,397</b>	<b>43,302,808</b>	<b>39,371,292</b>	<b>43,591,706</b>
<b>Total Liabilities</b>	<b>39,082,397</b>	<b>43,302,808</b>	<b>39,871,292</b>	<b>44,426,356</b>
<b>Total equity and liabilities</b>	<b>88,222,944</b>	<b>97,287,878</b>	<b>90,598,464</b>	<b>99,363,400</b>

Place: Hyderabad  
 Date: 29.06.2020



For Mahaveer Infoway Limited  
 Ashok Kumar Jain  
 (Managing Director)

Statement of Standalone and Consolidated Un-audited Results for the Quarter and year ended 31.03.2020											
(Rs. In Lakhs)											
S.No	Particulars	Standalone					Consolidated				
		Quarter Ended		Year Ended			Quarter Ended		Year Ended		
		31.03.20	31.12.19	31.03.19	31.03.20	31.03.19	31.03.20	31.12.19	31.03.19	31.03.20	31.03.19
	Audited	Un-Audited	Audited	Audited	Audited	Audited	Un-Audited	Audited	Audited	Audited	
I	Revenue from Operations	7.91	152.58	38.94	220.22	168.19	7.91	152.58	285.50	220.22	3053.76
II	Other Income	0.01	0.00	42.21	0.01	42.34	0.01	0.00	42.57	0.01	42.74
III	<b>Total Revenue (I+II)</b>	<b>7.92</b>	<b>152.58</b>	<b>81.15</b>	<b>220.23</b>	<b>210.53</b>	<b>7.92</b>	<b>152.58</b>	<b>328.07</b>	<b>220.23</b>	<b>3096.50</b>
IV	Expenses										
	Cost of Material Consumed	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Purchase of Stock-in-trade	3.49	121.39	76.20	170.72	204.19	3.49	121.39	290.90	170.72	2077.38
	Changes in inventories of finished goods, Work in progress and Stock in trade	0.00	5.47	5.65	6.29	6.18	0.00	5.47	0.72	6.29	6.18
	Employee Costs	0.40	0.21	5.44	5.25	10.26	0.40	0.21	(30.22)	5.25	882.75
	Employee benefits expense	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Finance Costs	5.87	6.95	11.62	27.48	34.51	5.87	6.95	41.81	27.48	70.09
	Depreciation and Amortisation expense	4.52	1.02	5.97	8.69	8.57	4.52	1.02	11.53	8.69	19.34
	Other Expense	36.48	4.64	4.16	57.27	10.19	36.48	4.64	29.96	57.27	84.95
	<b>Total Expenses</b>	<b>50.76</b>	<b>139.68</b>	<b>109.04</b>	<b>275.70</b>	<b>273.90</b>	<b>50.76</b>	<b>139.68</b>	<b>344.70</b>	<b>275.70</b>	<b>3140.69</b>
V	Profit/(Loss) from before Exceptional Items and tax (III-IV)	(42.84)	12.90	(27.89)	(55.47)	(63.37)	(42.84)	12.90	(16.63)	(55.47)	(44.19)
VI	Exceptional Items	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
VII	Profit/(Loss) before tax (V-VI)	(42.84)	12.90	(27.89)	(55.47)	(63.37)	(42.84)	12.90	(16.63)	(55.47)	(44.19)
VIII	Tax Expense:										
	Current Tax	(6.27)	0.00	6.27	(6.27)	6.27	(6.27)	0.00	12.22	(6.27)	12.22
	Deferred Tax	(0.76)	0.00	(5.42)	(0.76)	(5.42)	(0.76)	0.00	(5.42)	(0.76)	(5.42)
IX	Profit/ (Loss) for the period from Continuing operations (VII-VIII)	(35.81)	12.90	(28.74)	(48.45)	(64.22)	(35.81)	12.90	(23.43)	(48.45)	(50.99)
X	Profit/ (Loss) from discontinuing operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XI	Tax Expense of discontinuing operations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XII	Share of Profit / (loss) of associates *	0.00	0.00	(0.56)	0.00	(0.56)	0.00	0.00	(0.56)	0.00	(0.56)
XIII	Profit/ (Loss) for the period from discontinuing operations after tax (X-XI)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XIV	Profit/ (Loss) for the period (IX+XII)	(35.81)	12.90	(29.30)	(48.45)	(64.78)	(35.81)	12.90	(22.87)	(48.45)	(51.55)
XV	Other Comprehensive Income										
	A) (i) Items that will not be reclassified to profit or loss										
	(ii) Income Tax related to items that will not be reclassified to profit or loss										
	B) (i) Items that will be reclassified to profit or loss	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XVI	Total Comprehensive Income for the period (XIII+XIV) (Comprising Profit (loss) and Other Comprehensive Income for the Period)	(35.81)	12.90	(29.30)	(48.45)	(64.78)	(35.81)	12.90	(22.87)	(48.45)	(51.55)

For MAHAVEER INFOWAY LTD.

*(Signature)*  
 Managing Director

XVII	Earnings Per Equity Share (For Continuing Operations) (Face Value INR 10/- each) 1) Basic 2) Diluted	(0.65)	0.23	(0.53)	(0.88)	(1.18)	(0.65)	0.23	(0.42)	(0.88)	(0.94)
XVIII	Earnings Per Equity Share (For Discontinued Operations) (Face Value INR 10/- each) 1) Basic 2) Diluted	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
XIX	Earnings Per Equity Share (For Continued and Discontinued Operations)(Face Value INR 10/- each) 1) Basic 2) Diluted	(0.65)	0.23	(0.53)	(0.88)	(1.18)	(0.65)	0.23	(0.42)	(0.88)	(0.94)
XX	Paid Up Equity Share Capital (Face Value of INR 10/- per share)	550.90	550.90	550.90	550.90	550.90	550.90	550.90	550.90	550.90	550.90

**Notes:**

- The above financial results for quarter and year ended 31st March, 2020 have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at their meeting held on Monday 29th Day of June, 2020. Same is available on company's website at www.minfy.com
- The company has complied with the Accounting Standard-34 relating to segment wise reporting.
- Previous period figures have been regrouped, wherever necessary, for the purpose of comparison.
- In view of the nationwide lockdown announced by the Government of India to control the spread of COVID-19, the company's business operations were disrupted for the short term. The company has resumed operations in a phased manner as per government directives. Based on the evaluation of the impact of the pandemic on Company's business operation, liquidity and financial position, there is major effect on Cash flow of the company and significant impact on its financial result as at March 31, 2020. Given the uncertainties associated with pandemic's nature and duration, the actuals may differ from the estimates considered in these financial results. The company continues to closely monitor the rapidly changing situation.

**5 Reconciliation of Net Profit reported under Indian GAAP for the Quarter and year ended 31st March, 2020 with Ind AS is furnished below:**

Particulars	Standalone		Consolidated	
	Quarter Ended 31.03.20	Year Ended 31.03.20	Quarter Ended 31.03.20	Year Ended 31.03.20
Net Profit as per previous GAAP	(35.81)	(48.45)	(35.81)	(48.45)
Increase in profit due to:				
Fair Value Impact for financial instrument	NIL	NIL	NIL	NIL
Net Profit after Ind AS (After Tax)	(35.81)	(48.45)	(35.81)	(48.45)
Other Comprehensive Income	NIL	NIL	NIL	NIL
Total Comprehensive Income under Ind AS	(35.81)	(48.45)	(35.81)	(48.45)

Place: Hyderabad  
Date: 29.06.2020

For Mahaveer Infoway Limited

Ashok Kumar Jain  
(Managing Director)



MAHAVEER INFOWAY LIMITED

Reg. Office: 7-1-24/2/C, 301/A, Dhansi Surabhi Complex, Greenlands, Ameerpet, Hyderabad TG 500016

CIN: L65910TG1991PLC012704

Tel: 40-66134054 Fax: 40-66134055 Email: cs@minfy.com Website: www.minfy.com

Segment wise Reporting of Revenue, Results and Capital Employed along with the quarterly results for Quarter and year ended  
31.03.2020

Particulars	Standalone				Consolidated					
	Quarter Ended		Year Ended		Quarter Ended		Year Ended			
	31.03.20	31.12.19	31.03.19	31.03.20	31.03.19	30.09.19	31.03.19	31.03.20	31.03.19	
<b>I. Segment Revenue</b>	<b>Audited</b>	<b>Un-Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Un-Audited</b>	<b>Audited</b>	<b>Audited</b>	<b>Audited</b>	
A.Segment A - Mobiles	0.00	0.00	0.00	0.00	0.12	0.00	0.00	0.00	1.50	
B.Segment B - IT & Consultancy	0.00	0.00	0.00	0.00	20.55	0.00	285.50	0.00	2874.18	
C.Segment C - Educational	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
D.Unallocated	7.92	152.58	81.15	220.25	221.10	34.96	42.57	7.92	221.51	
Total	7.92	152.58	81.15	220.25	241.77	34.96	328.07	7.92	3097.19	
Less : Inter Segment Revenue	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
<b>Net Income From Operations</b>	<b>7.92</b>	<b>152.58</b>	<b>81.15</b>	<b>220.25</b>	<b>241.77</b>	<b>7.92</b>	<b>328.07</b>	<b>7.92</b>	<b>3097.19</b>	
<b>2. Segment Results</b>										
A.Segment A - Mobiles	(38.85)	(11.39)	(18.95)	(57.68)	(32.58)	-38.85	(11.39)	(28.30)	-57.68	(39.20)
B.Segment B - IT & Consultancy	-3.49	0.00	0.86	-3.49	1.04	-3.49	46.01	-3.49	55.23	
C.Segment C - Educational	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
D.Unallocated	5.37	31.24	1.26	34.84	2.12	5.37	1.26	34.84	2.53	
Total	(36.97)	19.85	(16.83)	(26.33)	(29.42)	(36.97)	18.97	(26.33)	18.56	
Less (i) Interest	5.87	6.95	11.62	29.14	34.51	5.87	41.84	29.14	70.09	
(ii) Other Unallocable expenditure Net Off	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
(iii) Un Allocable Income	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
<b>TOTAL PROFIT BEFORE TAX</b>	<b>(42.84)</b>	<b>12.90</b>	<b>(28.45)</b>	<b>(55.47)</b>	<b>(63.93)</b>	<b>(42.84)</b>	<b>(22.87)</b>	<b>(55.47)</b>	<b>(51.53)</b>	

For MAHAVEER INFOWAY LTD.

Managing Director

3. (Segment Assets- Segment Liabilities)											
Segment Assets											
A.Segment A - Mobiles	345.10	349.10	174.56	345.10	174.56	372.53	349.10	189.17	372.53	189.17	
B.Segment B - IT & Consultancy	10.10	0.00	7.86	10.10	7.86	10.10	0.00	7.86	10.10	7.86	
C.Segment C - Educational	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
D.Unallocated Assets	527.03	239.41	271.15	527.03	271.15	527.03	239.41	280.13	527.03	280.13	
<b>Total segment Assets</b>	<b>882.23</b>	<b>588.51</b>	<b>453.57</b>	<b>882.23</b>	<b>453.57</b>	<b>909.66</b>	<b>588.51</b>	<b>477.16</b>	<b>909.66</b>	<b>477.16</b>	
Segment Liabilities											
A.Segment A - Mobiles	479.61	437.65	297.22	479.61	297.22	507.04	437.65	299.78	507.04	299.78	
B.Segment B - IT & Consultancy	0.00	0.00	4.89	0.00	4.89	0.00	0.00	4.89	0.00	4.89	
C.Segment C - Educational	291.50	0.00	0.00	291.50	0.00	291.50	0.00	0.00	291.50	291.50	
D.Unallocated Liabilities	111.12	150.86	151.46	111.12	151.46	111.12	150.86	172.49	111.12	172.49	
<b>Total segment Liabilities</b>	<b>882.23</b>	<b>588.51</b>	<b>453.57</b>	<b>882.23</b>	<b>453.57</b>	<b>909.66</b>	<b>588.51</b>	<b>477.16</b>	<b>909.66</b>	<b>768.66</b>	

Place: Hyderabad  
Date: 29.06.2020

For Mahaveer Infoway Limited

Ashok Kumar Jain  
(Managing Director)



Cash Flow Statement for the year ended 31.03.2020

Particulars	Standalone		(Amount in INR) Consolidated	
	2019-20	2018-19	2019-20	2018-19
<b>Cash Flow From Operating Activity :</b>				
Net Profit for Year carried to B/S	(4,844,523)	(6,477,871)	(4,844,523)	(6,846,083)
<i>Adjustments for :</i>				
Provisions for income tax	-	627,328	-	627,328
Deferred Tax Income	(75,632)	(541,891)	(75,632)	(541,891)
Depreciation	869,139	857,184	869,139	857,184
Financial Charges	2,914,002	3,450,537	2,914,002	3,450,537
Interest Received	(2,914)	(1,115,599)	(2,914)	(1,115,599)
Dividend Received	-	-	-	-
Sundry Balances Written Off	576,768	-	576,768	-
Donations	-	-	-	-
Pre Operative	-	-	-	-
<b>Cash Flow before Working Capital Changes</b>	<b>(563,160)</b>	<b>(3,200,311)</b>	<b>(563,160)</b>	<b>(3,568,523)</b>
(Increase)/Decrease in Debtors	4,449,515	(1,238,403)	4,449,515	(399,958)
(Increase)/Decrease in stock	712,572	1,693,635	712,572	1,693,635
(Increase)/Decrease in Advances	697,033	12,268,611	697,033	12,268,611
(Increase)/Decrease in other Current Assets	2,581,848	(7,364,255)	2,581,848	(8,090,761)
Increase/(Decrease) in ST Provisions	(716,326)	-	(716,326)	(2,146,714)
Increase/(Decrease) in Current Liabilities	(1,338,026)	(2,146,714)	(1,338,026)	(22,185)
Increase/(Decrease) in Trade payables	(2,166,060)	(45,522)	(2,166,060)	210,857
<b>Cash Flow after Working Capital Changes</b>	<b>3,657,396</b>	<b>(32,960)</b>	<b>3,657,396</b>	<b>(55,039)</b>
Less : Tax paid	-	-	-	-
Add: Refund for the Current Year	-	-	-	-
<b>Net Cash Flow from Operating Activities before Extraordinary items</b>	<b>3,657,396</b>	<b>(32,960)</b>	<b>3,657,396</b>	<b>(55,039)</b>
Less: Sundry Balance Written Off	(576,768)	-	(576,768)	-
Less: Donations	-	-	-	-
<b>Cash Flow after Extraordinary Items</b>	<b>3,080,628</b>	<b>(32,960)</b>	<b>3,080,628</b>	<b>(55,039)</b>
<b>Cash Flow From Investing Activity :</b>				
Sale/(Purchase) of Fixed Assets	12,373	(1,725,936)	12,373	(1,725,936)
Interest Received	2,914	1,115,599	2,914	1,115,599
Dividend received	-	-	-	-
Sale/(Purchase) of Investment	-	6,089,580	-	6,089,580
<b>Net Cash Flow from Investing Activities</b>	<b>15,287</b>	<b>5,479,243</b>	<b>15,287</b>	<b>5,479,243</b>
<b>Cash Flow From Financing Activity :</b>				
Financial Charges	(2,914,002)	(3,450,537)	(2,914,002)	(3,450,537)
Secured Loan raised	-	-	-	-
Repayment of Borrowings	(7,681,892)	(1,992,538)	(7,617,691)	(1,992,538)
Loans from Directors	10,303,080	(4,473,692)	10,303,080	(4,473,692)
Other Cash Outflows	(2,626,132)	-	(2,626,132)	(3,229,810)
Unsecured Loans raised/(repaid)	-	4,154,031	-	4,154,031
<b>Net Cash Flow from Financing Activities</b>	<b>(2,854,745)</b>	<b>(5,762,736)</b>	<b>(2,854,745)</b>	<b>(8,992,546)</b>
Net Cash Flow from Operating Activities	3,144,828	(32,960)	3,080,628	(55,039)
Net Cash Flow from Investing Activities	15,287	5,479,243	15,287	5,479,243
Net Cash Flow from Financing Activities	(2,918,945)	(5,762,736)	(2,854,745)	(8,992,546)
Add: Opening Cash and Cash Equivalents	241,171	(316,454)	241,171	(3,568,342)
Closing Cash and Cash Equivalents	349,370	665,824	350,468	3,918,810
	590,541	349,370	591,639	350,468

**Auditors Certificate**

We have verified the above Cash Flow Statement of Mahaveer Infoway Ltd derived from the audited annual accounts for the year ended 31-3-2020 and found the same to be drawn in accordance therein and also with the requirement of Clause 34 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.



For Mahaveer Infoway Limited

Ashok Kumar Jain  
 Managing Director

Place: Hyderabad  
 Date: 29.06.2020



## **Independent Auditor’s Report**

**To the Members of M/S MAHAVEER INFOWAY LIMITED.**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying Standalone financial statements of M/S MAHAVEER INFOWAY LIMITED (“the Company”) which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Standalone financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

#### **Basis for Opinion:**

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

obtained is sufficient and appropriate to provide a basis for our audit opinion on the Standalone financial statements.

### **Key Audit Matters:**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the Standalone Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

### **Information Other than the Standalone Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprise the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial Statements and our Auditor's report thereon.

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

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Standalone 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 Standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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.

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

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

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

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

1. As required by Section 143(3) of the Act, based on our audit 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 maintained for the purpose of preparation of these financial statements.

- (d) In our opinion, the aforesaid Standalone financial statements comply with the Ind AS 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 A “ and
- (g) As required by the Companies (Auditor’s report) Order 2016 (“the Order”)issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.
- (h) 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, as amended 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.

**For Raja Sekhar S & Associates  
(Chartered Accountant)**



**CA Rajasekhar S.  
Proprietor**

**Membership No: 205013**

**UDIN: 20205013AAAAAB3936**

Place : Hyderabad

Date : 29.06.2020

## **“Annexure A” to the Independent Auditors’ Report**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting 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 M/S Mahaveer Infoway Limited (“the Company”) as of March 31, 2020 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 Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

### **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 explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls system over financial reporting were operating effectively as at March 31, 2020, 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 Raja Sekhar S & Associates  
(Chartered Accountant)**



**CA Rajasekhar S  
Proprietor**

**Membership No: 205013  
UDIN: 20205013AAAAAB3936**

Place : Hyderabad  
Date : 29.06.2020

## **“Annexure B” to the Independent Auditor’s Report**

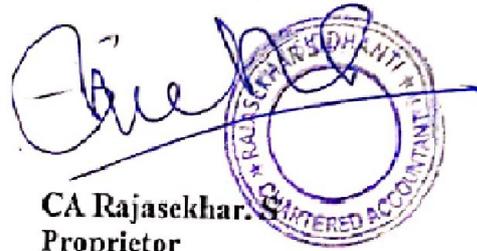
Referred to in paragraph 1(f) under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2020, we report that:

- i. In respect of the company’s fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
  - (c) The title deeds of immovable properties are held in the name of the company.
- ii.
  - (a) The management has conducted the physical verification of inventory at reasonable intervals.
  - (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 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. The Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

- vii. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii. In our opinion, all 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 standalone Financial Statements as required by the applicable accounting standards.
- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

- 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 him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For Raja Sekhar S & Associates  
(Chartered Accountant)**



**CA Rajasekhar S.  
Proprietor**

**Membership No: 205013**

**UDIN: 20205013AAAAAB3936**

Place : Hyderabad

Date : 29.06.2020



## **Independent Auditor’s Report**

**To the Members of M/S MAHAVEER INFOWAY LIMITED.**

**Report on the Audit of the Consolidated Financial Statements**

### **Opinion**

We have audited the accompanying Consolidated financial statements of M/S MAHAVEER INFOWAY LIMITED (“the Company”) which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the Consolidated financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion:**

We conducted our audit of the Consolidated financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the Consolidated Financial Statements under the provisions of the Companies Act, 2013 and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI’s Code of Ethics. We believe that the audit

evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Consolidated financial statements.

### **Key Audit Matters:**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

### **Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprise the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Consolidated Financial Statements and our Auditor's report thereon.

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

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Management's Responsibility for the Consolidated 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 Consolidated financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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.

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

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

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

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

1. As required by Section 143(3) of the Act, based on our audit 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 maintained for the purpose of preparation of these financial statements.

- (d) In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS 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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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 A “ and
- (g) As required by the Companies (Auditor’s report) Order 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraphs 3 and 4 of the Order.
- (h) 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, as amended 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.

**For Raja Sekhar S & Associates  
(Chartered Accountant)**


**CA Rajasekhar S  
Proprietor  
Membership No: 205013  
UDIN: 20205013AAAAAA2981**

Place : Hyderabad  
Date : **29.06.2020**

## **“Annexure A” to the Independent Auditors’ Report**

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

### **Report on the Internal Financial Controls Over Financial Reporting 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 M/S Mahaveer Infoway Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **Meaning of Internal Financial Controls Over Financial Reporting**

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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.

### **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 explanation given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls system over financial reporting were operating effectively as at March 31, 2020, 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 Raja Sekhar S & Associates  
(Chartered Accountant)**



**CA Rajasekhar S  
Proprietor**

**Membership No: 205013**

**UDIN: 20205013AAAAAA2981**

Place : Hyderabad

Date : 29.06.2020

## **“Annexure B” to the Independent Auditor’s Report**

Referred to in paragraph 1(f) under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2020, we report that:

- i. In respect of the company’s fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) The Fixed Assets have been physically verified by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business. Pursuant to the program, a portion of the fixed asset has been physically verified by the management during the year and no material discrepancies between the books records and the physical fixed assets have been noticed.
  - (c) The title deeds of immovable properties are held in the name of the company.
- ii.
  - (a) The management has conducted the physical verification of inventory at reasonable intervals.
  - (b) The discrepancies noticed on physical verification of the inventory as compared to books records which has been properly dealt with in the books of account were not material.
- iii. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 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. The Company has not accepted any deposits during the year and does not have any unclaimed deposits as at March 31, 2020 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
- vi. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

- vii. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.
- (b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures. Hence reporting under clause 3 (viii) of the Order is not applicable to the Company
- ix. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- x. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi. Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii. In our opinion, all 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 standalone Financial Statements as required by the applicable accounting standards.
- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

- 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 him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

**For Raja Sekhar S & Associates  
(Chartered Accountant)**



**CA Rajasekhar S  
Proprietor**

**Membership No: 205013**

**UDIN: 20205013AAAAAA2981**

Place : Hyderabad

Date : 29.06.2020