

G. K. KEDIA & CO.

CHARTERED ACCOUNTANTS
(ISO 9001:2015 Certified & Peer Reviewed)

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DECOROUS INVESTMENT AND TRADING COMPANY LIMITED

REPORT ON THE IND AS FINANCIAL STATEMENTS

We have audited the accompanying Ind AS financial statements of DECOROUS INVESTMENT AND TRADING COMPANY LIMITED, [CIN: L67120DL1982PLC289090] ("the Company"), which comprise of the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), Cash Flow Statement and the Statement of Changes in Equity for the year ended, and a summary of significant accounting policies, notes and other explanatory information (herein after referred to as "Ind AS financial statements").

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 with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 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.



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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 accounting policies used and the reasonableness of the accounting estimates made by 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

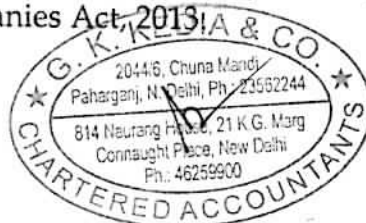
In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the company as at 31.03.2018;
- b) In the case of the Statement of Profit and Loss, of the Profit of the company for the year ended on that date.
- c) In the case of the Cash Flow Statements, of the cash flows of the company for the year ended on that date.
- d) In the case of the Change in Equity, of the equity flows of the company for the year ended on that date.

EMPHASIS OF MATTER

We further report that Section 203 of Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, requires to appoint Company Secretary in Whole - time employment. Ms CS Krishma Jain resigned w.e.f 07.10.2017 from the post of Company Secretary cum Compliance Officer.

Company Secretary could not be appointed till the date of signing of our report. Financial statements are required to be signed by the Company Secretary wherever they are appointed, as required by Section 134 of Companies Act, 2013.

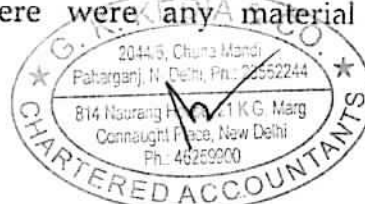


Therefore we further report that financial statements have not been signed by the Company Secretary.

The above reporting does not affect our opinion on financial statement.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by sub - section (11) of Section 143 of the Act, a statement on the matters specified in paragraphs 3 and 4 of the **Companies (Auditors' Report) Order, 2016** ("the Order") issued by the Central Government of India has been reported in "**Annexure-I**" to this report.
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 appears from our examination of those books;
 - c) The company has no branch offices and consequently we have not received any report on accounts of branch of the company.
 - d) The Balance Sheet, the Statement of Profit & Loss (Including other comprehensive income), Cash Flow Statement and Change in equity dealt with by this Report are in agreement with the books of account;
 - e) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014;
 - f) On the basis of written representations received from the Directors as on 31st March, 2018 and 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;
 - g) 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 - II**".
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit & Auditors), Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) Company does not have any pending litigation which would impact its financial position;
 - (ii) Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses.



- (iii) No amounts were required to be transferred to the Investor Education and Protection Fund by the company as on 31.03.2018.

Place: New Delhi
Date: 25.05.2018

For G. K. Kedia & Co.
Chartered Accountants
F. R. No.: 013016N
Arvind Sharma
Arvind Sharma
Partner
M. No. 530217

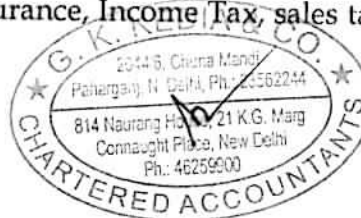


**ANNEXURE- "I" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE
ON THE IND AS FINANCIAL STATEMENTS OF
DECOROUS INVESTMENT AND TRADING COMPANY LIMITED**

(as referred in Paragraph 1 of Other Legal and Regulatory Matters in Independent Auditor's Report)

We report on the matters contained in Paragraph 3 of the Companies (Auditor's Report) Order, 2016 as follows:

- i)
 - a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
 - b) According to the information and explanation given to us, those fixed assets were physically verified by the management at reasonable intervals & no material discrepancies have been noticed.
 - c) According to the information and explanation given to us, the title deeds of immovable properties are held in the name of the company.
- ii) According to the information and explanation given to us, there is no inventory held by the company. So, this clause is not applicable to the Company.
- iii) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not granted loans, secured or unsecured, to companies, firms, LLP or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Hence, sub clause (a), (b), and (c) of this clause are not applicable to this company;
- iv) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not granted loans, made investments, provide guarantees or securities under section 185 & 186 of the Companies Act, 2013;
- v) The Company has not accepted any deposits from the public in accordance with the provisions of sections 73 to 76 of the Act and the rules framed there under.
- vi) The provision of clause (3) (vi) of the Order are not applicable to the Company as the Company is not covered by the Companies (Cost Records and Auditors) Rules, 2014;
- vii) According to the information and explanations given to us, in respect of statutory dues:
 - a. The Company has been 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 other statutory dues applicable to it with the appropriate authorities and as on 31.03.2018, no amount was outstanding for a period of more than six months from the date they became payable;

- b. No dues were required to be deposited on account of any dispute with income tax or sales tax or service tax or duty of customs or duty of excise or value added tax. Therefore, this sub-clause is not applicable for this company;
- viii) In our opinion and according to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company does not have any loans or borrowing from a financial institution, bank, Government or dues to debenture holders, therefore this clause of the Order is not applicable to this company;
- ix) In our opinion and according to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company did not raise any moneys by way of IPO / FPO (including debt instruments) and term loans during the year, therefore this clause of the Order is not applicable to this company;
- x) In our opinion and according to the information and explanations given to us and on the basis of our examination of the books of accounts, no fraud by Company or any fraud on the company by its officers or employees has been noticed or reported during the year;
- xi) In our opinion and according to the information and explanations given to us and on the basis of our examination of the books of accounts, Managerial Remuneration has been paid during the year, is in accordance with section 197 of Companies Act, 2013.
- xii) The Company is not Nidhi company, therefore the provisions of clause (3) (xii) of the Order are not applicable to the company;
- xiii) In our opinion and according to the information and explanations given to us, all related party's transactions are in compliance with sections 177 and 188 of Companies Act, 2013 and the details of same have been disclosed in Ind AS financial statements etc., as required by the applicable accounting standards;
- xiv) In our opinion and according to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not made any preferential issue / private placement of shares or debentures during reporting period, therefore this clause of the Order is not applicable to this company;



- xv) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the Company has not entered into any non - cash transactions with directors or person connected with him, during the reporting period, therefore this clause of the Order is not applicable to this company;
- xvi) According to the information and explanations given to us and on the basis of our examination of the books of accounts, the company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934.

For G. K. Kedia & Co.
Chartered Accountants
F. R. No.: 013016N

Arvind Sharma

Arvind Sharma
Partner
M. No.: 530217

Place: New Delhi
Date: 25.05.2018



**ANNEXURE- "II" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN
DATE ON THE IND AS FINANCIAL STATEMENTS**

(As referred in Paragraph 2(g) of Other Legal and Regulatory Matters in 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")**

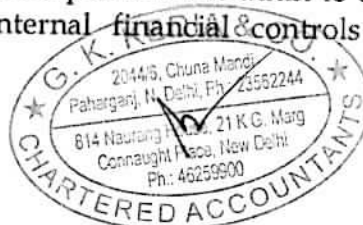
We have audited the internal financial controls over financial reporting of **DECOROUS INVESTMENT AND TRADING COMPANY LIMITED** ("the Company") as of March 31, 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

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



financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the 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, 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 G. K. Kedia & Co.
Chartered Accountants
F. R. No.: 013016N

Am
GK

Arvind Sharma
Partner
M. No.: 530217

Place: New Delhi
Date: 25.05.2018

