

# 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

### Opinion

We have audited the accompanying Standalone financial statements of **DECOROUS INVESTMENT AND TRADING COMPANY LIMITED**, [CIN: L67120DL1982PLC289090] ("the company") which comprises the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

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 Companies, Act 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- In the case of the Balance Sheet, of the state of affairs of the company as at 31.03.2020;
- In the case of the Statement of Profit and Loss, of the Profit of the company for the year ended on that date.
- In the case of the Cash Flow Statement, of the cash flows of the company for the year ended on that date.
- In the case of the Changes in Equity, of the equity flows of the company for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) 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 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 together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

This section of our auditor's report is intended to describe the matters selected from those communicated with management that, in our professional judgment, were of most significance in our audit of the financial statements, except for the matter described in the Basis for Qualified (or Adverse) Opinion section and the material uncertainty described in the Going Concern section. We have determined that there are no such matters to report on the basis of these financial statements.



## **Management's responsibilities 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 standalone financial statements that give a true and fair view of the financial position, financial performance, (changes in equity) 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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.

Those Board of Directors are also 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 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. As part of an audit in accordance with SAs, professional judgment is exercised and professional skepticism is maintained throughout the audit. 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 financial statements.

## **Report on other legal and regulatory requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure – I" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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, 2020 and taken on record by the Board of Directors, none of the Directors is disqualified as on 31st March, 2020 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 with reference to financial statement 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 31.03.2020.

Place: New Delhi  
Date: 26.06.2020



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

*Kanishka Aggarwal*  
**Kanishka Aggarwal**

Partner  
Membership No. 544129

UDIN : 20544129AAAAAS3703

**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, there is no immovable property held by 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) Company is not covered by the Companies (Cost Records and Auditors) Rules, 2014; so this clause is not applicable to company.
- 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 31.03.2020, 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



*Kanishka Aggarwal*

**Kanishka Aggarwal**  
Partner  
Membership No. 544129

Place: New Delhi  
Date: 26.06.2020

UDIN : 20544129AAAAAS3703



## **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, 2020 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

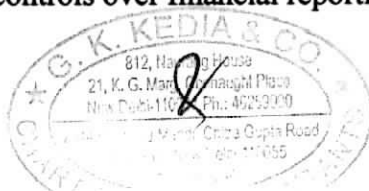
### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

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



*Kanishka Aggarwal*  
**Kanishka Aggarwal**  
Partner

Membership No.: 544129

Place: New Delhi  
Date: 26.06.2020

UDIN : 20544129AAAAAS3703

*\* There is amendment in clause (i) of sub-section 3 of section 143 of the companies act, 2013, which substitute "internal financial control over financial reporting" by "internal financial control with reference to financial statement". However, no guidance note is issued by concerned authority on internal financial control with reference to financial statement. Hence, auditor has given opinion on internal financial control over financial reporting.*