

KUTIR HOUSING DEVELOPERS & CONSULTANTS PRIVATE LIMITED

(Regd. Office: 13/1, Anandpuri, Patna-800 001)

CIN - U00510JH1991PTC004624

Ph.No. 0612-2540517

E-mail:kutirhousing@gmail.com

DIRECTORS REPORT FOR THE FINANCIAL YEAR 2016-2017

To,

The Members,

KUTIR HOUSING DEVELOPERS & CONSULTANTS PRIVATE LIMITED

Your directors have pleasure in presenting their Twenty fifth Annual Report on the business and operations of the company together with the Audited Statement of Accounts for the year ended 31st March, 2017.

Financial Highlights (Standalone)

A brief break up of financial results is given as under:

Particulars	Amount in Rupees	
	Year ended 31 st March 2017	Year ended 31 st March 2016
Turnover	18592047	41765630
Profit before finance charges, Tax, Depreciation/Amortization	1398212	2298703
Less: finance Charges	67932	100504
Profit before Tax, Depreciation/Amortization	1330280	2198199
Less: Depreciation	236044	350122
Net Profit before Taxation	1094236	1848077
Provision for Taxation	406566	624772
Profit/(Loss) after tax	687670	1223305
Provision for proposed dividend	0	0
Dividend Tax	0	0
Transfer to General Reserves	687670	1223305

State of Company's Affairs and Future Outlook

The Company performance during the year has been affected during the year due to adverse political situation and laws governing the real estate business. Further, the company is exploring possibilities of expansion of company activities further in new areas.

SK Sinha

Ashwini Singh

Change in nature of business, if any

There has been no change in the nature of business carried on by the company during the year.

Dividend

During the F.Y. 2016-17, the Company has not declared any dividend.

Amounts Transferred to Reserves

The Board of the company has decided/proposed to transfer the current year surplus to its reserves.

Changes in Share Capital, if any

During the Financial Year 2016-17, there has been no change in the share capital of the Company.

Extract of Annual Return

The extract of Annual Return, in format MGT -9, for the Financial Year 2016-17 has been enclosed with this report.

Number of Board Meetings

During the Financial Year 2016-17, 4 (four) meetings of the Board of Directors of the company were held.

Explanation to Auditor's Remarks

Para 2: The closing work in progress have been valued by the management at estimated cost after taking opinion from company experts.

Para 3: Service tax records are being compiled and service tax shall be paid after compilation of the same.

Material Changes Affecting the Financial Position of the Company

There has been no material change/ event occurring after balance sheet date till the date of the report.

Conservation of Energy, Technology, Absorption, Foreign Exchange Earnings and Outgo

The provision relating to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo are not applicable to the Company.

Risk Management Policy

In the opinion of the Board, there are no risk factors which threaten the existence of the Company.

Statement in Respect of Adequacy of Internal Financial Control with Reference to the Financial Statements

The company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

S K Sinha

Ashwini S P

Details of Directors' Remuneration:

Ashok Kumar Sinha, Director

264000.00

General

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review or the same are not applicable to the company:

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of Sweat equity shares or Employee Stock Options to employees of the Company under any scheme.
4. Foreign exchange earnings and outgo.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
6. Appointment or resignation/retirement of any director or KMP.
7. Details of Subsidiaries, Joint ventures or Associates.
8. Particulars of any loan, guarantee or investment covered under Sec 186 of The Companies Act, 2013.
9. Statistical Disclosures pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
10. Voluntary revision of Financial Statements or Board's Report in respect of any of the 3 preceding financial years'.
11. Particulars of Independent directors.
12. Secretarial Audit Report
13. Corporate Social Responsibility (CSR) Policy
14. Audit Committee
15. Formal Annual Evaluation by the Board of its own Performance, its Directors, and that of its Committees.
16. Appointment of Cost Auditors
17. Management Discussion and Analysis Report
18. Nomination & Remuneration Committee Policy
19. Disclosure on Establishment of a Vigil Mechanism
20. Compliance with clause 49 of the Listing Agreement
21. Particulars of any contract or arrangement with related parties

Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Fraud Reporting

No fraud has been noticed or reported during the year.

S K Sinha

Ashok Kumar Sinha

Statutory Auditors

M/s Laxmi Agrawal Bose & Co., Chartered Accountants were appointed as Statutory Auditors for a period of 5 years in the Annual General Meeting held in the year 2014 and are eligible for reappointment, subject to ratification of members at ensuing Annual General Meeting of the company.

Directors Responsibility Statement

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2017, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit /loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Acknowledgment

The Directors express their sincere appreciation to the valued shareholders, bankers and clients for their support.

Place
Date 05.09.2017

For and on behalf of the Board of Directors

SK Sinha

Ashwini SP

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN
As on financial year ended on 31.03.2017

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS:		
1	CIN	U00510BR1991PTC004624
2	Registration Date	26.09.1991
3	Name of the Company	Kutir Housing developers & consultants Private limited
4	Category/Sub-category of the Company	Company limited by Shares
5	Address of the Registered office & contact details	13/1, Anandpuri Patna-1
6	Whether listed company	No
7	Name, Address & contact details of the Registrar & Transfer Agent, if any.	REGISTRAR OF COMPANIES, PATNA, BIHAR

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY			
(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)			
S. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	BUILDER	94060009	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES					
SN	Name and	CIN/GLN	Holding/	% of	Applicable
1	NONE				
2					

IV. SHARE HOLDING PATTERN	
(Equity share capital breakup as percentage of total equity)	

(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF		3,440	3,440	100.00%		3,440	3,440	100.00%	0.00%
b) Central Govt			-	0.00%			-	0.00%	0.00%
c) State Govt(s)			-	0.00%			-	0.00%	0.00%
d) Bodies Corp.			-	0.00%			-	0.00%	0.00%
e) Banks / FI			-	0.00%			-	0.00%	0.00%
f) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (1)	-	3,440	3,440	100.00%	-	3,440	3,440	100.00%	0.00%

S K Sinha

[Signature]

(2) Foreign									
a) NRI Individuals			-	0.00%			-	0.00%	0.00%
b) Other Individuals			-	0.00%			-	0.00%	0.00%
c) Bodies Corp.			-	0.00%			-	0.00%	0.00%
d) Any other			-	0.00%			-	0.00%	0.00%
Sub Total (A) (2)	-	-	-	0.00%	-	-	-	0.00%	0.00%
TOTAL (A)	-	3,440	3,440	100.00%	-	3,440	3,440	100.00%	0.00%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds			-	0.00%			-	0.00%	0.00%
b) Banks / FI			-	0.00%			-	0.00%	0.00%
c) Central Govt			-	0.00%			-	0.00%	0.00%
d) State Govt(s)			-	0.00%			-	0.00%	0.00%
e) Venture Capital Funds			-	0.00%			-	0.00%	0.00%
f) Insurance Companies			-	0.00%			-	0.00%	0.00%
g) FIs			-	0.00%			-	0.00%	0.00%
h) Foreign Venture Capital Funds			-	0.00%			-	0.00%	0.00%
i) Others (specify)			-	0.00%			-	0.00%	0.00%
Sub-total (B)(1):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian			-	0.00%			-	0.00%	0.00%
ii) Overseas			-	0.00%			-	0.00%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh			-	0.00%			-	0.00%	0.00%
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh			-	0.00%			-	0.00%	0.00%
c) Others (specify)									
Non Resident Indians			-	0.00%			-	0.00%	0.00%
Overseas Corporate Bodies			-	0.00%			-	0.00%	0.00%
Foreign Nationals			-	0.00%			-	0.00%	0.00%
Clearing Members			-	0.00%			-	0.00%	0.00%
Trusts			-	0.00%			-	0.00%	0.00%
Foreign Bodies - D R			-	0.00%			-	0.00%	0.00%
Sub-total (B)(2):-	-	-	-	0.00%	-	-	-	0.00%	0.00%
Total Public (B)	-	-	-	0.00%	-	-	-	0.00%	0.00%
C. Shares held by Custodian for GDRs & ADRs			-	0.00%				0.00%	0.00%
Grand Total (A+B+C)	-	3,440	3,440	100.00%	-	3,440	3,440	100.00%	0.00%

S K Sinha

Asstt. Secy

(ii) Shareholding of Promoter

SN	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	ASHOK KUMAR SINHA	2,034	59.13%	0	2,034	59.13%	0	0.00%
2	SANJAY KUMAR SINHA	1,406	40.87%	0	1,406	40.87%	0	0.00%
3								

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

SN	Particulars	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
	At the beginning of the year			3,440	100.00%	-	0.00%
	Changes during the year			-	0.00%		0.00%
					0.00%		0.00%
					0.00%		0.00%
	At the end of the year			3,440	100.00%	-	0.00%

(iv) Shareholding Pattern of top ten Shareholders*(Other than Directors, Promoters and Holders of GDRs and ADRs):*

SN	For each of the Top 10 shareholders	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	Name						
	At the beginning of the year				0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%
2	Name						
	At the beginning of the year				0.00%		0.00%
	Changes during the year				0.00%		0.00%
	At the end of the year				0.00%		0.00%

(v) Shareholding of Directors and Key Managerial Personnel:

SN	Shareholding of each Directors and each Key Managerial Personnel	Date	Reason	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
1	ASHOK KUMAR SINHA						
	At the beginning of the year			2,034	59.13%	-	0.00%
	Changes during the year			-	0.00%	-	0.00%
	At the end of the year			2,034	59.13%	-	0.00%
2	SANJAY KUMAR SINHA						
	At the beginning of the year			1,406	40.87%	-	0.00%

S K Sinha

Ashok Kumar

Changes during the year			-	0.00%	-	0.00%
At the end of the year			1,406	40.87%	-	0.00%

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

NIL					(Amt. Rs./Lacs)	
Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness		
Indebtedness at the beginning of the financial year						
i) Principal Amount	8.15			8.15		
ii) Interest due but not paid				-		
iii) Interest accrued but not due				-		
Total (i+ii+iii)	8.15	-	-	8.15		
Change in Indebtedness during the financial year						
* Addition				-		
* Reduction	4.53			4.53		
Net Change	4.53	-	-	4.53		
Indebtedness at the end of the financial year						
i) Principal Amount	3.62			3.62		
ii) Interest due but not paid				-		
iii) Interest accrued but not due				-		
Total (i+ii+iii)	3.62	-	-	3.62		

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

SN.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Name	ASHOK KUMAR SINHA	(Rs/Lac)
		Designation	WHOLE TIME DIRECTOR	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	264,000.00		264,000.00
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961			-
2	Stock Option			-
3	Sweat Equity			-
	Commission			-
4	- as % of profit			-
	- others, specify			-
5	Others, please specify			-
	Total (A)	264,000.00		264,000.00
	Ceiling as per the Act			

B. Remuneration to other Directors

NIL

SN.	Particulars of Remuneration	Name of Directors		Total Amount
				(Rs/Lac)
1	Independent Directors			
	Fee for attending board committee			-

S K Sinha

Ashok Kumar Sinha

	Commission				
	Others, please specify				
	Total (1)				
2	Other Non-Executive Directors				
	Fee for attending board committee				
	Commission				
	Others, please specify				
	Total (2)				
	Total (B)=(1+2)				
	Total Managerial Remuneration				
	Overall Ceiling as per the Act				264,000.00

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

NIL

SN.	Particulars of Remuneration	Name of Key Managerial Personnel			Total Amount
	Name				(Rs/Lac)
	Designation	CEO	CFO	CS	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961				
2	Stock Option				
3	Sweat Equity				
	Commission				
4	- as % of profit				
	- others, specify				
5	Others, please specify				
	Total				

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. COMPANY		NONE			
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT		NONE			
Penalty					
Punishment					
Compounding					

SK Sinha

Ashok Kumar

Independent Auditors' Report

To the Members of
KUTIR HOUSING DEVELOPERS & CONSULTANTS PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statement of **Kutir Housing Developers & Consultants Private Limited** which comprise the Balance Sheet at 31 March, 2017, the statement of Profit and Loss and Cash flow statement for the year then ended and a Summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made 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 financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and operating effectiveness of such controls. 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 financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us the 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:

- (i) of the state of affairs of the company as at 31 march, 2017;
- (ii) of the profit for the year ended on that date; and
- (iii) of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. Since the Companies (Auditor's Report) order, 2016 is not applicable to the Company, no report has been given on the matters specified in paragraphs 3 and 4 of the order.
2. *Details/basis could not be properly explained to us in respect of closing work in progress as estimated by the management.*
3. *Service tax payment has been in arrear as at the year end. In the absence of proper records, liability in this regard has not been ascertained and provided for.*
4. Subject to our remarks in Para 2 and 3 above and as required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;



- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 ;
- e. on the basis of written representations received from the directors as on 31 March, 2017, and taken on record by the Board of Directors, none of the Directors are disqualified as on 31 March, 2017, from being appointed as a Director in terms of section 164(2) of the Companies Act, 2013;
- 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.
- g. In our opinion and to the best of our information and according to the explanations given to us, we report as under with respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014:
- 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 derivatives contracts for which there were any material foreseeable losses, and
 - iii) there were no amounts which required to be transferred by the Company to the Investor Education and Protection Fund.
 - iv) The company has provided adequate disclosure in the financial statements as regard its holding and dealings in Specified Bank Notes as defined in Notification S.O.3407(E) dated 8th November, 2016 of the Ministry of Finance, during the period from 9th November, 2016 to 30th December, 2016. Base on the audit procedures performed and the representations provided to us by the management, we report that the requisite disclosure related to permitted and non-permitted transactions as stated in Note to the financial statements are in accordance with the books of account maintained by the company.

Patna,

Dated: 05.09.2017

For LAXMI AGRAWAL BOSE & Co.
CHARTERED ACCOUNTANTS
Firm Registration No. 4513C



[Signature]
(L. K. Agrawal)
Partner
Mem. No. 72942

Annexure – 'A' to the Auditors' 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 KUTIR HOUSING DEVELOPERS & CONSULTANTS PRIVATE LIMITED as of 31st March, 2017 in conjunction with our audit of the financial statement 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 and the Standards on Auditing, issued by the 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 ICAI. 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 risk 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.

Inherent Limitations of Internal Control 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 the future periods are subject to 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 31st March, 2017, based on the internal control over financial reporting criteria established by the company considering the essential components of the 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 Laxmi Agrawal Bose & Co.
Chartered Accountants
Firm's Registration No. 4513C



Patna,
05.09.2017