



बामर लॉरी एण्ड कं. लिमिटेड
(भारत सरकार का एक उद्यम)
Balmer Lawrie & Co. Ltd.
(A Government of India Enterprise)

21, नेताजी सुभाष रोड, कोलकाता - 700 001, (भारत)
फोन : (91)(033)2222-5329/5314/5209
ई-मेल : bhavsar.k@balmerlawrie.com
21, Netaji Subhas Road, Kolkata - 700 001, (India)
Phone : (91)(033) 2222-5329/5314/5209
E-mail : bhavsar.k@balmerlawrie.com
CIN : L15492WB1924GOI004835

Ref.: SECY/Stock Exchange/2019

Date: 9th August, 2019

The Secretary,
National Stock Exchange of India Ltd.
Exchange Plaza
Bandra-Kurla Complex
Bandra (E),
Mumbai – 400 051

The Secretary,
BSE Ltd.
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001

Company Code : **BALMLAWRIE**

Company Code : **523319**

Dear Sir,

Sub.: Revised Standalone Auditors Report on the Financial Statements of the Company for the year ended 31st March, 2019

Further to our intimation dated 28th May, 2019, we hereby inform that the Board at its Meeting dated 18th July, 2019 took on record that in furtherance to observations made by Comptroller & Auditor General of India (C&AG) on the Financial Statements of the Company for the Financial Year 2018-19, M/s. Dutta Sarkar & Co., the Statutory Auditors of the Company have submitted a revised standalone auditor's report dated 28th June, 2019.

The revised Auditors Report includes an additional Annexure "C", the impact of which does not arise any qualification or adverse remark or reservation and the same is not having any financial impact or warrants any change in the Financial Statements.

Accordingly, the revised Auditors on the Financial Statements of the Company for the year ended 31st March, 2019 is attached herewith for your records.

Yours faithfully,

Balmer Lawrie & Co. Ltd.

Kaustav Sen
Compliance Officer

Encl.: As above.

INDEPENDENT AUDITOR'S REPORT

To The Members of Balmer Lawrie & Company Limited

Report on the Audit of the Standalone Financial Statements

On the basis of the observations made by the Comptroller & Auditor General of India, this revised audit report has been prepared in lieu of the earlier report dated 28.05.2019 to comply with the observations of Comptroller & Auditor General of India.

Opinion

We have audited the standalone financial statements of Balmer Lawrie & Company Limited ("the Company"), which comprise the balance sheet as at 31st March 2019, and 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 then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information [in which are included the Returns for the year ended on that date audited by the branch auditors of the Company's branches located at Northern, Southern and Western Region of the country]

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, 2019, 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 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 thereunder, 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

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;

Sl.No	Key Audit Matter	Auditor's Response
1.	<p>Implementation of IND AS 115 Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of IND AS 115 "Revenue from Contracts with Customers" (new revenue accounting standard) The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date</p>	<p>We assessed the Company's process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit approach consisted of studying the internal audit report regarding the implementation and also testing of the design and operating effectiveness of the internal controls and substantive testing.</p> <p>We evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</p> <p>We selected a sample of continuing and new contracts, and tested the operating effectiveness of the internal control relating to identification of the distinct performance obligations and determination of transaction price. We carried out a combination of procedures involving enquiry and observation. Samples in respect of recording and recognition of revenue were tested by checking the invoices and performance.</p> <p>Conclusion Our procedures did not identify</p>



Sl.No	Key Audit Matter	Auditor's Response
		any material exceptions
2.	<p>Evaluation of uncertain tax positions The Company has tax matters under dispute which involves judgment to determine the possible outcome of these disputes [Refer Note:40.2 (a) read with annexure "A"]</p>	<p>We obtained the details of assessment orders to the extent available regarding those assessments for which disputes are continuing and being disclosed as contingent liability from management. We involved our internal experts to estimate the possible outcome of the disputes. Our internal experts considered the assessment orders and other rulings in evaluating management's position on these uncertain tax positions to evaluate whether any change was required to management's position on these uncertainties.</p> <p>Conclusion We agree with management's evaluation</p>
3.	<p>Debtors Due for More than Three years and Credit Balance in Sundry Debtors Accounts (unallocated receipts) The company has credit balance in some customer accounts across all Strategic Business Unit (SBU's). The credit balance in these customer accounts are due to either of the following reasons:</p> <ul style="list-style-type: none"> • Amount lying in the nature of advance in the customer account; • Amount credited to customer account but the same could not be tracked/linked with any sales invoice. • Non-reconciliation of these balances in the absence of customer's confirmation resulting in the credit balances lying for long periods 	<p>We have checked the debtor's ageing schedule of the SBU's. The authority is regularly following up on the realisation of the same. As is evident from the ageing schedule dues do exist for more than three years against which provision has been provided for in the accounts.</p> <p>We, during the course of our examination have also checked the unadjusted advances from customers for more than three years and also the credit balances lying in customers' accounts on account of unmatched invoices (unallocated receipts). Some of the advances lying unadjusted for more than three years have been written back during the course of audit. In some cases the management is in the process of reconciliation with the respective parties and hence the process of write back has been</p>

Sl.No	Key Audit Matter	Auditor's Response
		<p>kept in abeyance.</p> <p>The debtors balance of Logistic services (LS) Kolkata, includes of receivables from Hindustan Paper Corporation Limited (Rs.59,91,087/-) and Stone India Limited (Rs.18,15,692/-) Both the companies have gone to NCLT and claim has been filed by the company under the insolvency and bankruptcy code and the same was verified by us and also provided in the accounts by the management.</p> <p>As according to the books of accounts the total credit balances lying in customers' accounts is Rs.2588.46 lakhs/- and credit balance lying over three years is Rs.470.73 Lakhs spread over various SBU's.</p> <p>Conclusion:</p> <p>The management is following up on the process of reconciliation with regard to unallocated receipts.</p>

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 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 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 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 also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities 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.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty



exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

- a) We did not audit the financial statements/ information of branches situated in Northern, Western and Southern regions included in the stand alone financial statements of the Company whose financial statements/financial information reflect total assets of Rs. 110,405.36 Lakhs as at 31st March 2019 and the total revenue of Rs. 157,220.16 Lakhs for the year ended on that date, as considered in the standalone financial statements/information of these branches have been audited by the branch auditors whose reports have been furnished to us, and our opinion in so far as it relates to the amounts



and disclosures included in respect of branches, is based solely on the report of such branch auditors.

- b) The sundry creditor for expenses includes a sum of Rs.326.75 Lakhs (E&P Division, Kolkata), which are lying since 2011-12. As the matter is under litigation, the sum is lying unpaid.

Our opinion is not modified in respect of these matters.

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 A**" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by the directions issued by the Comptroller and Auditor – General of India, in terms of section 143(5) of the Act, we give the compliance in "**Annexure C**"
3. 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 and proper returns adequate for the purposes of our audit have been received from the branches not visited by us.
 - c. The reports on the accounts of the branch offices of the Company audited under Section 143(8) of the Act by branch auditors have been sent to us and have been properly dealt with by us in preparing this report;
 - d. 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 relevant books of account and with the returns received from the branches not visited by us;
 - e. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - f. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.

- 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, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements [refer Note 40.2 (a) read with annexure “A”].
 - ii. The Company does not have any material foreseeable losses on long-term contracts including derivative contracts;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
4. 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 A” a statement on the matters specified in paragraphs 3 and 4 of the Order.

Place: Kolkata
Date: 28 June 2019

For Dutta Sarkar & Co.
Chartered Accountants
(Firm’s Registration No. 303114E)

M. Chakrabarti

Mainak Chakrabarti
Partner
M.No.063052



ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Balmer Lawrie & Company Limited of even date)

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 Company has a regular program of physical verification of its fixed assets in a phased manner which in our opinion is reasonable having regard to the size of the company and nature of its assets. As according to the policy of the company, plant & machinery, furniture and fittings, IT equipments, computers and vehicles are verified every year and other fixed assets are verified in a phased manner over a period of 3 years which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets.
- c. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds / registered sale deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date, except as mentioned below. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the standalone financial statements, the lease agreements are in the name of the Company, except as mentioned below.
Due to non – availability of the original title deeds in certain cases of immovable properties mentioned herein below, we are unable to comment whether the respective title deeds are held in the name of the company;

Address of Immovable Property	Status of Document Received
Gopalpur holiday home vill - Gopalpur, Udayapur Mouza Gopalpur, Orissa	Certified Conveyance Deed and Photocopy Agreement
Balmer Lawrie & Co Ltd Village-Piyala Ballabgarh, vill-Asaoti, Dist-Faridabad	Photocopy of Agreement
Batra Centre 27, Ulsoor Road Bangalore-560042	Certified Copy of Sale Deed
Flat no.601 ,Sea Gull Cooperative Housing Society Ltd (B&C) Sherly	Photocopy: Registration Receipt.



Address of Immovable Property	Status of Document Received
Rajan Road, Rizvi Complex, Off Carter Road Bandra (West) Mumbai-400 061	
Sea Crest Cooperative Housing Society Ltd Plot No-63,64, Seven Bungalows, Jay Prakash Road, Versova Andheri (west) Mumbai- 400 061	Photocopy of Agreement
Flat No(s) 202, Mount Unique Co-op. Hsg Soc. Ltd. 25, Mount Mary Road, Bandra (West) Mumbai-400 050	Photocopy of Agreement
Flat No. 23A, Meherina Cooperative Housing Society Ltd. Plot No. C-51, Nepean Sea Road Mumbai-400 026	Photocopy of Agreement and Share Certificate
Flat at BL Housing Complex Plot No. 1-1 & 1-2, Sector 2, Phase II, Nerul, Navi Mumbai-400 706	Photo Copy of MOU with CIDCO
House No(s) H2 & H3, Bokadveera, Uran, Mumbai	Photocopy of Registered Agreement
Balmer Lawrie Grease and Lubricants Division, 149, Jackeria Bunder Road, Sewree (W) Mumbai-400 015	Survey Report and Photocopy of Agreement
Balmer Lawrie Industrial Packaging Division, 149, Jackeria Bunder Road, Sewree (W) Mumbai-400 015	
Balmer Lawrie Survey No 201/1, Sayli Village, Silvassa-396 230	Photocopy of Agreement
Balmer Lawrie Survey No 23/1/1, Khadoli Village, Silvassa-396 230	Photocopy of Agreement
Balmer Lawrie	Photocopy of Lease Agreement



Address of Immovable Property	Status of Document Received
5, J. N. Heredia Marg, Ballard Estate, Mumbai-400 001	
Ground Floor, Sadashiv Sadan, Andheri (E), Mumbai-400 099	Photocopy of Agreement
Plot No. F-9/5, Additional Patalganga Industrial Area, Chawane, Taluka-Panvel, Raigad District, Maharashtra	Photocopy of Agreement
Grease Division P-43, Hide Road Extention, Kolkata-700 088	Certified Copy of Indenture
Scope Complex & Noida Housing Complex Buildings, not registered in the name of the company	Not registered in the name of the company

- ii. According to the information and explanation given to us the inventory of the Company except goods in transit has been physically verified during the year by the management. In our opinion, having regard to the nature and location of inventory the frequency of verification is reasonable and no material discrepancies were noticed on such verification;
- iii. The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013. Accordingly clauses 3(iii) (a) to 3(iii) (c) of the Order are not applicable;
- iv. According to the information and explanations given to us, the Company has not given any loans, guarantees, securities or made Investments which is required to be complied with the provisions of section 185 and 186 of the Companies Act, 2013;
- v. The Company has not accepted deposits during the year and does not have any unclaimed deposits as at March 31, 2019 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company;
- vi. We have broadly reviewed the cost record maintained by the Company in respect of the products of Grease and Lubricants, Industrial Packaging & Leather Chemicals where pursuant to the Companies (Cost records and Audit) Rules, 2014 read with companies (Cost records and Audit) Amendment Rules, 2014 prescribed by the Central Government under section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the cost record with a view to determine whether they are accurate or complete. To the best of our knowledge and according to the information and

- explanations given to us, the central government has not prescribed the maintenance of cost records for any other product of the Company;
- vii. According to the information and explanations given to us and the records of the Company examined by us, in respect of statutory dues:
- a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Goods and Service Tax, Customs Duty, Cess and other material statutory dues applicable to it with the appropriate authorities;
 - b. The disputed statutory dues of Sales Tax, Service Tax and Central Excise aggregating to Rs.10,244.37 lakhs (*P.Y Rs.10,918.67 Lakhs*) have not been deposited as mentioned in Note No.40.2(a) to the accounts read with annexure "A" showing the amounts involved and the forum where the dispute is pending;
- viii. The Company has not defaulted in repayment of dues to any financial institutions or Banks as at the Balance Sheet date and there is no debenture holder;
- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). The company has availed term loan in connection with TCW Patalganga unit and recorded in the books of the concerned SBU.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. The provisions of section 197 of the Act read with schedule V to the Act does not apply to a Government company vide notification no. GSR 463 E dated 05 June 2015. Accordingly, the provisions of clause 3 (xi) of the order is not applicable.
- xii. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- xiii. According to the information and explanations provided to us and the records of the company examined by us, the Company has been able to comply with the requirements of Section 177 in respect of composition of Audit Committee. All transactions of the Company with related parties are in compliance with Section 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statement in Note No. 40.19 (i) and (ii) as required by the applicable accounting standard
- xiv. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly paid convertible debentures and hence reporting under clause 3 (xiv) of the Order is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.



xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

Place: Kolkata
Date: 28 June 2019

For Dutta Sarkar & Co.
Chartered Accountants
(Firm's Registration No. 303114E)

M. Chakrabarti

Mainak Chakrabarti
Partner
M.No.063052



ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(g) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Balmer Lawrie & Company Limited 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 Balmer Lawrie & Company Limited ("the Company") as of March 31, 2019 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. 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 respective 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.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 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 internal financial controls system over financial reporting of the Company.

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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statement

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.



ANNEXURE 'C' TO THE INDEPENDENT AUDITOR'S REPORT

Annexure referred to in paragraph 2 on "Other Legal and Regulatory Requirements" to the Independent Auditor's Report of Balmer Lawrie & Company Limited for the year ended 31 March 2019

Sl.No	CAG's Directions	Our Observation	Impact on Financial statements
1.	Whether the company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on integrity of the accounts along with the financial implications, if any, may be stated	The accounting transactions are processed and documented through SAP. There are standalone intermediary software's to capture the transactions related to certain functions certain SBU's (for example Mid Office software for Tours and Travel). The transactions from these standalone software's are posted in SAP for accounting purpose.	Nil
2.	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated	No such case	Nil
3.	Whether the funds received/receivable for specific	The company has been sanctioned	The accounting for the same has been

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting. Though certain areas require further strengthening, it does not have any material effect on the internal financial controls. The internal financial controls over financial reporting were operating effectively as at March 31, 2019, 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.

Place: Kolkata
Date: 28 June 2019

For Dutta Sarkar & Co.
Chartered Accountants
(Firm's Registration No. 303114E)

M. Chakrabarti

Mainak Chakrabarti
Partner

M.No.063052



Sl.No	CAG's Directions	Our Observation	Impact on Financial statements
	schemes from Central/State agencies were properly accounted for utilised/utilised as per terms and conditions? List the cases for deviation	Grant – in –Aid of Rs.7.83 crores from the Ministry of Food Processing Industries (MoFPI) for setting up integrated cold chain facilities at Rai, Haryana and Patalganga in Maharashtra. Against the same the company has been disbursed Rs.1.81 crores for specified assets <i>purchased [for Patalganga, Maharashtra]</i> as according to the scheme document the fund is disbursed upon utilisation for specific purpose.	done with regard to IND AS 20 "Accounting for Government Grants and Disclosure of Government Assistance". Accordingly, the same has been treated as deferred income to be apportioned over the useful life of the assets. During the current financial year a sum of Rs.12.16 Lakhs has been credited to the income in the statement of profit and loss account based on the accounting standard.

Place: Kolkata
 Date: 28 June 2019

For Dutta Sarkar & Co.
 Chartered Accountants
 (Firm's Registration No. 303114E)

M. Chakrabarti

Mainak Chakrabarti
 Partner
 M.No.063052