

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF C L S LIMITED REPORT ON THE STANDALONE FINANCIAL STATEMENTS

#### Opinion

We have audited the accompanying Standalone financial statements of **C L S LIMITED** ("**the Company**") **which** comprises the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss, and the Cash Flow Statement 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 that of the Company's branches located at Baidyabati, Baltikuri, Bankura, Chanditala, Dhupgiri, Martingunj, Mughalsaria and Tarkeshwar*] (herein after referred to as "Financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the 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 Accounting Standards prescribed under Section 133 of the Act read with Companies (Accounting Standards) Rules, 2015, as amended, ("AS") and other accounting principles generally accepted in India:

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2021;
- (b) In the case of the Profit and Loss Account, of the **profit** for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the 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 audit opinion on the Annual financial statements.

#### Emphasis of Matter

We draw attention to:

- (a) Note No. 22 of the financial statements which explains the management's assessment that there is no significant impact of COVID-19 pandemic on the financial statements for the year ended 31st March, 2021. Our Opinion is not modified in respect of this matter.

## **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 for the financial year ended 31st March, 2021. 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 considered the matters described below to be the key audit matters for incorporation in our report.

We have fulfilled the responsibilities described in the Auditors' responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The result of our audit procedures, including the procedures performed, provide the basis for our opinion on the accompanying standalone financial statements.

We have determined that there are no key audit matters to communicate in our report.

## **Other Matter**

Due to the COVID-19 pandemic, nationwide lockdown and other travel restrictions are imposed by the Government/local administration, hence, the audit processes were mostly carried out electronically by remote access. The necessary records were made available by the management through digital medium and were accepted as audit evidence while reporting for the current period. Our opinion is not modified in respect of these matters.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, but does not include the standalone financial statements and our auditor's report thereon.

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

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

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

## **Responsibilities of Management and Those Charged with Governance 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 and 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. 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.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Standalone 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. 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.

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 control 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 the 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.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (a) planning the scope of our audit work and in evaluating the results of our work; and (b) to evaluate the effect of any identified misstatements in the financial statements.

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 auditors' 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.

### **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 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 the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d. In our opinion, the aforesaid standalone 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 the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in '**Annexure B**'.
- g. 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 its pending litigations in Note No.22 of the financial statements which would impact its financial position;
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- 3. In our opinion, Managerial Remuneration for the year ended 31<sup>st</sup> March,2021 has been paid/ provided by the Company to its directors in accordance with the provisions of section 197 read with schedule v of the Act.**

**For AJIT KUMAR & CO**  
*Chartered Accountant*  
FRN-317110E

**(A K TULSIAN)**  
*Partner M.NO-053254*  
**12A, N S ROAD**  
**5TH FLOOR, ROOM NO 11**  
**KOLKATA – 700001**

**DATED : THE 02<sup>ND</sup> DAY OF SEPTEMBER, 2021**  
**UDIN : 21053254AAAIC2480**

## **Annexure "A" to the Independent Auditors Report**

Statement referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our Report of even date to the members of **C L S LIMITED** ("**the Company**") for the year ended 31st March,2021.

- i) a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets of the company have been physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion, is reasonable, having regard to the size of the company and the nature of its asset. To the best of our knowledge, no material discrepancies were noticed on such verification.
- c) Based on our audit procedures and the information and explanations received by us, we report that all title deeds of the immovable properties of the Company disclosed in the financial statement of the Company are held in the name of the Company. However, we express no opinion on the validity of the title of the Company to these immovable properties.
- ii) a) The inventories have been physically verified by the management at reasonable intervals during the year under audit. In our opinion, the frequency of such verification is reasonable.
- b) The discrepancies noticed between the physical stocks and book records which have been properly dealt with in the books of account which were not material.
- iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or others parties covered in the register maintained under section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)a, (iii)b, and (iii)c, of the said order are not applicable to the Company.
- iv) According to the information and explanations given to us and the records of the Company examined by us, the provisions of Sections 185 and 186 of the Act in respect of grant of loans and making of investments, providing guarantees and securities are not applicable to the Company and hence, not commented upon by us.
- v) In our opinion and according to information and explanations given to us and based on our examination of the books of the Company, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable to the Company.
- vi) The maintenance of cost records has not been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013.

- vii) a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employee State Insurance, Income-Tax, Goods and Service Tax, Cess and Other Statutory Dues applicable to it; and
- b) According to the information and explanations provided to us, no undisputed amounts payable in respect of such Statutory Dues were outstanding, as at 31<sup>st</sup> March,2021, for a period of more than six months from the date they became payable, and
- c) According to the records of the Company, the following demands relating to Income-Tax dues have been disputed and hence, the same has not been deposited by the Company which are as under:

<b>Name of the statute</b>	<b>Nature of Dues</b>	<b>₹</b>	<b>Period to which the amount relates</b>	<b>Forum where dispute is pending</b>
Income Tax Act, 1961	Income Tax	52,567.00	A.Y 2008-09	Assessing Officer

- viii) According to records of the company, the Company has not defaulted in the repayment of loans or other borrowings to banks during the year under audit. The Company has not issued any debentures and does not have any borrowings from any financial institutions.
- ix) According to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer including debt instruments. Further, term loans were applied for the purposes for which those are raised.
- x) According to the information and explanations given to us, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- xi) Managerial Remuneration paid/ provided in accordance with the requisite approvals mandated by the provisions of Section 107 read with Schedule V to the Act.
- xii) According to the information and explanations given to us, in our opinion, the Company is not a Nidhi Company, therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company and hence, not commented upon.
- xiii) According to the information and explanations given to us, in our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the

provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

- xv) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence, not commented upon.
- xvi) In our opinion, the Company is not required to be registered under the provisions of section 45-IA of the Reserve Bank of India Act 1934 and accordingly, the provisions of clause 3(xvi) of the order are not applicable to the Company and hence, not commented upon.

**For AJIT KUMAR & CO**  
*Chartered Accountant*  
*FRN-317110E*

**(A K TULSIAN)**  
*Partner M.NO-053254*  
**12A, N S ROAD**  
**5TH FLOOR, ROOM NO 11**  
**KOLKATA – 700001**

**DATED : THE 02<sup>ND</sup> DAY OF SEPTEMBER, 2021**  
**UDIN : 21053254AAAAIC2480**



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

**Referred to in paragraph 2 (h) under heading “Report on Other Legal and Regulatory Requirements “of our Independent Auditor’s Report of even date to the Members of the C L S LIMITED on the financial statements for the year ended 31st March,2021**

### **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 **C L S LIMITED (“the Company”)** as of 31st March, 2021 in conjunction with our audit of the 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 (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditor’s 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 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.

## **“Annexure B” to the Independent Auditor’s Report (Contd.)**

### **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:

- i. pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- ii. 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
- iii. 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 generally operating effectively as at 31st March, 2021, 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 AJIT KUMAR & CO  
Chartered Accountant  
FRN-317110E**

**(A K TULSIAN)  
Partner M.NO-053254  
12A, N S ROAD  
5TH FLOOR, ROOM NO 11  
KOLKATA – 700001**

**DATED : THE 02<sup>ND</sup> DAY OF SEPTEMBER, 2021  
UDIN : 21053254AAAIC2480**