

CIN- L72200TG1997PLC028374

Date: 15.06.2018

To
Mr.Hiren Shah
Manager
National Stock Exchange of India Limited
'Exchange Plaza'. C-1, Block G,
Bandra Kurla Complex, Bandra (E),
Mumbai - 400 051

Dear Sir,

Sub: Non-compliance as per Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Ref: Your query letter vide No.NSE/LIST/FR/7088 dated June 01, 2018 and your email dated June 01, 2018

With reference to the cited subject and the above referred letter find point wise explanation for the queries raised therein:

S.No.	Observations	Our explanation
1	Financial results not submitted within 30 minutes from end of board meeting	The meeting of the Board of Directors concluded at 21.00 Hrs on 31.05.2018 and the results were uploaded on NEAPS at 13.27 Hrs on 01.06.2018. As this being a first year adoption of Ind AS, there is a delay in submission of Financial results.
2	Financial results submitted is not as per format prescribed under Schedule III of the Companies Act, 2013.	Financial results are enclosed as per the format suggested.
3	Standalone audited report not submitted	Standalone audited report is enclosed
4	Board meeting notice not submitted	Notice of Board meeting was submitted on 25.05.2018
5	Standalone Reconciliation of Equity not submitted	Standalone Reconciliation of Equity is included in the Financial results
6	The company has not submitted the Statement of Modified Opinion or in case of unmodified opinion(s), a declaration to that effect to the Stock Exchange.	Declaration for audit report with unmodified opinion is enclosed

We sincerely regret for the inconvenience caused. We undertake that in future we shall take utmost care while disseminating any information. In case you need any more information / explanation, the undersigned is obliged to furnish.

Thanking you
Yours truly

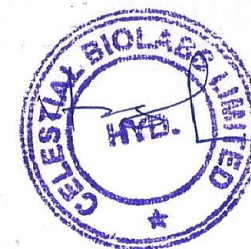
For Celestial Biolabs Limited

Dr A N Singh
(Chairman & Managing Director)
DIN: 01756627



CELESTIAL BIOLABS LIMITED
Plot No.59, Road No.12, TSIC Tech Park, IDA Nacharam, Hyderabad-500 076
Audited Financial Results for the Quarter Ended March,31st 2018

Rs In Lacs					
S.No.	Particulars	Three Months Ended			Year Ended
		31.03.2018 (Audited)	30.12.2017 (Unaudited)	31.03.2017 (Audited)	31.03.2018 (Audited)
I	Income from operations				
	a) Revenue from operations	1635.74	1717.77	1296.64	4281.46
	b) Other Income	0.00	0.04	0.00	0.04
	Total income	1635.74	1717.81	1296.64	4281.50
II	Expenditure				
	a) Cost of raw and packing materials consumed	0.00	1.39	120.80	10.80
	b) Purchase of Traded Products	991.19	1232.30	816.27	2490.61
	c) Changes of Inventories of Finished Goods, Work in Progress and Stock in Trade	90.10	191.89	-107.66	366.59
	d) Employee Benefits Expense	26.07	15.60	40.65	63.40
	e) Depreciation and amortization	191.81	192.58	82.60	769.54
	g) Finance Cost	2.19	0.25	1.70	2.54
	h) Other Expenses	127.78	18.46	193.71	167.16
	Total expenses	1429.14	1652.47	1148.07	3870.64
III	Profit / (Loss) before exceptional and extra ordinary items (I-II)	206.60	65.34	148.57	410.86
IV	Exceptional items	-13.06	0.00	-35.98	-13.06
V	Profit / (Loss) before tax (III - IV)	219.66	65.34	184.55	423.92
VI	Tax expense	52.60	0.00	28.31	78.29
VII	Net Profit / (Loss) for the period (V-VI)	167.06	65.34	156.24	345.63
VIII	Other Comprehensive Income,				
	Total Other Comprehensive Income, net of Tax	0.00	0.00	0.00	0.00
IX	Total Comprehensive Income for the period	167.06	65.34	156.24	345.63
X	Paid-up Equity Share Capital (Face Value of Rs.10/- per share)	2258.63	2258.63	2258.63	2258.63
XI	Earning Per Share for the Period				
	Basic	0.74	0.29	0.69	1.53
	Diluted	0.74	0.29	0.69	1.53



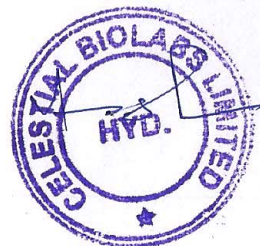
Notes

- 1) The Statement has been reviewed by the Audit Committee and approved by the Board of Directors at it's meeting held on 31.05.2018
- 2) The Statutory Auditors have carried out an audit for the Fourth Quarter and Year Ended 31st March,2018 as per regulation 33 of SEBI (LODR), for Standalone Financials.
- 2) This Statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act,2013 and other recognised accounting practices and policies to the extent applicable. Beginning April, 1, 2017 the Company has for the first time adopted Ind AS with a transition date of April,1, 2017.
- 3) The Company is engaged in the business of "Herbal Products" and therefore, has only one reportable segment in accordance with Ind AS 108 " Operating Segment".
- 4) The Statement does not include Ind AS Complaint results for the preceding quarter and previous year ended March 31,2017 as the same is not Mandatory as per SEBI's circular dated July 5, 2016.
- 5) Reconciliation of Profit between Ind-AS and Indian GAAP for the quarter ended March 31st, 2017 is as follows:

In Lakhs	
Particulars	Amount
Profit/Loss as per previous GAAP	156.24
Net Profit as per Ind - AS	156.24

6) A) Equity share capital		March 31, 2018	March 31, 2017
Opening balance		2,258.63	2,048.63
Changes in equity share capital		-	210.00
Closing balance		2,258.63	2,258.63

HYDERABAD
Date: 31.05.2018



Balance sheet as at 31 March, 2018
(Rs. In Lakhs)

Particulars	Note No.	March 31, 2018	March 31, 2017	April 1, 2016
ASSETS				
Non- current assets				
Property, Plant & Equipment	2			
i) Tangible assets		1,284.34	1,327.98	1,411.81
ii) Intangible assets		4,025.55	4,756.85	1,232.87
iii) Capital work - in - progress		2,955.81	2,955.81	2,955.81
Financial Assets - Other financial assets	3	30.10	30.10	30.10
		8,295.79	9,070.74	5,630.59
Current Assets				
Inventories & Traded Goods	4	395.77	771.77	966.27
Financial Assets				
i) Trade receivables	5	2,076.91	825.49	1,195.01
ii) Cash and cash equivalents	6	0.99	41.13	91.84
iii) Short-term loans and advances	7	67.69	67.69	147.69
Other Current Assets	8	558.30	77.83	2,467.70
		3,099.66	1,783.91	4,868.51
		11,395.45	10,854.65	10,499.10
TOTAL				
EQUITY AND LIABILITIES				
EQUITY				
Equity share capital	9	2,258.63	2,258.63	2,048.63
Other Equity	10	7,971.47	7,625.84	6,957.27
Money received against share warrants	11	-	-	545.17
		10,230.10	9,884.47	9,551.07
Non- current liabilities				
Financial Liabilities				
Long-term borrowings	12	942.00	825.00	825.00
Deferred tax liabilities (net)	13	-2.65	10.41	-46.39
		939.35	835.41	778.61
Current liabilities				
Financial Liabilities				
Trade payables	14	43.36	42.38	68.57
b) Other current liabilities	15	27.59	14.69	55.11
c) Short-term provisions	16	155.05	77.70	45.74
		226.00	134.77	169.42
		11,395.45	10,854.65	10,499.10
TOTAL				
Significant Accounting Policies	1			
Notes to the Financial Statements	2 to 33			

As per our Report of even date

For K Kulasekhar & Co.

Chartered Accountants

FRN: 011536S

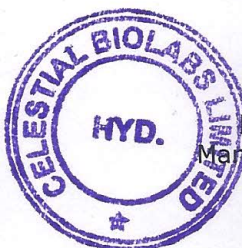
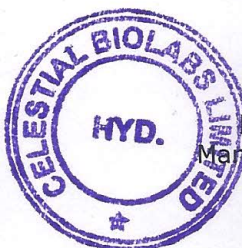


K Kulasekhar

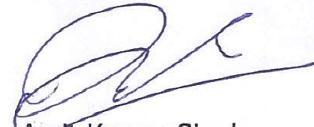
Proprietor

M.No.218278

For and on Behalf of the Board



 Dr. A.N. Singh
 Managing Director


 Amit Kumar Singh
 Director

Place: Hyderabad

Date: 31.05.2018

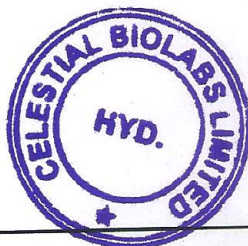
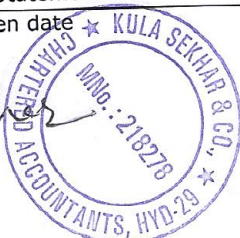
Statement of Profit and Loss For the year ended 31st March, 2018

Particulars	Note No	31.03.2018	31.03.2017
INCOME			
Value of Sales	17	4,281.46	3,866.23
Other income	18	0.04	-
Total revenue		4,281.50	3,866.23
EXPENSES			
Cost of materials consumed	19	10.80	781.90
Purchase of Stock-in-Trade	20	2,490.61	1,947.45
Changes in inventories of finished goods, work-in-progress and Stock-in-Trade	21	366.59	44.04
Employee benefits expenses	22	63.40	108.05
Finance costs	23	2.54	1.81
Depreciation and amortisation expense	11	769.54	330.40
Other expenses	24 & 25	167.16	285.14
Total expenses		3,870.64	3,498.79
Profit from Revenue Operations		410.86	367.44
Profit / (Loss) on Non-Revenue Operations		-	-
Profit Before Tax for the year		410.86	367.44
Tax Expense			
Current Tax		78.29	70.02
Deffered Tax		13.06	35.98
		345.63	333.41
Profit for the year		-	-
Other Comprehensive Income		345.63	333.41
Total Comprehensive Income for the year			
Earnings per Equity Share of face value of ` 10 each			
Basic (In Rs.)		1.53	1.48
Diluted (In Rs.)		1.53	1.48
Significant Accounting Policies	1		
Notes to the Financial Statements	2 to 33		

As per our Report of even date
For K Kulasekhar & Co.
Chartered Accountants
FRN: 011536S

K. Kulasekhar
Proprietor
M.No.218278

Place: Hyderabad
Date: 31.05.2018



For and on Behalf of the Board

Dr.A.N.Singh
Managing Director

Amit Kumar Singh
Director

Cash Flow Statement For the year ended 31st March, 2018

Particulars	2017-18	2016-17
A.Cash Flow From Operating Activities		
Net Profit before Tax & Appropriations	410.86	367.44
Depreciation	769.54	330.40
Interest and Financial Charges Paid	2.54	1.81
Interest Earned	-	-
Deffered tax	13.06	35.98
Provison for tax	(78.29)	(70.02)
Operating Profit Before Working Capital Charges	1,117.71	665.61
Adjustments for:		
(Increase)/Decrease in Sundry Debtors	(1,251.29)	369.52
(Increase)/Decrease in Deposits, Loans & Advances	-	76.15
(Increase)/Decrease in Inventory	376.00	194.50
Increase/(Decrease) in Current Liabilities	91.23	34.65
Cash Generated from Operations	333.65	1,340.43
Net Cash generated from Operating Activities (A)	333.65	1,340.43
B.Cash Flow from Investing Activities:		
Purchase of fixed assets	-	-
Capital work in progress	-	-
Investments	-	-
Interest earned	-	-
Product development expenses	(488.25)	(1,389.33)
Net Cash generated from/(Used) Investing Activities (B)	(488.25)	(1,389.33)
C.Cash Flow from Financial Activities		
Net Cash generated from/(used) Financial Activities (c)		
Increase/(Decrease) in Bank Borrowings	(300.00)	-
Increase (Decrease) in Hire purchase Loans	-	-
Issue of capital with premium	-	-
Increase/(Decrease) in unsecured loans	417.00	-
Interest and Financial Charges Paid	(2.54)	(1.81)
	114.46	(1.81)
Net Increase/(Decrease) in Cash and Cash Equalants (A+B+C)	(40.14)	(50.71)
Cash and Cash equilants at the beginning of the year	41.13	91.84
Cash and Cash equilants (Closing Balance)	0.99	41.13
Total	(40.14)	(50.71)

The accompanying notes are an integral part of the financial statements.

As per our Report of even date

For K Kulasekhar & Co.

Chartered Accountants

FRN: 011536S

K. Kulasekhar

K Kulasekhar

Proprietor

M.No.218278

Place: Hyderabad

Date: 31.05.2018



For and on Behalf of the Board

Dr. A.N. Singh

Dr.A.N.Singh
Managing Director

Amit Kumar Singh

Amit Kumar Singh
Director

CIN- L72200TG1997PLC028374

Date: 31.05.2018

To,

Department of Corporate Services
Bombay Stock Exchange Limited
Floor 25, PJ Towers
Dalal Street,
Mumbai - 400 001

National Stock Exchange of India Ltd
Exchange Plaza
Bandra Kurla Complex
Bandra (E)
Mumbai 400 051

Dear Sir,

Sub: Declaration under Regulation 33(3)(d) of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015.

In compliance with the provisions of Regulation 33(3)(d) of SEBI (Listing Obligations & Disclosures Requirements) Regulations, 2015 and SEBI Circular No. CIR/CFD/CMD/56/2016 Dated 27th May 2016, I hereby declare that M/s. K.Kulasekhar & Co., Chartered Accountants, Statutory Auditors of the Company have issued Auditor Report with unmodified opinion on Audited Financial Results of the Company for the Quarter & Year ended 31st March 2018

Kindly acknowledge the receipt of the same.

Thanking you

Yours truly
For Celestial Biolabs Limited

Dr.A.N.Singh
Chairman & Managing Director
DIN: 01756827





INDEPENDENT AUDITOR'S REPORT

To

The Members of
M/S. CELESTIAL BIO LABS LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of M/S. CELESTIAL BIOLABS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2018, and the Statement of Profit and Loss (including other comprehensive income), statement of cash flows and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein after referred to as "Standalone Ind AS financial statements").

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 and presentation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules thereunder.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

K. Kulasekhhar

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 Rules made thereunder.

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 standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

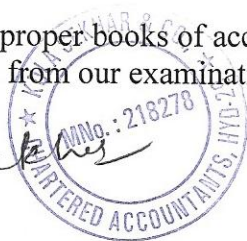
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS of the financial position of the Company as at March 31, 2018, its financial performance including other comprehensive income, its cash flows and changes in equity for the year ended on that date.

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 Act, we give in the *Annexure A*, a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 purpose 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, Cash Flow Statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with relevant rule issued thereunder.
- e) On the basis of written representations received from the directors as on March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018 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"; and
- 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 does not have any pending litigations 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;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company

for K KULASEKHAR & Co.

Chartered Accountants

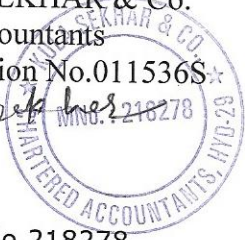
Firm Registration No.011536S*

K. Kulasekhar

K Kulasekhar

Proprietor

Membership No.218278



Place: Hyderabad

Date:31-05-2018

ANNEXURE A TO AUDITOR'S REPORT

The Annexure referred to in Independent Auditor's Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018, we report that:

- (i) (a) The Company has generally maintained proper records showing full particulars including quantitative details and situation of its fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to the explanation and information provided by the company, The inventory has been physically verified by the management during the year at reasonable intervals.
- (iii) According to the information and explanations given to us and based on our examination of the records of the company that the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provide guarantees and accordingly the clause 3 (iv) of the Companies (Auditors Report) Order, is not applicable to the Company.
- (v) According to the information and explanations given to us that the company has not accepted any deposit from the public pursuant to sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed thereunder.
- (vi) To the best of our knowledge, the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Act in respect of the nature of business carried on by the Company.
- (vii) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, sales tax, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues applicable to it with the appropriate authorities, Except The Company has been advised to pay and streamline the pending GST return From September to March 2018 ending the out standing GST Due of Rs. 17.52 lakhs has been disclosed in financial statement.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Income Tax, GST, Service Tax, Customs Duty, Value Added Tax, Cess and other material statutory dues in arrears as at 31 March, 2018 for a period of more than six months from the date they became payable.

K. Kulasekhar
218278
CHARTERED ACCOUNTANTS, HYD-29



- (c) There are no dues in respect of Income Tax, GST, Service Tax, Customs Duty and Value Added Tax as on 31 March, 2018 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has to pay an Amount of Rs. 460.00 lakhs to the banks and financial institutions and government.
- (ix) During the period the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) According to the information and explanations given to us and belief no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of the audit.
- (xi) According to the information and explanations given to us and based on our examination of the records of the company, the company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- (xii) The Company is not a Nidhi Company, hence clause 3(xii) of Companies (Auditors Report) Order 2016 is not applicable to the company.
- (xiii) According to the information and explanations given to us, There is no related party transactions
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year. Accordingly the clause 3 (xiv) of Companies (Auditors Report) Order, 2016 is not applicable to the Company.
- (xv) According to the information and explanations given to us the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly the clause 3 (xv) of the Companies (Auditors Report) Order, is not applicable to the Company.
- (xvi) The nature of business and the activities of the Company are such that the Company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act 1934.

for K KULASEKHAR & Co.

Chartered Accountants

Firm Registration No.011536S

K Kulasekhar

Proprietor

Membership No.218278



Place: Hyderabad

Date: 31-05-2018

Annexure- B 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 M/S. CELESTIAL BIOLABS LIMITED ("the Company") as of March 31, 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

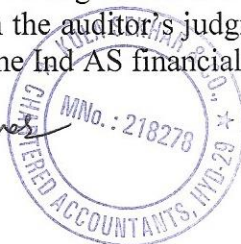
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('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.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error.

K. Kulasekhar



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 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 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 were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

for K KULASEKHAR & Co.
Chartered Accountants
Firm Registration No.011536S

K Kulasekhar
Proprietor
Membership No.218278



Place: Hyderabad
Date:31-05-2018