



# INDEPENDENT AUDITORS' REPORT

**TO  
THE MEMBERS OF  
INDIANOIL PETRONAS PRIVATE LIMITED**

## Report on the Financial Statements

We have audited the accompanying financial statements of IndianOil Petronas Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements on a going concern basis that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 consistent application of appropriate accounting policies and 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.

## Auditors' Responsibility

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

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

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

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

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows 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, issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Companies Act, 2013 ('the Act'), we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the said Order.



## INDEPENDENT AUDITORS' REPORT

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 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 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 control 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's observation on the impact of pending litigations on its financial position in its financial statements mentioned in Note No 28.2 which as per their representation will have no material impact.
  - 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 RAY & RAY  
Chartered Accountants  
Firm Registration No. 301072E

*Nabanita Ghosh*  
(Nabanita Ghosh)

Place : Kolkata  
Date : 4th May, 2016

Partner  
Membership no. 58477



## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

### "ANNEXURE A" TO AUDITORS' REPORT

The Annexure referred to in paragraph 1 under the heading 'Report or other Legal and Regulatory Requirements' of our report at even date

- (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 in accordance with a regular programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, any material discrepancy noticed on such verification between book records and the physical records has been properly dealt with in the books of account.
- (c) The title deeds of immovable properties are held in the name of the company.
- (ii) As explained to us, inventories have been physically verified by the Management during the year at reasonable intervals. Material discrepancies noticed on verification between the physical records and book records have been properly dealt with in the books of account.
- (iii) 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. Therefore, clauses (iii) (a), (b) and (c) of the aforesaid Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security.
- (v) As the Company has not accepted any deposits from the public, provisions of clause (v) of the aforesaid order is not applicable.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of LPG and are of the opinion that prima facie cost records and accounts have been made and maintained. We have, however not made a detailed examination of the records with a view to determine whether they are accurate or complete. To the best of our knowledge and according to 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) (a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including Provident fund, Employees' State Insurance, Income-tax, Sales-tax/Value Added tax, Service tax, Custom duty, Excise duty, Cess and other statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, Wealth tax, Sales tax, Customs duty, Service tax, Excise duty and Cess were outstanding, as at 31st March, 2016 for a period of more than six months from the date they became payable.
- (b) Details of dues of Income Tax, Sales-tax/Value Added tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as at 31st March, 2016 on account of disputes are given below:

| Statute                      | Nature of dues                       | Forum where dispute is pending                               | Period to which the amount relates            | Amount involved (Rs.) |
|------------------------------|--------------------------------------|--------------------------------------------------------------|-----------------------------------------------|-----------------------|
| The Central Excise Act, 1944 | CENVAT on Capital Goods availed 100% | CESTAT                                                       | 2004-2005                                     | 1,525,159             |
| Service Tax                  | Service Tax                          | CESTAT                                                       | 2010-2011                                     | 1,162,184             |
| Income Tax Act, 1961         | Income Tax                           | CIT (Appeals)                                                | Assessment Year 2008-09                       | 5,170,920             |
|                              |                                      |                                                              | Assessment Year 2009-10                       | 385,570               |
|                              |                                      |                                                              | Assessment Year 2010-11                       | 37,641,990            |
|                              |                                      |                                                              | Assessment Year 2011-12                       | 14,941,510            |
|                              |                                      |                                                              | Assessment Year 2012-13                       | 2,955,900             |
|                              |                                      |                                                              | Total                                         | 61,095,890            |
| Commercial Taxes             | Commercial Tax                       | West Bengal Commercial Taxes Appellate and Revisionary Board | The Central Sales Tax Act, 1956 for 2007-2008 | 3,804,842             |
|                              |                                      |                                                              | The Central Sales Tax Act, 1956 for 2008-2009 | 2,115,319             |
|                              |                                      |                                                              | The Central Sales Tax Act, 1956 for 2010-2011 | 4,264,109             |
|                              |                                      |                                                              | The Central Sales Tax Act, 1956 for 2011-2012 | 1,960,216             |
|                              |                                      |                                                              | The Central Sales Tax Act, 1956 for 2012-2013 | 1,025,087             |
|                              |                                      |                                                              | The West Bengal VAT Act, 2003 for 2009-2010   | 3,640,295             |
|                              |                                      |                                                              | The West Bengal VAT Act, 2003 for 2010-2011   | 721,755               |
|                              |                                      |                                                              | The West Bengal VAT Act, 2003 for 2011-2012   | 446,999               |
|                              |                                      |                                                              | The West Bengal VAT Act, 2003 for 2012-2013   | 12,962,887            |
| Total                        | 30,941,509                           |                                                              |                                               |                       |
| Customs Act, 1962            | Customs Duty                         | Commissioner of Customs                                      | Financial Year 2013-2014                      | 7,000,000             |



## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowing to banks or financial institutions. There are no debenture holders.
- (ix) The company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans taken by the company have been applied for the purpose for which they were raised.
- (x) During the course of our examination of the books of accounts carried out in accordance with Generally Accepted Auditing Practices, we have neither come across any instance of fraud on or by the Company nor have we been informed of any such case by the Management.
- (xi) The company is a private company and as such the provisions of clause (xi) of the order is not applicable.
- (xii) The company is not a Nidhi Company. Therefore clause (xii) of the aforesaid order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) In our opinion and 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.
- (xvi) In our opinion and according to the information and explanations given to us, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934.

For RAY & RAY  
Chartered Accountants  
Firm Registration No. 301072E

*Nabanita Ghosh*  
(Nabanita Ghosh)

Place : Kolkata  
Date : 4th May, 2016

Partner  
Membership no. 58477



## ANNEXURE TO INDEPENDENT AUDITORS' REPORT

### "ANNEXURE B" TO 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 IndianOil Petronas Private Limited ("the Company") as at 31st March, 2016 in conjunction with our audit of 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 financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with 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 and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, 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 RAY & RAY  
Chartered Accountants  
Firm Registration No. 301072E

*Nabanita Ghosh*  
(Nabanita Ghosh)

Place : Kolkata  
Date : 4th May, 2016

Partner  
Membership no. 58477