

## **ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**

**(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the Standalone financial statements of Gulf Ashley Motor Limited ("the Company") for the year ended March 31, 2020).**

1. In respect of the Company's fixed assets:
  - (a) The company is maintaining records showing particulars, including quantitative details and situation of fixed assets. However, the details relating to the closed branches needs to be updated.
  - (b) The Company has a programme of verification to cover all items of fixed assets in a phased manner which in our opinion, is reasonable having regard to the size and geographic location of the assets. Pursuant to the programme, certain fixed assets were physically verified by management during the year. According to the information and the explanations given to us, discrepancies noticed during the year on such verification were given effect to in the books of accounts.
  - (c) According to the information and explanations given to us and based on the examination of registered sale deeds/ transfer deeds/ conveyance deeds provided to us, we report that the title deeds, of all the freehold immovable properties of land and buildings, are held in the name of the Company as at the balance sheet date, except in respect for freehold land at Jain more (Jharkhand) aggregating Rs 8.10 lakhs and building thereon Rs 56.45 lakhs as per books. In respect of the immovable property taken on lease and disclosed as fixed assets in the Standalone Financial Statements, the lease agreement is in the name of the Company.
2. As explained to us, the inventories, other than goods in transit, have been physically verified at reasonable intervals by the management and discrepancies noticed during the year on such verification were given effect to in the books of accounts..
3. The Company has not during the year, granted any loans, secured or unsecured to firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
4. According to the information and explanation given to us, the Company has not granted during the year any loans, secured or unsecured, nor made investments, furnished guarantees or provided security to any party covered by provisions of sections 185 and 186 of the Companies Act, 2013. Hence reporting on whether there is a compliance with the said provisions does not arise. In respect of the investments as at the beginning of the year, the provisions of section 186 of the Companies Act, 2013 had been complied with.
5. According to information and explanations given to us, the Company has not accepted any deposits during the year and there are no unclaimed deposits as at March 31,2020 to which the provisions of section 73 to 76 or any other relevant provisions of the Companies Act are applicable. Accordingly, the provisions of clause (v) of paragraph 3 of the Order are not applicable to the Company.
6. In our opinion and according to the information and explanations given to us, the requirement for maintenance of cost records pursuant to the Companies (Cost Records and Audit) Rules, 2014 specified by the Central Government of India under section 148 of the Companies Act, 2013 are not applicable to the Company.

7. According to the information and explanations given to us and the books of account examined by us, in respect of statutory dues:

(a) The company is generally regular in depositing material amount of undisputed statutory dues including provident fund, employees' state insurance, income-tax, goods and service tax, Customs duty, cess and any other material statutory dues as applicable with the appropriate authorities during the year. There were no undisputed amounts payable in respect of the aforesaid statutory dues outstanding as on March 31, 2020 for a period of more than six months from the date they became payable.

(b) There are no dues of Income tax, Sales tax, Goods and Services tax, Customs Duty, Excise duty or Value added tax that have not been deposited on account of any dispute. Details of service tax that has not been deposited an account of a dispute is as under

Name of the Statute	Nature of the dues	Amount Rs in lakhs	Period to which the amount relates to	Forum it is pending
Finance Act, 1994	Service Tax	90.28	FY 2012 -13 to 2015-16	Commissioner of GST & Exercise

8. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution, or to banks. The Company does not have any borrowings from government or by way of Debentures.

9. As per the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offers (including debt instruments) or term loans during the year. Hence reporting on utilization of such money under clause 3(ii) of the Order does not arise.

10. During the course of our examination of the books of account and records of the company carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any fraud by the company or material fraud on the company by its officers or employees been noticed or reported during the year nor have we have been informed of any such case by the management.

11. No Managerial remuneration has been paid/provided by the Company and accordingly, our reporting on compliance by the Company with the provisions of section 197 read with Schedule V of the Companies Act, 2013 does not arise.

12. The Company is not a Nidhi Company and accordingly the provisions of Clause 3 (xii) of the Order are not applicable to the Company.

13. In our opinion and according to the information and explanations given to us all transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013, where applicable. The details of the transactions during the year have been disclosed in the Standalone Financial Statements as required by the applicable Accounting Standards. (Refer note 4.5 to Standalone Financial Statements).

14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under Clause 3 (xiv) of the Order is not applicable.
  
15. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions during the year with directors or persons connected with them. Hence reporting on whether there is compliance with provisions of section 192 of the Companies Act, 2013 does not arise.
  
16. The Company is not required to be registered under section 45- IA of the Reserve Bank of India Act, 1934.

**For M.S.Krishnaswami & Rajan**

Chartered Accountants

Registration No: 01554S

M.S.Murali

Partner

Membership No:26453

UDIN:20026453AAAADK9186

Date: June 10 ,2020

Place: Chennai