

B. M. CHATURVEDI & Co.

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS STARLOG ENTERPRISES LIMITED

Report on the Audit of Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated Indian Accounting Standards ("Ind AS") financial statements of **STARLOG ENTERPRISES LIMITED** (hereinafter referred to as the "Company"), its subsidiaries (the Company and its subsidiaries together referred to as the "Group"), its associate and its joint venture, which comprise the Consolidated Balance Sheet as at **31st March, 2019**, the Consolidated Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "Consolidated Financial Statements") which includes joint operations of the group on a proportionate basis.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors on the financial statements of the subsidiaries referred to below in sub-paragraph (a) of the Other Matters paragraph, except for the effects (to the extent ascertained) of the matter described in the Basis for Qualified Opinion paragraph below, the consolidated financial statements give the information required by the Companies Act, 2013, ("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 consolidated state of affairs of the Group as at **31st March, 2019**, its consolidated loss including Other Comprehensive Income, its consolidated Cash Flows and the Statement of Changes in Equity for the year ended on that date.

Basis for Qualified Opinion

1. As fully explained in Note 48 to the Consolidated Financial Statements, the Company has not received financial statements of a subsidiary and joint venture for year ended 31st March, 2019. It has continued with the same balances for these subsidiary and joint venture as appearing in consolidated financial statements for year ended 31st March, 2018. Further, for the purpose of preparation of consolidated financial statements for year ended 31st March, 2018, the Company had relied on unaudited financial statements, which were unapproved by the management of the said entities. The financial impact of the losses on the carrying value could vary based on the final audited financial statements of these subsidiary and joint venture and the consequent impact on the consolidated opening Retained Earnings and the consolidated profit and loss is presently unascertainable.
2. As more fully explained in Note 44 to the Consolidated Financial Statements, India Ports & Logistics Private Limited ('IPL'), one of the subsidiary of the Company, is a Non-Banking Financial Company (NBFC). However, IPL has not complied with the requirements of the Reserve Bank of India Act, 1934, in respect of NBFC including registering as an NBFC as under Section 45-1A of the Reserve Bank of India Act, 1934. Liabilities/penalties, if any, on account of the above non-compliance are presently not ascertainable and therefore have not been provided for in the financial statements of IPL. Further, the preparation and presentation of the financial statements of IPL applicable to the companies registered under the aforesaid act have also not been complied with.



3. (i) As more fully explained in Note 50(I)(h)(i) to the Consolidated Financial Statements, Dakshin Bharat Gateway Terminal Private Limited ('DBGT'), a subsidiary of the Company, is currently engaged in arbitration proceedings with V.O. Chidambaranar Port Trust ('VOCPT') in respect of various matters arising out of the concession agreement entered into by DBGT with VOCPT dated 4th September, 2012. The matters under arbitration mainly include dispute over determination of revenue for computation of royalty payments liable to VOCPT for the period May 2017 to December 2017 resulting in a demand of Rs. 513 Lakhs and demand of Liquidated Damages of Rs. 923 Lakhs as per the terms of concession agreement on account of delay in commencement of commercial operations among other matters and counterclaims by DBGT. In view of the uncertainty as regards to the final outcome of the said dispute, no provision has been made with respect to the matters under arbitration. Consequently, other expenses and reserves and surplus as at 31st March, 2019, and 31st March, 2018, are understated by Rs. 3,149 Lakhs.

(ii) The auditors of DBGT were unable to obtain sufficient appropriate audit evidence in respect of carrying amounts of one of the payables against capital expenditure as at 31st March, 2019, in the absence of confirmations and reconciliations, if any, from the party. Consequently, the auditors of DBGT were unable to determine whether any adjustments to this amount was necessary in the financial statements of DBGT as at 31st March, 2019.

4. During the year ended 31st March, 2019, Starlift Services Private Limited ('SSPL'), subsidiary of the Company, has booked certain expense amounting to Rs. 49.46 lakhs under various heads for which no sufficient supporting evidence was provided to the auditors of SSPL during the course of audit and the amount relates to Prior Period. Under Ind AS 8, "Accounting policies, changes in accounting estimates and errors", errors in accounting that occurred prior to 1st April 2016 are required to be retrospectively corrected by restating the balances of respective assets and liabilities and equity as at 1st April 2016 and errors in accounting that occurred in periods after 1st April 2016, are required to be retrospectively corrected by restating the comparative amounts as at and for the previous year then ended. However SSPL has accounted the expenses in the current financial year. Had the prior period errors been appropriately accounted as provided by Ind AS 8, loss for the year ended 31st March, 2019, and opening equity as on 1st April, 2018, would be have been lower by Rs. 49.46 lakhs.

We conducted our audit of the Consolidated Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group 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 Consolidated Financial Statements under the provisions of the Act 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 qualified audit opinion on the Consolidated Financial Statements.

Material Uncertainty Related to Going Concern

We draw attention to Note 49 & Note 50 (Contingent Liability) to the Consolidated Financial Statements, regarding the Group's current liabilities exceeding its current assets by Rs. 43,873.96 lakhs. For reasons mentioned in the said note, including monetization of its fixed assets by the Company and obtaining an approval by a subsidiary to refinance its current borrowings from its lender, and based on the fact that the Group has a positive net worth, the Group believes it has enough assets and will have adequate liquidity to meet its liabilities as and when they fall due. Further, attention is drawn to Note 50(I)(i) regarding termination of the License Agreement with Kandla Port Trust ("Port") on 9th November, 2012 by Kandla Container Terminal Private Limited



('KCTPL'), a subsidiary of the Company, and Arbitration proceedings that have commenced with the Port. KCTPL believes that its claims against the Port shall far outweigh counter-claims against it when the same are settled in the said arbitration proceedings and has, accordingly, prepared its accounts on Going Concern basis.

Emphasis of Matters

We draw attention to the following matters in the Notes to the Consolidated Financial Statements:

1. Note 27 to Consolidated Financial Statements that includes service tax payable of Rs. 251.87 lakhs pertaining to KCTPL out of the total other statutory dues payable of Rs. 1,585.31 lakhs of the Group. This amount of KCTPL of Rs. 251.87 lakhs is net-off service tax input of Rs. 77.36 lakhs. The input credit of service tax has not been claimed by KCTPL within stipulated time as per service tax guidelines and there is reasonable doubt that the same will be available for set off in future. KCTPL has continued to show it as an asset till the conclusion of its arbitration proceedings.
2. Note 7 where in the Company has shown investment of Rs. 1,201.20 lakhs in an associate which is equivalent to 26% of equity capital of the associate. As against this, the financial statements of the associate show the shareholding of the Company as 10% of its equity capital. The differential 16% have been transferred by the associate from the Company to other entities as per its financial statements. However, the Company has continued to show investment at full value of Rs. 1,201.20 lakhs (26%) in its Consolidated Financial Statements on the ground that it has not been provided with any documents by the associate to justify the change in shareholding.
3. Note 50(I)(d) regarding invocation of corporate guarantee by a lender of a subsidiary. As mentioned in the note, the matter was adjudicated by DRT II, Mumbai, passing a recovery order against the Company. The Company has filed a review petition against the said order and the matter is presently sub-judice.

Our opinion is not qualified in respect of the above matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements for the financial year ended 31st March, 2019. These matters were addressed in the context of our audit of the Consolidated 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. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the Consolidated 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 Consolidated Financial Statements. The results of audit procedures performed by us and by the auditors of the subsidiaries not audited by us, as reported by them in their audit reports furnished to us by the Company, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated Financial Statements.

Based on the audit reports of the subsidiaries companies incorporated in India provided to us by the Company, the statutory auditors of those companies have not reported any Key Audit Matters in their



respective reports. The Key Audit Matters identified in the audit report of the standalone financial statements of the Company are provided below.

Key Audit Matters	How our audit addressed the Key Audit Matter
<p>Revenue Recognition as per Ind AS 115</p> <p>Effective April 1, 2018, on account of adoption of new revenue standard Ind AS 115 – Revenue from contracts with customer, the Company has changed its revenue recognition policy with regards to timing of recognition based on the satisfaction of the identified performance obligations and related disclosures.</p> <p>We focused on this area because revenue requires significant time and resource to audit due to the magnitude, revenue transactions near to the reporting date, transition to Ind AS 115 and the adequacy of disclosures in this respect has been considered as key audit matter.</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> 1) Obtained an understanding of the Company's services and performance obligation, and the timing when the performance obligation would be considered as discharged. 2) Testing on sample basis, the contracts entered into between the Company, the invoices and the relevant underlying documents, including log sheets which are countersigned by the service recipients. 3) We have tested, on a sample basis, whether revenue transactions near to the reporting date have been recognised in the appropriate period by comparing the transactions selected with relevant underlying documentation.
<p>Trade Receivable recoverability</p> <p>The Company has material exposure to trade receivables. It has made provisions for Expected Credit Loss based on ageing analysis. Considering the pervasive nature of trade receivables on the financial statements, the recoverability of trade receivables has been considered as Key Audit Matter.</p>	<p>Our audit procedures included the following:</p> <ol style="list-style-type: none"> 1) Checking the ageing analysis of trade receivables. 2) Circulating balance confirmations with the customers at year end. 3) Interaction with management regarding steps taken for recoverability of long standing trade receivables. 4) Assessed the Expected Credit Loss working prepared by the management in accordance with requirements of Ind AS 109.

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the Consolidated Financial Statements and our auditor's report thereon. The Company's annual report is expected to be made available to us after the date of auditor's report.

Our opinion on the Consolidated 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 Consolidated Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Financial Statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the annual report, if we conclude that



there is a material misstatement of this other information, we are required to report that fact. We will report such facts, if any, once the annual report is made available to us.

Management's Responsibilities for the Consolidated Financial Statements

The Company's Board of Directors is responsible for preparation and presentation of these Consolidated Financial Statements in terms of the requirement of the Act, that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and the consolidated statement of changes in equity of the Group in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of Consolidated Financial Statements by the Directors of the Company as aforesaid.

In preparing the Consolidated Financial Statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated 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 Consolidated 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 Consolidated 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 with reference to Consolidated Financial Statements 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 Group'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 Consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Consolidated Financial Statements of which we are the independent auditors. For the other entities included in the Consolidated Financial Statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Company and such other entities included in the Consolidated Financial Statements of which we are the independent auditors 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 Consolidated Financial Statements for the financial year ended 31st March, 2019, 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 Matters

- a) We did not audit the financial statements of five subsidiaries, whose financial statements reflect total assets of Rs. 62,215.58 lakhs as at 31st March, 2019, total revenues of Rs. 10,895.45 lakhs for the year ended on that date, net of inter-company elimination, as considered in the Consolidated Financial Statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the Consolidated Financial Statements, in so far as it relates to amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.
- b) The Consolidated Financial Statements include total assets of a subsidiary amounting to Rs. 20,240.93 lakhs and losses of a jointly controlled company amounting to Rs. 13,416.58 lakhs, for which the Company has not received financial statements for financial year ended 31st March, 2019, which have been mentioned in the Basis for Qualified Opinion. These balances are based on unaudited financial statements of FY 2017-18 (Refer Note 48 for detail) and were shown in the consolidated financial statements for year ended 31st March, 2018. These financial statements of FY 2017-18 are yet to be approved by the managements of those respective entities and our opinion on the Consolidated Financial Statements is restricted to the financial statements of the Company and subsidiary companies which are audited.

Except for point (b) above which is covered in point (1) of Basis of Qualification paragraph, our opinion on the Consolidated Financial Statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of above matters with respect to our reliance on the work done and report of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and other financial information of subsidiaries as referred to in Other Matters paragraph above, we report, to the extent applicable, that:

- a) Except for the effects of the matter described in the Basis of Qualified Opinion paragraph above, We / the other auditors whose reports we have relied upon 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 of the aforesaid Consolidated Financial Statements.
- b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Consolidated Financial Statements.
- d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Consolidated Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015, as amended.



- e) In our opinion, the matters described in the Basis of Qualified Opinion paragraph above and under the Emphasis of Matters paragraph above may have an adverse effect on the functioning of the Group.
- f) As explained to us and the reports of the other statutory auditors of its subsidiaries incorporated in India, none of the directors of the Group companies and whose audited accounts are available, is disqualified as on 31st March, 2019, from being appointed as a director in terms of Section 164 (2) of the Act. However except for two subsidiaries, the auditors of the Group have not been provided with the written representation as received by the Group from the directors regarding their disqualification.
- g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and its subsidiaries, and the operating effectiveness of such controls, refer to our separate Report in Annexure to this report.
- h) The qualification relating to the consolidation process and other matters are as stated in the Basis of Qualified Opinion paragraph above.
- i) In our opinion and according to the information and explanations given to us, and based on the consideration of the reports of the other statutory auditors of the subsidiaries incorporated in India, the remuneration paid/provided by the Group to its directors during the current year is in accordance with the provisions of section 197 read with Schedule V of the Act.
- j) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries as noted in the Other Matter paragraph:
- (i) The Group has disclosed the impact of pending litigations on its financial position in the Consolidated Financial Statements vide Note 50.
- (ii) The Group has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- (iii) There is no requirement to transfer any amount to Investor Education and Protection Fund (IEPF), except in case of the Company where Rs. 6,68,930 was transferred to IEPF. Based on information and explanation provided to us, there are no delays in transfer of the said amount.

Mumbai
12th November, 2019



For **B. M. Chaturvedi & Co.**,
ICAI F.R.N.: 114317W
Chartered Accountants

B.M.Chaturvedi
Partner
ICAI M.N.: 017607

UDIN: 19017607AAAAAM6916
8 | Page

Annexure to the Independent Auditor's Report on the Consolidated Financial Statements of Starlog Enterprises Limited – 31st March, 2019

(Referred to in our report of even date)

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

Disclaimer of Opinion

In conjunction with our audit of the Consolidated Financial Statements of Starlog Enterprises Limited as of and for the year ended 31st March, 2019, we have audited the internal financial controls with reference to Consolidated Financial Statements of Starlog Enterprises Limited ("the Company") and its subsidiaries which are companies incorporated in India, as on that date.

As described in the Basis for disclaimer of opinion paragraph below, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Group had adequate internal financial controls with reference to financial statements and whether such internal financial controls were operating effectively as at 31st March, 2019.

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the Consolidated Financial Statements of the Company, and the disclaimer does not affect our opinion on the Consolidated Financial Statements of the Company.

Basis for disclaimer of opinion

According to the information and explanation given to us, except for two subsidiaries, the Group has not established its internal financial control with reference to financial statements on criteria based on or 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").

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Company and its subsidiaries which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 the 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 Act, 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 ICAI. 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 with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated Financial Statements included obtaining an understanding of internal financial controls with reference to Consolidated Financial Statements, 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 our judgement, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their report referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to Consolidated Financial Statements.

Meaning of Internal Financial Controls with reference to financial statements.

A company's internal financial control with reference to Consolidated Financial Statements 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 with reference to Consolidated Financial Statements 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 authorizations of management and directors of the company; and
- 3) 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 with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to Consolidated Financial Statements, 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 with reference to Consolidated Financial Statements to future periods are subject to the risk that the internal financial control with reference to Consolidated Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Other Matter

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to these Consolidated Financial Statements in so far as it relates to five subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India. Our opinion does not include one subsidiary for which we have not been provided with the audited financial statements and the audit report.

For **B.M. Chaturvedi & Co.**,
Chartered Accountants
ICAI F.R.N.: 114317W



Mumbai
12th November, 2019

B.M. Chaturvedi
Partner
ICAI M.N.: 017607

UDIN: 19017607AAAAAM6916.

Starlog Enterprises Limited
Balance sheet as at 31st March, 2019

	Notes	As at 31 st March 2019	(Rs. in Lakhs) As at 31 st March 2018
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	3	19,281.27	21,145.34
Intangible assets	4	46,233.11	12,201.18
Intangible assets under development	5	-	34,676.08
Investment Properties	6	1,226.26	1,226.26
Financial Assets			
i. Investments	7	6,389.68	6,389.68
ii. Other Financial Assets	8	2,046.07	2,166.39
Other Non-Current Assets	9	2,931.17	2,492.33
Total Non-Current Assets		78,107.56	80,297.26
Current Assets			
Inventories	10	303.78	211.60
Financial Assets			
i. Trade Receivables	11	5,619.79	5,820.26
ii. Cash and Cash Equivalents	12	867.32	1,040.20
iii. Other Bank Balances	13	602.95	604.32
iv. Loans	14	869.11	869.11
v. Other Financial Assets	15	406.52	289.68
Other Current Assets	16	4,670.69	4,726.01
Total Current Assets		13,340.16	13,561.18
Total Assets		91,447.72	93,858.44
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	17	1,196.69	1,196.69
Other Equity	18	331.15	5,789.74
Equity attributable to owners		1,527.84	6,986.43
Non-Controlling Interest		3,503.25	5,919.52
Total Equity		5,031.09	12,905.95
Liabilities			
Non-Current Liabilities			
Financial Liabilities			
i. Borrowings	19	24,684.51	27,033.76
ii. Other Financial Liabilities	20	1,811.75	1,858.89
Provisions	21	95.89	58.53
Other Non-Current Liabilities	22	2,610.36	2,702.45
Total Non-Current Liabilities		29,202.51	31,653.63
Current Liabilities			
Financial Liabilities			
i. Borrowings	23	24,509.88	806.01
ii. Trade and Other Payables	24	2,706.31	2,677.71
iii. Other Financial Liabilities	25	23,976.61	40,825.71
Provisions	26	123.73	135.86
Other Current Liabilities	27	5,897.59	4,853.57
Total Current Liabilities		57,214.12	49,298.86
Total Liabilities		86,416.63	80,952.49
Total Equity and Liabilities		91,447.72	93,858.44

Notes form integral part of the financial statements

As per our report of even date

For B. M. Chaturvedi & Co.
ICAI F.R.N.: 114317W
Chartered Accountants

B. M. Chaturvedi
Partner
ICAI M.N.: 017607



For and on behalf of the Board of Directors
Starlog Enterprises Limited

Saket Agarwal
Director
DIN: 00162608

Kumkum Agarwal
Kumkum Agarwal
Director
DIN: 00944021



Acharam
Amita Chawan
Chief Financial Officer

UDIN: 19017607AAAAAM6916

Place: Mumbai
Date: November 12, 2019

Starlog Enterprises Limited

Statement of profit and loss for the year ended 31st March, 2019

	Notes	For Year Ended 31 st March 2019	(Rs. in Lakhs) For Year Ended 31 st March 2018
Income			
Revenue From Operations	28	12,570.48	37,315.59
Other Income	29	1,074.44	249.31
Total Income		13,644.92	37,564.90
Expenses			
Contract costs from construction activities	30	761.95	-
Employee Benefit Expense	31	1,590.78	1,474.75
Power and Fuel Expense	32	137.92	298.74
Depreciation/Amortization Expense	33	3,227.88	2,948.11
Other Expenses	34	10,165.98	36,791.88
Finance Costs	35	5,654.48	4,424.71
Total Expenses		21,538.99	45,938.19
Exceptional Items	36	(7,894.07)	(8,373.29)
Profit/(Loss) Before Tax		(7,894.07)	(5,678.60)
Tax expense			(4.03)
Current tax			6.33
Deferred tax		(2.03)	
Loss after tax for the year before share in profit/(loss) of jointly controlled entities and associates		(7,896.10)	(5,676.30)
Add: Share in (loss) /profit of jointly controlled entities and associates, (net of tax)		-	(1,568.77)
Loss for the year		(7,896.10)	(7,245.07)
Other Comprehensive Income			
Items that will not be reclassified to profit or loss		21.24	(57.73)
Total Comprehensive Income/(Loss) For The Year		(7,874.86)	(7,302.80)
Profit / (Loss) attributable to:			
Owners of Starlog Enterprises Limited		(5,481.33)	(5,098.70)
Non-controlling interests		(2,414.77)	(2,146.37)
Other comprehensive income attributable to:			
Owners of Starlog Enterprises Limited		22.74	(58.42)
Non-controlling interests		(1.50)	0.69
Total comprehensive income attributable to:			
Owners of Starlog Enterprises Limited		(5,458.59)	(5,157.12)
Non-controlling interests		(2,416.27)	(2,145.68)
Earning/(Loss) Per Equity Share			
- Basic and Diluted (in Rs.)	39	(65.80)	(61.02)

Notes form integral part of the financial statements

As per our report of even date

For B. M. Chaturvedi & Co.

ICAI F.B.N.: 114317W

Chartered Accountants

B. M. Chaturvedi

Partner

ICAI M.N.: 017607



Place: Mumbai

Date: November 12, 2019

For and on behalf of the Board of Directors

Starlog Enterprises Limited

Saket Agarwal

Director

DIN: 00162608

Kumkum Agarwal

Kumkum Agarwal

Director

DIN: 00944021



Sajita Khamwani

Company Secretary

Acham

Amita Chawan

Chief Financial Officer