

INDEPENDENT AUDITOR'S REPORT

To the Members of Sabarmati Capital One Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Sabarmati Capital One Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2015, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of 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 Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements 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) Rule, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements 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 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.

Auditor's Responsibility

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

We have taken into account the provision of the Act, the accounting and auditing standards and matter which are required to include in the audit report under the provision 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 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



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, 2015, and its Loss and its Cash Flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note No.32 forming part of financial statement, the Company has incurred net loss of Rs.705,195,432/- during the year ended 31st March, 2015 and has negative net worth of Rs.593,107,711/- as at 31st March 2015. However, based on the management's business plans and operational and technical support from the holding company, in the opinion of the management, no adjustment is required to the carrying value of the assets and liabilities of the Company as of the Balance Sheet date and accordingly these financial statement have been prepared on a going concern basis.

Our opinion is not modified in respect of these matter.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 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, Statement of Profit and Loss, and 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) Rule, 2014;



- (e) On the basis of written representations received from the directors taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) the Act;
- (f) With respect to the 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 explanation given to us:
- The Company does not have any pending litigation which would impact its financial position;
 - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For Lakhani & Co. LLP
Chartered Accountants
Firm Regn. No. 105524W/W-100031



Place : Mumbai
Date : May 27, 2015


Nilesh D Shah
Partner
Membership Number 100305

Annexure to the Independent Auditor's Report

[Referred to in our Independent Auditor's Report to the members of Sabarmati Capital One Limited on the financial statements for the year ended 31st March, 2015]

- (i)(a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) According to the information and explanations given to us, all the assets have been physically verified, at year end, by the management, which in our opinion is reasonable, having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (ii)(a) As per the information furnished, the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stocks, the frequency of verification is reasonable.
- (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between physical inventories and the book records were not material in relation to the operation of the Company and the same have been properly dealt with in the books of account.
- (iii) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly sub-clause (a) and (b) of clause 3(iii) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets, for the expenses incurred on the construction of building, sale of goods and sale of services. There is no purchase of inventory during the year. Further, on the basis of our examination of the books of accounts and records of the Company and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) The Company has not accepted any deposits from public within the meaning of the provisions of Sections 73 to 76 or any other relevant provisions of the act, and the rules framed there under.
- (vi) According to the information and explanations given to us and on the basis of the records produced, we are of the opinion that prima facie, the cost records and accounts prescribed by the Government of India under section 148(1) of the Act have been made and maintained by the Company. However, we are not required to carry out and have not carried out any detailed examination of such records and accounts.
- (vii)(a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the amount deducted/ accrued in books of account in respect of undisputed statutory dues



including provident fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues as applicable, with the appropriate authorities.

- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no undisputed dues payable in respect of provident fund, employee's state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues as applicable, were in arrears, as at 31st March, 2015 for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues in respect of income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax or cess which have not been deposited on account of any dispute.
- (d) According to the information and explanations given to us, there are no amounts required to be transferred to investor education and protection fund in accordance with the relevant provisions of Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company has been registered for the period less than five years. Accordingly clause 4(x) of the Order is not applicable.
- (ix) According to the records of the Company examined by us and information and explanations given to us, the Company has not defaulted in repayment of dues to bank and debenture holders. The Company has not taken any loans from any financial institutions.
- (x) According to the information and explanation given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions. Accordingly clause 3(x) of the Order is not applicable.
- (xi) In our opinion, and according to the information and explanation given to us, on an overall basis, the term loans have been applied by the Company during the year for the purpose for which they were obtained.
- (xii) 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 us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

Place : Mumbai
Date : May 27, 2015



For Lakhani & Co. LLP
Chartered Accountants
Firm Regn. No. 105524W/W-100031


Nitesh D Shah
Partner
Membership Number 100305