

**VISHNU RAM & CO.,**  
CHARTERED ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**

To  
The Members of  
**SW FINANCE CO LIMITED**

**1. Report on the Financial Statements**

We have audited the accompanying financial statements of **SW FINANCE CO LIMITED** ('the Company') which comprise the Balance Sheet as at 31<sup>st</sup> March 2015, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**2. 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 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 of the assets of the company and for preventing and detecting frauds and 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**3. Auditor's 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 there under.

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. An audit also

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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.

**4. 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 31<sup>st</sup> March 2015, and its loss and its cash flows for the year ended on that date.

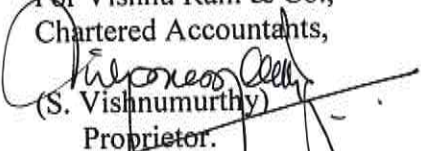
**5. Report on Other Legal and Regulatory Requirements**

- i. As required by the Companies (Auditor's Report) Order, 2015 ("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 statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
- ii. 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 31<sup>st</sup> March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2015, from being appointed as a director in terms of Section 164(2) of the Act.
  - f. 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 2.12 to the financial statements.

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- 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.

Place: Bangalore  
Date : 22-05-2015

For Vishnu Ram & Co.,  
Chartered Accountants,  
  
(S. Vishnumurthy)  
Proprietor.  
Membership No. 22715  
Firm Registration No. 004742S

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**Annexure to the Auditor's report**

**Re: SW FINANCE CO LIMITED**

Referred to in paragraph 5(i) of our report of even date

- (a) The company did not have any fixed assets. Therefore, the provisions of clause 3(i)(a) to 3(i)(b) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- (b) The company did not have any stocks of goods. Therefore, the provisions of clause 3(ii)(a) to 3(ii)(c) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- (c) 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. Therefore, the provisions of clause 3(iii)(a) to 3(iii)(b) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- (d) In our opinion and according to the information and explanations given to us there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of the audit, we have not observed any continuing failure to correct major weaknesses in internal controls.
- (e) The company has not accepted any deposits from the public in contravention of the provisions of sections 73 to 76 and any other relevant provisions of the Companies Act and the rules framed there under. Therefore, the provisions of clause 3(v) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- (f) Provisions with regard to maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 are not applicable to this company.
- (g) The company is regular in depositing with appropriate authorities undisputed statutory dues including income tax and other material statutory dues applicable to it.
- (h) According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, service tax, sales tax, customs duty and excise duty were in arrears, as at 31-3-2015 for a period of more than six months from the date they became payable.
- (i) According to the information and explanations given to us, following is the list of tax dues, which have not been deposited on account of disputes.

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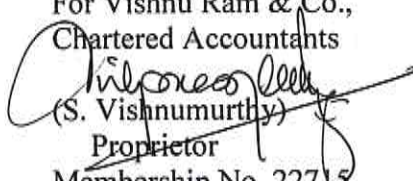
Name of the Statute	Nature of dues	Disputed amount (Rs. millions)	Forum where dispute is pending.
Income Tax Act, 1961	Income tax for the A Y 2004-05	1.594	Commissioner of Income Tax (Appeals), Bangalore
Income Tax Act, 1961	Income tax for the A Y 2006-07	575.332	Commissioner of Income Tax (Appeals), Bangalore
Income Tax Act, 1961	Income tax for the A Y 2007-08	10.132	ITAT, Bangalore
Income Tax Act, 1961	Income tax for the A Y 2008-09	31.994	Commissioner of Income Tax (Appeals), Bangalore
Income Tax Act, 1961	Income tax for the A Y 2004-05 (pertaining to Shaw Wallace Financial Services Ltd, since merged with the company)	823.590	ITAT, Mumbai
Income Tax Act, 1961	Income tax for the A Y 2005-06 (pertaining to Shaw Wallace Financial Services Ltd, since merged with the company)	12.422	Commissioner of Income Tax (Appeals), Mumbai

- (j) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- (k) *The company has incurred cash losses during the financial year and during the immediately preceding financial year.*
- (l) The company has not taken any loans from banks or financial institutions nor issued any debentures. Therefore, the provisions of clause 3(ix) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- (m) The company has not given any guarantees for loans taken by others from banks or financial institutions. Therefore, the provisions of clause 3(x) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.
- (n) The company has not raised any term loans during the year. Therefore, the provisions of clause 3(xi) of the Companies (Auditor's Report) Order, 2015 are not applicable to the company.

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- (o) According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

Place: Bangalore  
Date : 22-05-2015

For Vishnu Ram & Co.,  
Chartered Accountants  
  
(S. Vishnumurthy)  
Proprietor  
Membership No. 22715  
Firm Registration No.004742S