



**J. MEHTA & COMPANY**

**CHARTERED ACCOUNTANTS**

**INDEPENDENT AUDITOR'S REPORT**

**To the Members of LORENZINI APPARELS PRIVATE LIMITED**

**Report on Financial Statements**

We have audited the accompanying financial statements of Lorenzini Apparels Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 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.

**Management's Responsibility for the Financial Statements**

The Company's Board of Directors is responsible for the matters 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 the 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 the 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 internal financial control, 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.

**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 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 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 the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by 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;

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the Profits, for the year ended on that date; and
- c) in the case of Cash Flow Statement, of the 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, 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.
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 appears from our examination of those books;
  - c) the Balance Sheet, the 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) Rules, 2014;





- e) on the basis of written representations received from the directors as on March 31, 2015, 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) of the Act;
- f) With respect to the other matters to be included in the Auditor's Report in accordance with the 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 does not have any pending litigation, which would have any impact on its financial position.
  - ii. The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses.
  - iii. There has not been any occasion during the year, in case of the Company under report to transfer any sums to the Investor Education and Protection Fund.

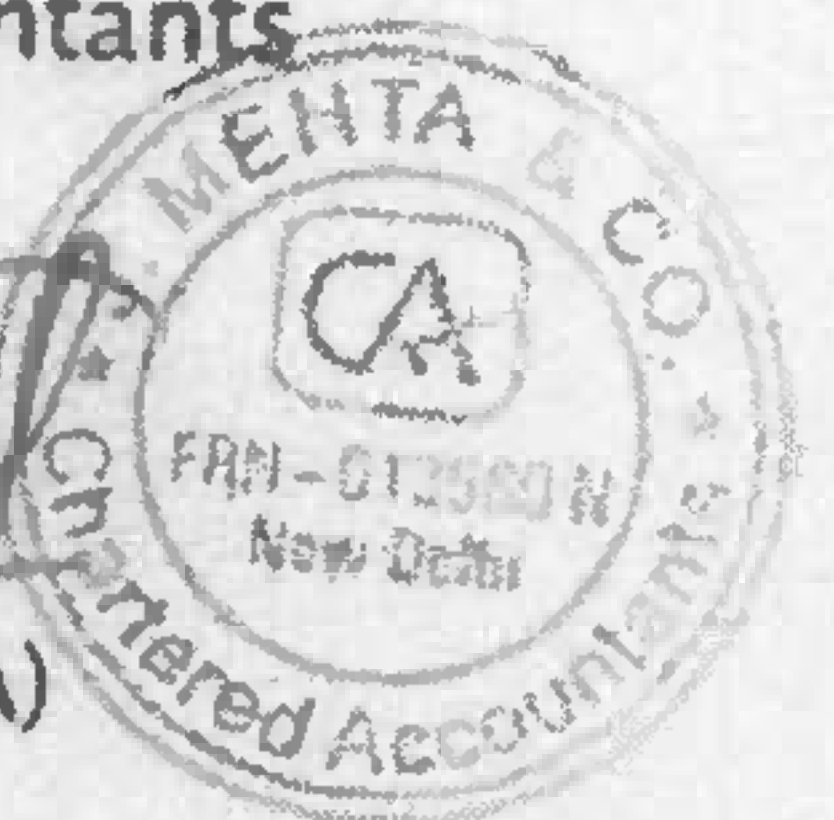
Place : New Delhi  
Dated : 31.08.2015

For J. MEHTA & COMPANY  
Chartered Accountants  
(FRN-012560N)

  
(JITENDER MEHTA)

Proprietor

(M.No.-091174)





RE. : LORENZINI APPARELS PRIVATE LIMITED  
ENCLOSURE TO AUDITORS' REPORT PURSUANT TO THE  
COMPANIES (AUDITOR'S REPORT) ORDER'2015 UNDER  
SECTION 143(11) OF COMPANIES ACT,2013.

- i. a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) We are informed that the Fixed Assets of the company have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- ii. As per information given to us, the company is maintaining records of the inventory and the management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on physical verification. However stock records of the company were not produced before us for verification as these are lying at various locations and outlets of the company. The stock has been taken as valued, verified and certified by the management.
- iii. a) The company has granted loans to three parties, covered in the register maintained under section 189 of the Companies Act. The maximum amount involved is Rs. 58,86,302/- and the balance outstanding at the end of the year is Rs 53,86,302/-.
- b) In our opinion and according to the information and explanations given to us, the receipt of principal amount and interest, wherever applicable, are also regular.
- c) As informed to us, the company has taken reasonable steps for recovery of principal and interest, in case of overdue amount more than rupees one lakh.
- iv. In our opinion and according to the information and explanations given to us, there are fairly adequate internal control procedures commensurate with the size of the company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, no major weakness has been observed in the internal control in respect of these areas.
- v. As per information & explanation given to us and the records before us, the company has not accepted any deposits.
- vi. As explained to us, the Central Govt. has not prescribed for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, in case of this Company.
- vii. a) According to the information and explanations given to us and as per records examined by us, the company is generally regular in depositing undisputed





statutory dues applicable to it with the appropriate authorities, except in case of VAT and TDS, which have been delayed at few instances. There are no arrears of undisputed statutory dues outstanding at the year end for a period of more than six months from the date on which they become payable.

- b) According to the information and explanations given to us and as per our verification of the records of the company, the following disputed amount of the tax/duty that have not been deposited with the appropriate authorities as on 31<sup>st</sup> March, 2015 are as under :

S. No.	Name of Statute	Nature of Dues	Amount (Rs.)	Period to which amount relates	Forum where amount is pending
1.	Income Tax	TDS Penalty	5,25,200/-	2012-13, 2013-14 & 2014-15	CIT (Appeals), New Delhij

- c) According to the information and explanations given to us, there has not been any occasion during the year, in case of the Company under report to transfer any sums to the Investor Education and Protection Fund,
- viii, The company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- ix. Based on our audit procedures and the information and explanations given by the management, the company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
- x. According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from bank or financial institutions.
- xi. Based on information and explanations given to us by the management, term loan were applied for the purpose for which loans were obtained.
- xii. Based upon the audit procedures performed and as per information and explanations given by the management, we report that no fraud on or by the company has been noticed on reported during the course of our audit,

Place : New Delhi  
Dated : 31.08.2015

For J. MEHTA & COMPANY  
Chartered Accountants  
(FRN-012560N)

*(Signature)*  
(JITENDER MEHTA)

Proprietor  
(M.No.-091174)

