

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF EMAMI INFRASTRUCTURE LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of **Emami Infrastructure Limited** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its Subsidiaries together referred to as "the Group") and its associates, comprising of the Consolidated Balance Sheet as at 31st March 2015, and the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended and a summary of the significant accounting policies and other explanatory information(hereinafter referred to as "the Consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board is responsible for the preparation and presentation of these consolidated financial statements in terms of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group including its associates 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. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Holding Company's preparation of the consolidated 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 the effectiveness of such control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to Other Matters paragraph below is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.



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Chartered Accountants

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Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated 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 consolidated state of affairs of the Group, its associates as at 31st March, 2015, and their consolidated profit and their consolidated cash flows for the year ended on that date.

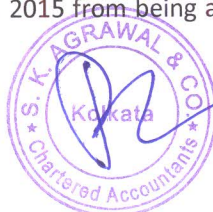
Other Matters

The consolidated financial statements also include the Group's share of net loss of Rs 27,480/- for the year ended 31st March, 2015, but the same has not been considered as the book value of investment in associate is NIL, in respect of the associate, whose financial statements has been audited by other auditor 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 the amounts and disclosures included in respect of this associate, and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid associate, is based solely on the reports of the other auditor.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements certified by the Management.

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, based on the comments in the auditors' reports of the Holding company, subsidiary companies and associate companies, 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, to the extent applicable, 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 of the aforesaid consolidated financial statements.
 - b. 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 auditor.
 - c. The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement 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. In our opinion, the aforesaid consolidated 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 of the Holding Company as on 31st March, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the Directors of the Group Companies and its associates is disqualified as on 31st March, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.



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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 consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates - Refer Notes. 33, 34 and 42(b) to the consolidated financial statements.
- ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There is no such sum which is required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and associate companies incorporated in India.

Place: Kolkata

Date: 25th May, 2015



For S.K. AGRAWAL & COMPANY

Chartered Accountants

Registration No. - 306033E

Radhakrishan Tondon

Partner

Membership No: 060534

Annexure to the Independent Auditors' Report

- (i) a. The Group has maintained proper records of the Fixed Assets showing full particulars, including quantitative details and location of such assets.
- b. The fixed assets were physically verified during the year by the management in accordance with a program of verification, covering all fixed assets over a period of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (ii) a. As explained to us, land under development held by the Group has been physically verified during the year by the management at the reasonable intervals.
- 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 Group and nature of its business.
- c. In our opinion and according to the information and explanations given to us, the Group has maintained proper records of its inventory. As explained to us, there was no material discrepancies noted on physical verification of inventories as compared to Book Records.
- (iii) In our opinion and according to the information and explanations given to us, the Group 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.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Group and the nature of its business for the purchase of inventory and fixed assets and for the sale of goods. We have not observed any continuing failure to correct major weaknesses in the internal control system.
- (v) The Group has not accepted any deposits as defined under section 73 of Companies Act, 2013.
- (vi) We have broadly reviewed the books of accounts maintained by two subsidiaries and one associate company of the Group pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 148 (1) of the Act, and are of the opinion that prima facie the prescribed accounts and records have been made and maintained.
- (vii) a. The Group has been regular in depositing undisputed statutory dues, including Provident Fund, Income Tax, Service Tax, Cess and other statutory dues with the appropriate authorities during the year. According to the information and explanation given to us, there were no undisputed amount payable in respect of these statutory dues which have remained outstanding as at 31st March, 2015 for a period of more than six months from the date they become payable.

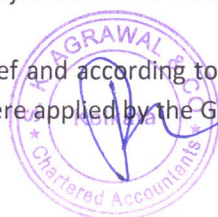


b. According to the information and explanations given to us, there are no material dues in respect of Sales Tax, Income Tax, Custom Duty, Service Tax, and Cess except the following:

Name of the Company	Name of the Statute	Nature of Dues	Amount under dispute not yet deposited (Rs in Lacs)	Financial Year to which the amount relates	Forum where the dispute is pending
Emami Infrastructure Limited	Income Tax Act, 1961	Income Tax	47.29	2009-10	I.T.A.T (Kolkata)
Emami Realty Limited	Income Tax Act, 1961	Income Tax	34.72	2007-08	ITAT
	Income Tax Act, 1961	Income Tax	7.71	2010-11	CIT (A)
	Income Tax Act, 1961	Income Tax	0.19	2011-12	ITO
Emami Rainbow Niketan Private Limited	Income Tax Act, 1961	Income Tax	0.44	2009-10	CIT (A)
	Income Tax Act, 1961	Income Tax	11.76	2010-11	CIT (A)
Zandu Realty Limited	Income Tax Act, 1961	Income Tax	12.77	2004-05	High Court
	Income Tax Act, 1961	Income Tax	12.54	2009-10	CIT (A)
	Income Tax Act, 1961	Income Tax	29.86	2010-11	CIT (A)

c. According to the information and explanations given to us, there was no amount required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act 1956 and rules thereunder.

- (viii) The Group does not have accumulated losses exceeding fifty percent of its net worth at the end of the financial year. The Group has not incurred cash losses during the current year as well as in the immediately preceding financial year.
- (ix) Based on our audit procedures and on the basis of information and explanations given by the management, we are of the opinion that the Group has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.
- (x) According to the information and explanation given to us, the Group has given corporate guarantee for loan taken by a third party amounting to Rs 47 crores from the bank/financial institution. As explained to us, the terms and conditions are not prejudicial to the interests of the Group.
- (xi) To the best of our knowledge and belief and according to the information and explanations given to us, the term loans availed by the Group were applied by the Group for the purposes for which the loans were obtained.



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- (xii) To the best of our knowledge and belief and according to the information and explanations given to us, no fraud on or by the Group was noticed or reported during the year.

Place: Kolkata
Date: 25th May, 2015



For S.K. AGRAWAL & COMPANY
Chartered Accountants
Registration No. - 306033E

Radhakrishnan Tondon

Partner

Membership No: 060534