

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ZANDU REALTY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Zandu Realty 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 ended, and a summary of the 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 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 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

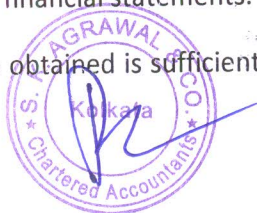
Our responsibility is to express an opinion on these financial statements based on our audit.

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 hereunder.

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 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 the 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.



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 profits and its 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 the paragraph 3 and 4 of the Order, to the extent applicable
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 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 31st March, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st 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 financial statements disclose the impact of pending litigations on the financial position of the company - Refer Note No. 23 to the financial statements.
 - ii. The Company 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 Company.

Place: Kolkata
Date: 25th May, 2015

**For S. K. AGRAWAL & COMPANY**

Chartered Accountants

Registration No- 306033E

Radhakrishnan Tondon

Partner

Membership No: 060534

Annexure to the Independent Auditors' Report

- i. The Company does not have any fixed assets and accordingly this clause of the order is not applicable to the company.
- ii. a. As explained to us, land under development held by the Company 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 Company and nature of its business.
c. In our opinion and according to the information and explanations given to us, the Company 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 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.
- 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 Company and the nature of its business for the purchase of inventory and for the sale of goods. We have not observed any continuing failure to correct major weaknesses in the internal control system.
- v. The Company has not accepted any deposits as defined under section 73 of the Companies Act, 2013.
- vi. We have broadly reviewed the books of account maintained by the Company 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. According to the information and explanations given to us in respect of statutory and other dues:
 - a) The Company has been regular in depositing undisputed statutory dues, including Investor Education and Protection Fund, Income Tax, Sales Tax, Service Tax, Cess and other Statutory dues with the appropriate authorities during the year. According to the information and explanations 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 became payable.
 - b) According to the information and explanation given to us, there are no disputed dues in respect of Sales Tax, Income Tax, Custom Duty, Wealth Tax, Service Tax, cess except the following:



S. K. AGRAWAL & CO.

Chartered Accountants

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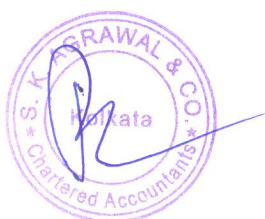
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Name of the Statute	Nature of Dues	Amount under dispute not yet deposited (Rs in Lacs)	Financial Year to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	12.77	2004-05	High Court
Income Tax Act, 1961	Income 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 and protection fund in accordance with the relevant provisions of the Companies Act 1956 and rules thereunder.
- viii. The Company does not have accumulated losses exceeding fifty percent of its net worth at the end of the financial year and the Company has not incurred cash losses during the current and the immediately preceding financial year.
- ix. Based on our audit procedures and on the basis of information and explanation given by the management, we are of the opinion that the Company has not defaulted in the repayment of dues to financial institutions and banks during the year.
- x. According to the information and explanation given to us, the Company has not given guarantees for loan taken by others from a bank or financial institution.
- xi. To the best of our knowledge and belief and according to the information and explanations given to us, the term loan availed by the company were applied for the purpose for which the loans were obtained during the year.
- xii. According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

Place: Kolkata
Date: 25th May, 2015



For S. K. AGRAWAL & COMPANY

Chartered Accountants

Registration No- 306033E

Radhakrishnan Tondon

Partner

Membership No: 060534