

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Venky's (India) Limited

Report on the Financial Statements

We have audited the accompanying financial statements of **Venky's (India) 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 the Companies Act, 2013 ("the Act") with respect to the preparation and presentation 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 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.

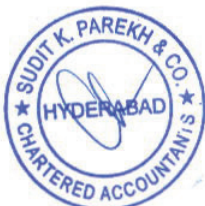
Auditor's Responsibility

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 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 the disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 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 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 profit and its cash flows for the year ended on that date.

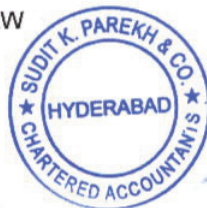
Report on Other Legal and Regulatory Requirements

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 paragraphs 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 Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 5.7 to the financial statements;
 - ii. there are no material foreseeable losses on long-term contracts including derivative contracts for which provision is required to be made by the Company under the applicable law or accounting standards.
 - iii. there has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **SUDIT K. PAREKH & CO.**
Chartered Accountants
Firm Registration No.: 110512W



CH. SOMA RAJU
Partner
Membership Number: 200354
Hyderabad; dated: 29th May, 2015



ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Referred to our report of even date)

Re: Venky's (India) Limited

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31st March, 2015, we report that:

- i. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The fixed assets have been physically verified during the year by the management under a regular programme of verification by rotation over a period of three years, 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. In respect of its inventories:
 - a) As explained to us, inventories have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.
 - b) In our opinion, 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) On the basis of our examination of the record of inventories, we are of the opinion that the Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material and were properly dealt with in the books of account.
- iii. In respect of loans granted:
 - a) According to the information and explanations given to us, the Company has granted unsecured loan to a company covered in the register maintained under section 189 of the Companies Act, 2013.
 - b) In respect of the aforesaid loan, the party was regular in payment of interest. The principal amount of loan is repayable on demand.
 - c) The aforesaid loan is repayable on demand and hence the question of taking reasonable steps for receipt of principal and interest does not arise.
- 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 purchases of inventory, fixed assets and sale of goods. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system of the Company.
- v. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposit from the public within the meaning of the provisions of Sections 73 to 76 of the Companies Act, 2013 or any relevant provisions of the Companies Act and the rules framed thereunder.
- vi. We have broadly reviewed the cost accounting records maintained by the Company, pursuant to the Companies (Cost Accounting Records) Rules, 2013 prescribed by the Central Government under section 148(1) of the Companies Act, 2013, however we have not made a detailed examination of the records with a view to determine its accuracy. Based on our review we are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.



vii. In respect of statutory dues:

- a) According to the records of the Company, the Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and other statutory dues applicable to it. No undisputed amounts payable in respect of the aforesaid dues were in arrears, 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 explanations given to us, the particulars of dues of income-tax, sales-tax, wealth tax, service tax, duty of customs, duty of excise, value added tax and cess as at 31st March, 2015 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of Dues	Amount Involved (Rupees in Lacs)	Period	Forum where Dispute is pending
Central sales tax Act, 1956 and Sales Tax Acts of various states	Sales Tax*	5.62	1991-92	High Court, Mumbai
		12.33	1992-93	High Court, Mumbai
		3.14	1993-94	High Court, Mumbai
		16.60	2001-02	Joint Commissioner, Trade tax, Dehradun
		4.77	2004-05	Sales tax appellate tribunal, West Bengal
		35.38	2006-07	Sales tax appellate tribunal, West Bengal
		2.44	2010-11	Deputy Commissioner of sales tax, Pallakad
		189.45	2004-05	Sales tax appellate tribunal, Mumbai
Income tax Act, 1961	Income tax	24.77	2010-11	Commissioner of Income tax (Appeals) – Central Pune

*net of amounts paid under protest

- c) According to the information and explanations given to us, the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under have been transferred to such fund within time.
- viii. The Company does not have accumulated losses as at the end of the financial year and has not incurred any cash losses during the current and the immediately preceding financial year.
- ix. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to banks and financial institutions. The Company does not have any dues to 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 banks or financial institutions.
- xi. According to the information and explanations given to us, the Company has applied term loans for the purpose for which the loans were obtained.
- 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 Company was noticed or reported during the year.

For **SUDIT K. PAREKH & CO.**
Chartered Accountants
Firm Registration Number: 110512W



CH. SOMA RAJU
Partner
Membership No. 200354
Hyderabad: dated: 29th May, 2015

