

TIDIE WATER OIL CO (INDIA) LTD
 Yule House, 8, Dr. Rajendra Prasad Sarani, Kolkata - 700 001
Audited Financial Results
 For the quarter and the year ended 31st March, 2014

(Rs. in Lakhs)

| Particulars | STANDALONE | | | | CONSOLIDATED | | | |
|---|--------------------------|--------------------------|--------------------------|-----------------------|-----------------------|-----------------------|-----------------------|--|
| | Quarter ended 31.03.2014 | Quarter ended 31.12.2013 | Quarter ended 31.03.2013 | Year ended 31.03.2014 | Year ended 31.03.2013 | Year ended 31.03.2014 | Year ended 31.03.2013 | |
| | Unaudited | Unaudited | Unaudited | Audited | Audited | Audited | Audited | |
| 1 Income from operations | | | | | | | | |
| Gross Sales | 31657 | 29651 | 29466 | 115491 | 109024 | 121882 | 112648 | |
| Less: Discount & Rebates | 2335 | 2382 | 2882 | 9885 | 8612 | 9885 | 8612 | |
| Excise Duty | 4060 | 3845 | 3806 | 14903 | 13982 | 14903 | 13982 | |
| (a) Net Sales/ Income from operation | 25262 | 23424 | 22778 | 90703 | 86430 | 97094 | 90054 | |
| (b) Other Operating Income | 44 | 28 | 60 | 161 | 248 | 161 | 248 | |
| Total income from operation (net) | 25306 | 23452 | 22847 | 90864 | 86678 | 97255 | 90302 | |
| 2 Expenses | | | | | | | | |
| (a) Cost of raw materials consumed | 16939 | 15431 | 14158 | 60603 | 56886 | 65350 | 59353 | |
| (b) (Increase)/ decrease in Stock in Trade and work in progress | (154) | 542 | 1019 | (948) | 1237 | (948) | 1237 | |
| (c) Employee benefits expenses | 741 | 1192 | 959 | 4243 | 3953 | 4989 | 4282 | |
| (d) Depreciation and amortization expenses | 228 | 223 | 236 | 881 | 909 | 947 | 919 | |
| (e) Other expenses | 5361 | 3724 | 4042 | 17440 | 15286 | 18600 | 16085 | |
| Total Expenses | 23115 | 21112 | 20414 | 82219 | 78271 | 88938 | 81876 | |
| 3 Profit/(Loss) from operations before other income, finance costs and exceptional items (1-2) | 2191 | 2340 | 2433 | 8645 | 8407 | 8317 | 8426 | |
| 4 Other Income | 1117 | 226 | 596 | 2079 | 1014 | 2080 | 1013 | |
| 5 Profit/(Loss) from ordinary activities before finance costs and exceptional items (3+4) | 3308 | 2566 | 3029 | 10724 | 9421 | 10397 | 9439 | |
| 6 Finance Cost | - | - | - | - | - | 27 | 21 | |
| 7 Profit/(Loss) from ordinary activities after finance costs but before exceptional items(5-6) | 3308 | 2566 | 3029 | 10724 | 9421 | 10370 | 9418 | |
| 8 Exceptional Items (Refer note 4) | 348 | - | - | 348 | - | 348 | - | |
| 9 Profit/(Loss) from ordinary activities before tax (7-8) | 2960 | 2566 | 3029 | 10376 | 9421 | 10022 | 9418 | |
| 10 Tax expenses (net of income) | 1184 | 809 | 1053 | 3542 | 3127 | 3542 | 3127 | |
| 11 Net Profit/(Loss) from ordinary activities after tax (9-10) | 1,776 | 1756 | 1976 | 6834 | 6294 | 6480 | 6291 | |
| 12 Net Profit/(Loss) after taxes, minority interest and share of Profit/(Loss) of associates | 1776 | 1756 | 1976 | 6834 | 6294 | 6480 | 6291 | |
| 13 Paid-up equity share capital (Face Value Rs 10/-) | 85 | 85 | 85 | 85 | 85 | 85 | 85 | |
| 14 Reserve excluding Revaluation Reserve as per Balance Sheet of Previous accounting year | - | - | - | 38432 | 33637 | 37960 | 33518 | |
| 15 Earning Per Share (before extraordinary items) (of Rs. 10/- each)(not annualized) | | | | | | | | |
| (a) Basic | 203.86 | 201.56 | 226.81 | 784.46 | 722.40 | 743.84 | 722.04 | |
| (b) Diluted | 203.86 | 201.56 | 226.81 | 784.46 | 722.40 | 743.84 | 722.04 | |
| ii Earning Per Share (after extraordinary items) (of Rs. 10/- each)(not annualized) | | | | | | | | |
| (a) Basic | 203.86 | 201.56 | 226.81 | 784.46 | 722.40 | 743.84 | 722.04 | |
| (b) Diluted | 203.86 | 201.56 | 226.81 | 784.46 | 722.40 | 743.84 | 722.04 | |

Select information for the quarter and year ended 31st March, 2014

| Particulars | STANDALONE | | | | CONSOLIDATED | | | |
|--|-----------------------------|-----------------------------|-----------------------------|--------------------------|--------------------------|--------------------------|--------------------------|--|
| | Quarter ended 31.03.2014 | Quarter ended 31.12.2013 | Quarter ended 31.03.2013 | Year ended 31.03.2014 | Year ended 31.03.2013 | Year ended 31.03.2014 | Year ended 31.03.2013 | |
| | Unaudited | Unaudited | Unaudited | Audited | Audited | Audited | Audited | |
| PARTICULARS OF SHAREHOLDING | | | | | | | | |
| 1. Public Shareholding | | | | | | | | |
| - No. of Shares | 642810 | 642810 | 642810 | 642810 | 642810 | 642810 | 642810 | |
| - Percentage of Shareholding | 73.78 | 73.78 | 73.78 | 73.78 | 73.78 | 73.78 | 73.78 | |
| 2. Promoters and Promoters Group Shareholding | | | | | | | | |
| (a) Pledged / Encumbered | | | | | | | | |
| - Number of Shares | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| - Percentage of shares (as a % of the total share capital of the Company) | Nil | Nil | Nil | Nil | Nil | Nil | Nil | |
| (b) Non - encumbered | | | | | | | | |
| - Number of shares | 228390 | 228390 | 228390 | 228390 | 228390 | 228390 | 228390 | |
| - Percentage of shares (as a % of the total shareholding of promoter and promoter group) | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | 100.00 | |
| - Percentage of shares (as a % of the total share capital of the Company) | 26.22 | 26.22 | 26.22 | 26.22 | 26.22 | 26.22 | 26.22 | |

| Particulars | Quarter ended 31.03.2014 |
|--|--------------------------|
| INVESTOR COMPLAINTS | |
| Pending at the beginning of the quarter | Nil |
| Received during the quarter | 2 |
| Disposed of during the quarter | 2 |
| Remaining unresolved at the end of the quarter | Nil |

STATEMENT OF ASSETS AND LIABILITIES

(Rs. In lakhs)

| Particulars | STANDALONE | | CONSOLIDATED | |
|---------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | Year ended 31.03.2014 | Year ended 31.03.2013 | Year ended 31.03.2014 | Year ended 31.03.2013 |
| | Audited | Audited | Audited | Audited |
| 1 EQUITY AND LIABILITY | | | | |
| Shareholder's Fund | | | | |
| (a) Share Capital | 85 | 85 | 85 | 85 |
| (b) Reserves and Surplus | 38576 | 33806 | 38104 | 33688 |
| Sub-total Shareholder's funds | 38661 | 33891 | 38189 | 33773 |
| 2 Non-current liabilities | | | | |
| (a) Deferred tax liabilities (net) | 8 | 122 | 8 | 122 |
| (b) Other long-term liabilities | 1576 | 1495 | 1575 | 1495 |
| (c) Long - term provisions | 1250 | 1075 | 1287 | 1086 |
| Sub-total-Non- Current liabilities | 2833 | 2692 | 2870 | 2703 |
| 3 Current liabilities | | | | |
| (a) Short-term borrowings | - | - | 922 | 505 |
| (b) Trade payables | 11002 | 9740 | 12950 | 10537 |
| (c) Other current liabilities | 2810 | 2083 | 3083 | 2167 |
| (d) Short-term provisions | 2375 | 1842 | 2375 | 1842 |
| Sub-total Current liabilities | 16187 | 13665 | 19330 | 15051 |
| TOTAL - EQUITY AND LIABILITIES | 57691 | 50248 | 60389 | 51527 |
| ASSETS | | | | |
| 1 Non-current assets | | | | |
| (a) Fixed Assets | 6941 | 7145 | 7120 | 7190 |
| (b) Goodwill on consolidation | - | - | 5120 | 5117 |
| (c) Non-current investments | 5700 | 5388 | 41 | 60 |
| (d) Long term loans and advances | 251 | 575 | 318 | 580 |
| Sub-total-Non-current assets | 12892 | 13108 | 12599 | 12947 |
| 2 Current assets | | | | |
| (a) Inventories | 19755 | 15738 | 19756 | 15737 |
| (b) Trade receivables | 14866 | 12907 | 17589 | 14353 |
| (c) Cash and cash equivalents | 6216 | 4864 | 6450 | 4875 |
| (d) Short-term loans and advances | 3962 | 3631 | 3995 | 3615 |
| Sub-total-Current assets | 44799 | 37140 | 47790 | 38580 |
| TOTAL ASSETS | 57691 | 50248 | 60389 | 51527 |

NOTES

- 1 The above Audited Financial Results were reviewed by Audit Committee and approved by the Board of Directors at its meeting held on 27th May, 2014.
- 2 Figures of the quarter ended 31st March, 2014 and 31st March, 2013 are the balancing figures between audited figures in respect of the full financial year and published year to date figures upto nine months of the relevant financial year.
- 3 The Consolidated Financial Results include results of wholly owned subsidiaries - Veedol International Limited, Veedol International DMCC and Veedol International BV.
- 4 Exceptional item for the year ended 31st March, 2014, represents loss incurred on sale of equity shares of Yule Agro Industries Limited.
- 5 The diminution in value of investment of Rs. 41 00 Lakhs held by the Company is not of a permanent nature and accordingly no provision has been made in the Accounts for the quarter and year ended 31st March, 2014.
- 6 Directors have recommended final dividend of Rs. 200/- per share during the year subject to approval of shareholders.
- 7 As the Company's business activity falls within a single significant primary business segment viz. "Lubricants", no separate segment information is disclosed.
- 8 Figures of previous year / period have been regrouped/rearranged wherever necessary.

For Tida Water Oil Co. (P) Limited


(Kailash Datta)
Chairman

Place: Kolkata

Date: 27th May, 2014

RAY & RAY

CHARTERED ACCOUNTANTS

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**Independent Auditor's Report
To the Members of
TIDE WATER OIL CO. (INDIA) LTD.**

Report on the Financial Statements

We have audited the accompanying financial statements of **TIDE WATER OIL CO. (INDIA) LTD.** ("the Company") which comprise the Balance Sheet as at 31 March 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year ended and a summary of significant accounting policies and other explanatory information (other notes to financial statements).

Management's Responsibility for the Financial Statements


Management is responsible for 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 Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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 conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with the 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 risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. 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 financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



Basis for Qualified Opinion

- i. *Note no 22.7 of Notes to Accounts regarding non provisioning of possible diminution in value of quoted investments*

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements read together with the notes thereon, 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 the affairs of the Company as at 31st March, 2014.
- b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in Paragraph 4 and 5 of the said order.

5.1 As required by Section 227(3) of the Act, we report that:

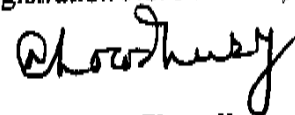
- a. we have obtained all the information and explanations, which to the best of our knowledge and belief, were necessary for the purposes of our audit;
- b. in our opinion, proper books of account as required by law have been kept by the company so far as appears from our examination of those books;
- c. the Balance Sheet, statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. *except for the matter described in the Basis for Qualified Opinion paragraph*, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of section 211 of the Act;



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- e. on the basis of written representations received from the Directors as on 31 March 2014, and taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
- f. the Central Government has neither issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid. However, no cess is due and payable by the Company.

For **RAY & RAY**
Chartered Accountants
(Firm's Registration No. 301072E)



Amitava Chowdhury
Partner
Membership No.056060



Place: Kolkata
Date- 27 May, 2014

ANNEXURE TO THE AUDITORS' REPORT
(Referred to in paragraph 5 of our report of even date)

1. (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.

(b) All the fixed assets have not been physically verified by the management during the year but there is a regular programme of verification which, in our opinion is reasonable having regard to the size of the Company and nature of its business. Pursuant to the programme, plant and machinery located at different locations/factories have been physically verified by the management during the year and no material discrepancies between the book records and the physical inventory have been noticed.

(c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
2. (a) As explained to us, inventories were verified by the Management during the year at reasonable intervals. In our opinion, the frequency of verification is reasonable.

(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 were 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 inventory records, in our opinion, the Company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
3. As informed 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 301 of "the Act". Accordingly, clauses (iii)(b) to (iii) (d) of paragraph 4 of the aforesaid Order are not applicable to the Company for the current year.
4. As informed to us, the Company has not taken any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of



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"the Act". Accordingly, clauses (iii)(e) to (iii) (g) of paragraph 4 of the aforesaid Order are not applicable to the Company for the current year.

5. On the basis of our examination of books of account and according to the information and explanations given to us, in our opinion, there exists an adequate internal control system commensurate with the size of the Company and the nature of the business with regard to the purchase of inventory, fixed assets and with the sale of goods. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weaknesses in the internal control system of the Company.
6. According to the information and explanations given to us and on the basis of checking of books of account of the Company, we are of the opinion that the Company had not entered into any contracts or arrangements required to be entered in the Register required to be maintained in pursuance to Section 301 of 'the Act'.
7. In view of our comments in paragraph 6 above, in our opinion, requirements of clause (v) (b) of paragraph 4 of the aforesaid Order are not applicable to the Company for the current year.
8. The Company has not accepted any deposits during the year from the public Under Section 58A and 58AA of 'the Act' and the Companies (Acceptance of Deposits) Rules, 1975. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or The Reserve Bank of India or any Court or any other Tribunal.
9. In our opinion, the internal audit functions carried out during the year by a firm of Chartered Accountants appointed by the management have been commensurate with the size of the Company and nature of its business.
10. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under Section 209(1)(d) of 'the Act' in respect of manufacture of lubricating oil and grease and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determining whether they are accurate or complete. To the best of our knowledge and according to the explanations given to us, the Central Government has not prescribed the maintenance of cost records for any other product of the Company.
11. According to the information and explanations given to us in respect of Statutory dues :
 - (a) The Company has generally been regular in depositing undisputed dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Value Added Tax, Sales-Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory due applicable to it with the appropriate authorities.



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- (b) There were no undisputed amount payable in respect of Income-tax, Wealth tax, Service tax, Value Added Tax, Custom Duty, Excise Duty, Cess which were outstanding as at 31st March 2014 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-Tax, Sales Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty and Cess which have not been deposited as on 31st March 2014 on account of disputes are given below.

| Statute | Nature of Dues | Forum where dispute is pending | Period to which the amounts relates | Amount involved (Rs. In Crores) |
|--|----------------|---|-------------------------------------|---------------------------------|
| The Central Sales Tax Act and Sales Tax Acts of Various States | Sales Tax | West Bengal Commercial Taxes Tribunal, Deputy Commissioner of commercial Taxes West Bengal, Appellate Authorities Orissa, High Court Lucknow, Assistant Commissioner Sales Tax, New Delhi | 1979-2006 | 1.77 |
| Central Excise Act, 1944 | Excise Duty | Commissioner of Central Excise Chennai, High Court, Chennai, Commissioner of Central Excise and Customs (Appeals) Central excise, Mumbai, Excise Range Superintendent, Kolkata | 1998-1999 2001-2009 | 0.64 |
| Navi Mumbai Municipal Corporation CESS Act | Cess | High Court, Mumbai | 1998-2004 | 1.36 |



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| | | | | | |
|----------------|--------------------|------------|------|-----------|-------|
| Income Tax Act | Income Tax | Income Tax | DCIT | 1998-99 | 0.62 |
| | | | DCIT | 1999-00 | 0.13 |
| | | | DCIT | 2000-01 | 0.11 |
| | | | DCIT | 2003-04 | 0.17 |
| | | | DCIT | 2005-06 | 0.19 |
| | | | | | 1.22 |
| Income Tax Act | Fringe Benefit Tax | CIT (A) | | 2005-2006 | 0.006 |

12. The Company has no accumulated loss as at 31st March, 2014 and it has not incurred any cash losses in the financial year ended on that date or in the immediately preceding financial year.
13. According to the records of the Company examined by us and on the basis of information and explanations given to us, the Company has not defaulted in repayment of dues to any Bank. The Company has neither taken any loan from financial institution nor has it issued any Debentures.
14. The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other similar securities.
15. The provisions of any special statute applicable to Chit fund/Nidhi/ Mutual benefit fund/ Societies are not applicable to the Company.
16. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in shares, securities, debentures and other investments.
17. According to the information and explanations given to us, the Company has given guarantee for the loan taken by its subsidiary from bank. According to the information and explanations given to us, we are of the opinion that the terms and conditions on which the Company has given Guarantee for loan taken from bank are not prima facie, prejudicial to the interest of the Company.
18. To the best of our knowledge and belief and according to the information and explanations given to us, the Company has not taken any term loans during the year.
19. In our opinion and according to the information and explanations given to us and on the basis of an overall examination of the Balance Sheet and Cash Flow Statement of the Company, no funds raised on short term basis has been used for long term investments.
20. The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under Section 301 of 'the Act' during the year.
21. The Company has not issued any debentures during the year



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22. The Company has not raised any money by public issue during the year.
23. During the course of our examination of books of account carried out in accordance with generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, nor have we been informed of any such case by the management.

Place: Kolkata
Date: 27 May, 2014



For **RAY & RAY**
Chartered Accountants
Firm's Registration No.301072E

AMITAVA CHOWDHURY
Partner
Membership No. 056060

RAY & RAY

CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

**To The Board of Directors of
TIDE WATER OIL CO. (INDIA) LTD.**

Report on the Consolidated Financial Statements

We have audited the attached Consolidated Balance Sheet of TIDE WATER OIL CO. (INDIA) LTD. ("the Company/Parent") and subsidiaries (Collectively referred to as "the group") as at 31st March, 2014 the Consolidated Statement of Profit and Loss for the year then ended and also the Consolidated Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information (other notes to financial statements) in which following are incorporated:

- i) Audited accounts of Tide Water Oil Co (India) Limited (the Company/Parent), audited by us, vide our audit report dated May, 27, 2014.
- ii) Audited accounts of one subsidiary audited by other auditor.
- iii) Unaudited accounts of three subsidiaries.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of 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 Group's preparation and fair presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances.

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 we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

i. Note no 24.6 of Notes to Accounts regarding non provisioning of possible diminution in value of investments.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the basis for Qualified Opinion paragraph, the financial statements read together with the notes thereon, on consideration of reports of other auditor on the separate financial statements and other financial information of the subsidiaries, we are of the opinion that the attached consolidated financial statements read in conjunction with Notes 1 to 24, give a true and fair view in conformity with the accounting principles generally accepted in India;

- a) In the case of the Consolidated Balance Sheet, of the state of the affairs of the Group as at 31 March, 2014.
- b) In the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- c) In the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

Report on Other Legal and Regulatory Requirements

We report that the Consolidated Financial Statements have been prepared by the Company in accordance the requirements of Accounting Standards (AS-21),-" Consolidated Financial Statements" notified pursuant to the Companies (Accounting Standards) Rules, 2006 and on the basis of the separate financial statements of the Parent and its subsidiaries included in the Consolidated Financial Statements.

Other Matters

- (i) We have not audited the Financial Statements of the international subsidiary, namely Veedol International Limited, whose financial statements reflect total assets of Rs 0.33 crores as on 31st March, 2014, total revenue of Rs 2.70 crores and cash flows of Rs 0.21 crores for the year ended on that date. The Financial statements and other financial



whose subsidiary is based solely on the report of other auditor and its conversion into Indian GAAP as stated above.

- (ii) We have relied on the unaudited financial statements of three international subsidiaries namely Veedol International DMCC, Veedol International BV and Veedol Deutschland GMBH whose financial statements reflect total assets of Rs 32.45 crores, total revenue of Rs 63.90 crores and cash flows of Rs 2.13 crores as on 31st March, 2014. This unaudited financial statements as approved by management of respective subsidiaries have been converted as per the requirements of Indian GAAP and furnished to us by the Management. Our report is so far as it relates to the amount included in respect of these subsidiaries is based solely on such approved unaudited financial statements.

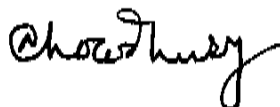
- (iii) In respect of subsidiaries, Veedol International Limited, Veedol International BV and Veedol Deutschland GMBH the reporting date is 31st December, 2013 and accordingly the accounts of Veedol International Limited, Veedol International BV and Veedol Deutschland GMBH has been prepared up to 31st December, 2013. In respect of transactions between the reporting date of subsidiaries and the reporting date of the Parent, no adjustments have been made in the accounts of subsidiaries by the management as in the opinion of the

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CHARTERED ACCOUNTANTS

information of this subsidiary have been audited by other auditor, whose report has been furnished to us and our opinion is based solely on audit reports of other auditor. These financial statements have been converted as per the requirements of Indian GAAP by the Management and our opinion, in so far it relates to the amounts included in respect of those subsidiary is based solely on the report of other auditor and its conversion into Indian GAAP as stated above.

- (ii) We have relied on the unaudited financial statements of three international subsidiaries namely Veedol International DMCC, Veedol International BV and Veedol Deutschland GMBH whose financial statements reflect total assets of Rs 32.45 crores, total revenue of Rs 63.90 crores and cash flows of Rs 2.13 crores as on 31st March, 2014. This unaudited financial statements as approved by management of respective subsidiaries have been converted as per the requirements of Indian GAAP and furnished to us by the Management. Our report is so far as it relates to the amount included in respect of these subsidiaries is based solely on such approved unaudited financial statements.
- (iii) In respect of subsidiaries, Veedol International Limited, Veedol International BV and Veedol Deutschland GMBH the reporting date is 31st December, 2013 and accordingly the accounts of Veedol International Limited, Veedol International BV and Veedol Deutschland GMBH has been prepared up to 31st December, 2013. In respect of transactions between the reporting date of subsidiaries and the reporting date of the Parent, no adjustments have been made in the accounts of subsidiaries by the management as in the opinion of the management, there were no material transactions in the books of Subsidiaries during this intervening period.
- (iv) The accounts of the Subsidiary, Veedol International DMCC has been prepared up to 31st March, 2014.

For **RAY & RAY**
Chartered Accountants
(Firm's Registration No. 301072E)



Amitava Chowdhury
Partner
Membership No. 056060
Place: Kolkata
Date: 27th May, 2014

