

Annual Report 2015-2016





KIRLOSKAR ROADRAILER LIMITED

A Kirloskar Group Company

Enriching Lives

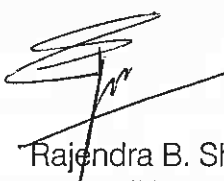
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NOTICE OF 7TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 7th Annual General Meeting of the Members of Kirloskar RoadRailer Limited will be held on Thursday the 21st day of July, 2016 at 10.00 a.m. at the Registered Office of the Company to transact the following business :

ORDINARY BUSINESS:

1. To receive, consider and adopt the Financial Statements of the Company for the year ended 31st March 2016 and the Auditors' and Directors' Report thereon.
2. To appoint a Director in place of Mr Suhas S Kolhatkar (holding DIN 00059141); who retires by rotation and being eligible, offers himself for re-appointment.
3. To ratify the appointment of M/s G C Godbole & Co., (Firm Registration No. 122028W), Chartered Accountants as Statutory Auditors.

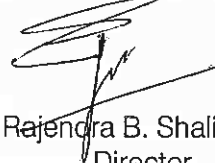
<p>Registered Office : Hadapsar Industrial Estate, Pune 411 013 Date : 26/04/2016</p>	<p>By Order of the Board of Directors</p>  <p>Rajendra B. Shaligram Director DIN 03378647</p>
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Notes:

1. A member entitled to attend and vote at the meeting is entitled to appoint a proxy/ proxies to attend and vote instead of himself and the proxy/ proxies so appointed need not be a member of the Company. A person can act as proxy on behalf of members not exceeding fifty (50) and holding aggregate not more than ten percent of the total share capital of the Company.
2. The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Meeting. A proxy form is sent herewith. Proxies submitted on behalf of companies must be supported by an appropriate resolution / authority as applicable.
3. Members are requested to sign at the place provided on the attendance slip and handover the same at the meeting.
4. Corporate Members are requested to send a duly certified copy of the Board resolution, pursuant to Section 113 of the Companies Act, 2013, authorising their representative to attend and vote at the Annual General Meeting.

By Order of the Board of Directors



Rajendra B. Shaligram
Director

DIN - 03378647

Registered Office :
Hadapsar Industrial Estate,
Pune 411 013
Date : 26/04/2016



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KIRLOSKAR ROADRAILER LIMITED

A Kirloskar Group Company

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DIRECTORS' REPORT

To,
The Members,
Kirloskar RoadRailer Limited

The Directors present their Report together with the Audited Financial Statements of the Company for the Seventh Financial Year ended March 31, 2016.

OPERATIONS

During the year, Company through its Holding Company was successful in receiving extension from the Government of India Ministry of Railway (Railway Board) for Date of Commencement of Commercial operations with Indian Railways for RoadRailer train upto 30th June, 2016.

However, the Company is yet to commence its commercial operations.

DIVIDEND

In view of the losses, your Directors do not recommend any dividend for the year under review.

FIXED DEPOSIT

The Company has not accepted any fixed deposits.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

No Loans, Guarantees covered under the provisions of Section 186 of the Companies Act, 2013 are given / provided during the reporting year.

**MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING FINANCIAL POSITION**

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company to which the financial statements relate and the date of this report.

COMMENTS ON AUDITOR'S REPORT

There are no qualifications, reservations or adverse remarks or disclaimers made by M/s. G. C. Godbole & Company, Chartered Accountants, Statutory Auditors, in their Audit Report. The Notes to Accounts referred to in the Auditor's Report are self-explanatory and therefore do not call for any further comments of Directors.

DIRECTORS

In accordance with the requirements of the Companies Act, 2013 and the Articles of Association of the Company, Mr Suhas S. Kolhatkar (DIN 00059141) retires by rotation and being eligible offers himself for re-appointment. The Board recommends the reappointment of Mr Suhas S. Kolhatkar at the Annual General Meeting.

NUMBER OF MEETINGS OF BOARD

The Board of Directors of the Company held five meetings during the year as per the details mentioned below:

Sr.No.	Date of Board Meeting
1	23 April, 2015
2	28 July, 2015
3	26 October, 2015
4	21 January, 2016
5	7 March, 2016

All Directors were present except Mr. Suresh B. Deshpande who was present for Board Meetings 23 April, 2015, 21 January, 2016 and 7 March, 2016.



DIRECTORS' RESPONSIBILITY STATEMENT

To the best of their knowledge and belief and according to the information and explanation obtained by them, the Directors in terms of clause (c) of sub-section (3) of Section 134 state that:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there have been no material departures;
- (b) Accounting policies have been selected and applied consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at 31st March, 2016 and of the profit of the company for the year ended on that date;
- (c) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the company and for prevention and detection of fraud and other irregularities;
- (d) The annual accounts have been prepared on a going concern basis;
- (e) A statement with respect to adequate system to comply with all applicable laws and adequate Internal Financial Controls laid down by the Directors are not applicable to the Company since the Company is not listed on any Stock Exchange.

AUDITORS

The Auditors of your Company M/s. G. C. Godbole & Co., (Firm Registration No. 122028W) Chartered Accountants, were appointed for a period of five years in the last Annual General Meeting. The requisite certificate pursuant to Section 139(1) of the Companies Act, 2013 has been received by the Company from M/s. G. C. Godbole &



Co., Chartered Accountants. Resolution seeking Members ratification for the appointment of M/s. G. C. Godbole & Co., Chartered Accountants, is included at Item No. 3 of the Notice convening the Annual General Meeting.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return as provided under Sub-section (3) of Section 92 of the Companies Act, 2013 is annexed as "Annexure 1".

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has Internal Control Systems including Financial Controls commensurate with its size and scale of operations.

RISK MANAGEMENT

The Company has not yet commenced its operations. Therefore, the Company does not foresee any operational risks as on date.

SUBSIDIARY COMPANY

As on 31 March, 2016, the Company does not have either a subsidiary or an associate Company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed as "Annexure 2".



SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators/ Courts which would impact the going concern status of the Company and its future operations.

VIGIL MECHANISM / WHISTLE BLOWER POLICY

The Company has established a vigil mechanism for Directors to report their genuine concerns.

PARTICULARS OF EMPLOYEES

The Company had no employees of the categories indicated under Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

No complaint / case has been registered under Section 22 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with Rule 14 of the Rules issued thereunder.

SHARE CAPITAL

During the year, there is neither a change in the authorised Share capital nor paid up Share Capital of the Company.

ACKNOWLEDGEMENT

The Directors accord their appreciation for the assistance rendered to the Company by its Shareholders, Banks and various authorities under the Central and State Governments.

By Order of the Board of Directors

Registered Office :
Hadapsar Industrial Estate,
Pune 411 013
Date : 26/04/2016


Suhas S. Kolhatkar
Chairman
DIN - 00059141



Annexure "1" to the Board's Report

Extract of Annual Return

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i	CIN	U35990PN2008PLC132445
ii	Registration Date	17/07/2008
iii	Name of the Company	Kirloskar RoadRailer Limited
iv	Category / Sub-Category of the Company	Public Company / Limited by shares
v	Address of the Registered Office and contact details	Hadapsar Industrial Estate, Pune 411 013 Tel: +91(20) 2687 0297 Fax: +91(20) 26870297 Email: sec@kpcl.net Website: www.kirloskarkpcl.com
vi	Whether listed company	No
vii	Name, address and contact details of Registrar and Transfer Agent, if any	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company stated below:-

Sr. No.	Name and description of main products / services	*NIC code of the product / service	% to total turnover of the Company
1	Cargo handling incidental to land transport	52241	100

*As per NIC 2008 Group code

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the Company	CIN/GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1.	Kirloskar Pneumatic Company Limited Hadapsar Industrial Estate, Pune 411 013	L29120PN1974PLC1 10307	Holding	100%	2 (46)



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(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of Shares Pledged / encumbered to total shares	
1	Kirloskar Pneumatic Company Limited*	1,50,00,000	100	0.00	1,50,00,000	100	0.00	0.00
	Total	1,50,00,000	100	0.00	1,50,00,000	100	0.00	0.00

*Shareholding considered in the name of first shareholder only.

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1,50,00,000	100	1,50,00,000	100
	Date wise Increase / Decrease in Promoters Share Holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.):	No change during the year			
	At the end of the year	1,50,00,000	100	1,50,00,000	100

(iv) Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sl. No.	For Each of the Top 10 Shareholders	Reason	Shareholding		Cumulative Shareholding during the year	
			No. of shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
	At the beginning of the year		NIL			
	Date wise Increase / Decrease in Share holding during the year					
	At the End of the year (or on the date of separation, if separated during the year)					
	At the End of the year					

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year			No. of shares held at the end of the year			% change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical		Total
A. Promoters								
(1) Indian								
a) Individual / Hindu Undivided Family	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Central Government	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Government (s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corporate	Nil	1,50,00,000	1,50,00,000	100	Nil	1,50,00,000	1,50,00,000	100
e) Bank / Financial Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (A) (1) :-	Nil	1,50,00,000	1,50,00,000	100	Nil	1,50,00,000	1,50,00,000	100
								0.00



(v) Shareholding of Directors and Key Managerial Personnel:

SI No	Particulars*	NIL			
		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase / Decrease in Share Holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)	NIL			
	At the end of the year	Nil	Nil	Nil	Nil

*Shareholding considered in the name of first shareholder only.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	NIL			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				
Change in Indebtedness during the financial year	NIL			
• Addition				
• Reduction				
Net Change				
Indebtedness at the end of the financial year	NIL			
i) Principal Amount				
ii) Interest due but not paid				
iii) Interest accrued but not due				
Total (i+ii+iii)				



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration of Managing Director, Whole-time Directors and/or Manager: Not Applicable

Sl. No.	Particulars of Remuneration	Name of Managing Director / Whole Time Director / Manager		Total Amount
1.	Gross Salary			
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-
	b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	-
	c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-
5.	Others, please specify Contribution to Funds	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act	-	-	-

B. Remuneration to other Directors: Not Applicable

Sl. No.	Particulars of Remuneration	Total Amount				
1.	Independent Directors	-	-	-	-	-
	Fee for attending board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (1)	-	-	-	-	-
2.	Other Non-Executive Directors	-	-	-	-	-
	Fee for attending board / committee meetings	-	-	-	-	-
	Commission	-	-	-	-	-
	Others, please specify	-	-	-	-	-
	Total (2)	-	-	-	-	-



Total (B) = (1+2)	-	-	-	-	-
Total Managerial Remuneration	-	-	-	-	-
Overall Ceiling as per the Act	-	-	-	-	-

C. Remuneration to Key Managerial Personnel other than Managing Director/ Manager/Whole Time Director- Not Applicable

Sl. No.	Particulars of Remuneration	Key Managerial personnel		
		Company Secretary	CFO	Total
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	-	-	-
	(b) Value of perquisites under Section 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify	-	-	-
5.	Others, please specify Contribution to Statutory Funds	-	-	-
	Total	-	-	-

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give details)
A. COMPANY					
Penalty			NIL		
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					

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C. OTHER OFFICERS IN DEFAULT	
Penalty	NIL
Punishment	
Compounding	

For Kirloskar RoadRailer Limited

A handwritten signature in black ink, appearing to read 'Suhas S. Kolhatkar'.

Suhas S. Kolhatkar
Chairman
DIN - 00059141

Date : 26/04/2016
Place : Pune



Annexure "2" to the Board's Report

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

(A) Conservation of Energy

- (i) The steps taken or impact on conservation of Energy: The use of energy was bare minimum and wherever possible, steps have been taken to conserve the energy.
- (ii) The steps taken by the company for utilising alternate sources of energy;
- (iii) The capital investment on energy conservation equipments;

(B) Technology absorption- During the year under review, there was no technical collaboration.

- (i) the efforts made towards technology absorption;
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution - NIL
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- Not Applicable
 - (a) the details of technology imported;
 - (b) the year of import;
 - (c) whether the technology been fully absorbed;
 - (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and
- (iv) the expenditure incurred on Research and Development



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- (C) The Foreign Exchange earned in terms of actual inflows during the year and the Foreign Exchange outgo during the year in terms of actual outflows - NIL

For Kirloskar RoadRailer Limited

A handwritten signature in black ink, appearing to read 'Suhas S. Kolhatkar'.

Suhas S. Kolhatkar
Chairman
DIN - 00059141

Date : 26/04/2016
Place : Pune

KIRLOSKAR ROADRAILER LIMITED

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BALANCE SHEET AS AT 31ST MARCH, 2016

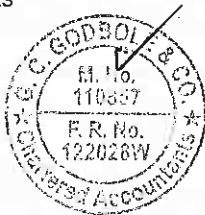
	Note No.	Rs.	As at 31ST MARCH 16 Rs.	As at 31ST MARCH 15 Rs.
I. EQUITY AND LIABILITIES				
(1) SHAREHOLDERS' FUNDS :				
(a) Share Capital	1	45,700,000		45,700,000
(b) Reserves & Surplus	2	<u>(4,395,846)</u>		<u>(2,740,754)</u>
			41,304,154	42,959,246
(2) SHARE APPLICATION MONEY PENDING ALLOTMENT :				
(3) NON CURRENT LIABILITIES :				
(4) CURRENT LIABILITIES :				
Creditors	3		330,194,660	330,174,860
	Total		<u>371,498,814</u>	<u>373,134,106</u>
II. ASSETS :				
(1) NON CURRENT ASSETS :				
Capital work in progress			324,388,746	324,388,746
Non Current Investments			61,934	61,934
(2) CURRENT ASSETS :				
Sundry Receivables	4		33,046,598	33,095,383
Cash and Bank Balances			14,001,536	15,588,043
	Total		<u>371,498,814</u>	<u>373,134,106</u>

Notes forming part of the Financial Statements

1-9

In terms of our Report of even date attached
For G C Godbole & Co.
Chartered Accountants

G C Godbole
Proprietor



Place : Pune
Date : 26-04-2016

For and on behalf of Board of Directors

Kanathkar
Suhas S. Kolhatkar
Chairman
DIN - 00059141

Rajendra B. Shaligram
Rajendra B. Shaligram
Director
DIN - 03378647



Place : Pune
Date : 26-04-2016

KIRLOSKAR ROADRAILER LIMITED

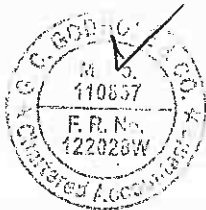
STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2016.

	Note No.	Rs.	Current Year Rs.	Previous Year Rs.
Other Income			50	50
I Total Revenue			50	50
II EXPENSES :				
Interest		320		160
Other Expenses	5	<u>1,654,822</u>		<u>2,528,928</u>
Total Expenses			1,655,142	2,529,088
III Profit before Exceptional and Extraordinary Items and Tax (III - IV)			(1,655,092)	(2,529,038)
IV Exceptional Items				
V Profit before Extraordinary Items and Tax (V-VI)			(1,655,092)	(2,529,038)
VI Extraordinary Items				
VII Profit before Tax (VII-VIII)			(1,655,092)	(2,529,038)
Profit (Loss) for the Period			<u>(1,655,092)</u>	<u>(2,529,038)</u>

In terms of our Report of even date attached
For G C Godbole & Co.

Chartered Accountants

G C Godbole
Proprietor



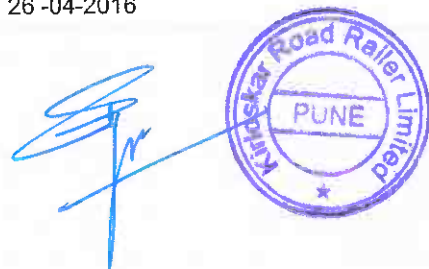
For and on behalf of Board of Directors

Suhas S. Kolhatkar
Suhas S. Kolhatkar
Chairman
DIN - 00059141

Rajendra B. Shaligram
Rajendra B. Shaligram
Director
DIN - 03378647

Place : Pune
Date : 26 -04-2016

Place : Pune
Date : 26 -04-2016



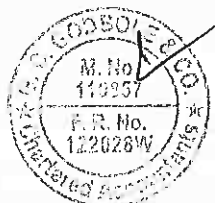
KIRLOSKAR ROADRAILER LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

PARTICULARS	2015-2016 Rs.	2014-2015 Rs.
(I) OPERATING ACTIVITIES		
(A) PROFIT BEFORE TAXATION	(1,655,092)	(2,529,038)
(B) ADJUSTMENTS :		
CASH FROM OPERATIONS	(1,655,092)	(2,529,038)
(C) (INCREASE) / DECREASE IN CURRENT ASSETS		
(i) Inventories	-	-
(ii) Sundry Debtors	-	-
(iii) Other Current Assets, Loans & Advances	48,785	(805,563)
	48,785	(805,563)
(D) INCREASE / (DECREASE) IN CURRENT LIABILITIES		
(i) Liabilities	19,800	-
	68,585	(805,563)
NET CASH FROM OPERATIONS	(1,586,507)	(3,334,601)
(II) INVESTMENT ACTIVITIES		
(i) Investments, net.	-	(61,934)
(ii) Capital Expenditure - Tangible Assets	-	(26,503,206)
	-	(26,565,140)
(III) FINANCING ACTIVITIES		
(i) Increase in Share Capital	-	44,700,000
NET CHANGE IN CASH + CASH EQUIVALENTS (I + II + III)	(1,586,507)	14,800,259
Cash & Cash Equivalents as at 1-4-2015 (Opening Balance)	15,588,043	787,784
Cash & Cash Equivalents as at 31-3-2016 (Closing Balance)	14,001,536	15,588,043

In terms of our Report of even date attached
For G C Godbole & Co.
Chartered Accountants

G C Godbole
Proprietor



Place : Pune
Date : 26 -04-2016

For and on behalf of Board of Directors

Suhas S. Kolhatkar
Suhas S. Kolhatkar
Chairman
DIN - 00059141

Rajendra B. Shaligram
Rajendra B. Shaligram
Director
DIN - 03378647

Place : Pune
Date : 26 -04-2016



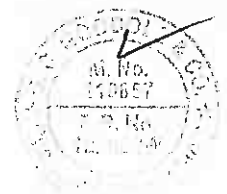
KIRLOSKAR ROADRAILER LIMITED

Note Nos. 1 to 9 are annexed to and forming part of the Financial Statements for the year ended 31st March, 2016

	As at 31 st March, 2016 Rs.	As at 31 st March, 2015 Rs.
NOTE 1 : SHARE CAPITAL :		
EQUITY SHARES:		
AUTHORISED :		
15,000,000 Equity Shares of Rs.10/- each	150,000,000	150,000,000
	<u>150,000,000</u>	<u>150,000,000</u>
ISSUED AND SUBSCRIBED :		
15,000,000 (15,000,000) Equity Shares of Rs. 10/- each	150,000,000	150,000,000
	<u>150,000,000</u>	<u>150,000,000</u>
PAID UP :		
Fully paid		
100,000 (100,000) Equity Shares of Rs.10/- each fully paid	1,000,000	1,000,000
Partly paid		
14,900,000 (14,900,000) Equity Shares of Rs.10/- each Rs.3/- paid	44,700,000	44,700,000
Total	<u><u>45,700,000</u></u>	<u><u>45,700,000</u></u>

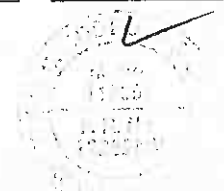
Share Holding Details :

	Nos.	Nos.
Holding Company i.e. Kirloskar Pneumatic Co. Ltd. holds 100% shares	15,000,000	15,000,000



KIRLOSKAR ROADRAILER LIMITED

	As at 31st March, 2016	As at 31st March, 2015
	Rs.	Rs.
NOTE 2 : RESERVES AND SURPLUS :		
Surplus :		
As per last Account	(2,740,754)	(211,716)
Add : Transferred from Statement of Profit & Loss Account	<u>(1,655,092)</u>	<u>(2,529,038)</u>
	(4,395,846)	(2,740,754)
Total	<u>(4,395,846)</u>	<u>(2,740,754)</u>
NOTE 3 : CREDITORS :		
For Capital Goods	330,169,860	330,169,860
For Expenses		
Audit Fees	5,000	5,000
Rent	16,200	-
TDS	3,600	-
	<u>330,194,660</u>	<u>330,174,860</u>
NOTE 4 : SUNDRY RECEIVABLES :		
Excise Duty Cenvat	32,284,320	32,284,320
Service Tax Cenvat	28,948	11,063
Prepaid Expenses	733,330	800,000
	<u>33,046,598</u>	<u>33,095,383</u>
NOTE 5 : OTHER EXPENSES :		
Other Expenses :		
Rent	288,000	222,708
Legal & Professional fees	57,500	40,449
Audit Fees	5,000	5,000
Registration & filing fees	21,352	1,742,312
Bank Charges	460	4,517
Insurance General	1,166,670	400,000
Licence Fees	105,000	105,000
Sundry Expenses	10,840	8,942
	<u>1,654,822</u>	<u>2,528,928</u>
Total	<u>1,654,822</u>	<u>2,528,928</u>



6) Accounting Policies -

A. Accounting Policies -

1 Basis of Accounting :

The Accounts of the Company are prepared under Historical Cost Convention in accordance with applicable Accounting Standards.

2 Revenue Recognition :

The Company is following accounting standard AS-9 prescribed / recommended by the Institute of Chartered Accountants of India to recognize its income.

3 Fixed Assets :

Fixed Assets are stated at their original cost less depreciation.

4 Provision for Deferred Tax :

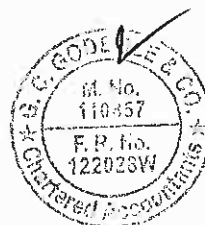
Current Tax is determined as the amount of tax payable in respect of Taxable income for the current year. Deferred tax is recognized, subject to the consideration of prudence, in respect of Deferred Tax Assets, on timing differences between Taxable income and Accounting income that originate in one period and are capable of reversal in one or more subsequent period.

Particulars of Remuneration to Auditors

7) -

Particulars	Amount (Rs.)
Statutory Audit Fees	5,000/-

8) The Company is in process of starting its commercial operations.



KIRLOSKAR ROADRAILER LIMITED

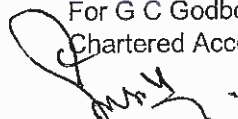
9) Disclosure of transactions with related parties as required by the AS-18

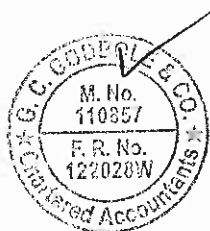
Name of Related Party	Nature of Relationship
Kirloskar Pneumatic Company Limited	Holding Company

Related Party Transactions

Nature of Transaction	Year	Amount (Rs.)
Rent Paid	2015-16	12,000
	2014-15	45,000
Balance Outstanding		
Payable	2015-16	330,169,860
	2014-15	330,169,860

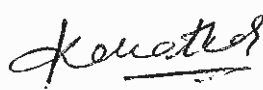
In terms of our Report of even date attached
For G C Godbole & Co.
Chartered Accountants


G C Godbole
Proprietor



Place : Pune
Date : 26 -04-2016

For and on behalf of Board of Directors


Suhas S. Kolhatkar
Chairman
DIN - 00059141


Rajendra B. Shaligram
Director
DIN - 03378647

Place : Pune
Date : 26 -04-2016

Ref. No. :

Date :

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Independent Auditor's Report

To the Members of Kirloskar Roadrailer Limited

Report on the Financial Statements

We have audited the accompanying (Standalone) financial statements of Kirloskar Roadrailer Limited ("the Company") which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for (Standalone) 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 (Standalone) 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 (Standalone) 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 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 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 (Standalone) financial statements

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid (Standalone) 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 March 31, 2016, and its Profit/Loss and its Cash Flow for the year ended on that date.

Report on Other Legal and Regulatory Requirements

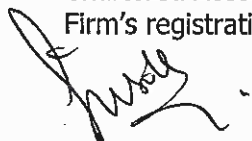
1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required 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 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 (Standalone) 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, 2016 taken on record by the Board of Directors, none of the directors is disqualified as



on March 31, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g. 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 does not have any pending litigations which would impact 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 were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For and on behalf of
G. C. Godbole & Co.
Chartered Accountants
Firm's registration number: 122028W



G. C. Godbole
Proprietor
Membership number: 110857



Place: Pune
Date: 26.04.2016

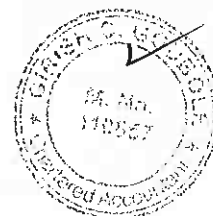
"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2016:

- 1) (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 by the management in a phased manner, designed to cover all the items over a period of three years, which in our opinion, is reasonable having regard to the size of the company and nature of its business.
- 2) There is no Inventory with the Company.
- 3) The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company.

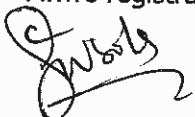


- 7) (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Sales tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2016 for a period of more than six months from the date on when they become payable.
- b) According to the information and explanation given to us, there are no dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks. The Company has not taken any loan either from financial institutions or from the government and has not issued any debentures.
- 9) Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- 11) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 12) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.
- 13) Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.



- 14) Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 15) In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For and on behalf of
G. C. Godbole & Co.
Chartered Accountants
Firm's registration number: 122028W



G. C. Godbole
Proprietor
Membership number: 110857



Place: Pune
Date: 26.04.2016

"Annexure B" to the Independent Auditor's Report of even date on the Standalone Financial Statements of Kirloskar Roadrailer Limited

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Kirloskar Roadrailer Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

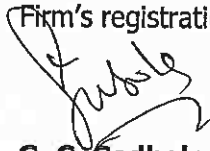
Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

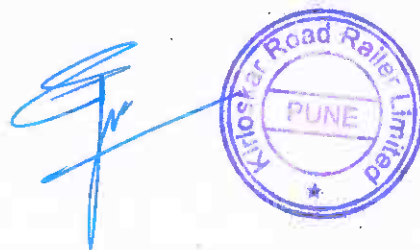
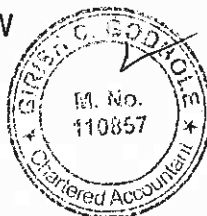
Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016.

For and on behalf of
G. C. Godbole & Co.
 Chartered Accountants
 Firm's registration number: 122028W



G. C. Godbole
 Proprietor
 Membership number: 110857



Place: Pune
 Date: 26.04.2016