

Ref. No. :

Date :

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KIRLOSKAR ROADRAILER LIMITED

Report on the Standalone Financial Statements

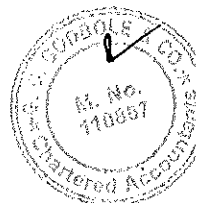
1. We have audited the accompanying standalone financial statements of **Kirloskar Roadrailer Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2015 the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

2. 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 to give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls 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

3. Our responsibility is to express an opinion on these standalone financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements 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.
6. 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.

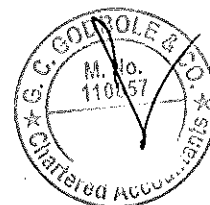
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

- 8 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 31st March, 2015, and its loss and its cash flows for the year ended on that date.

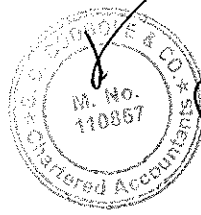
Report on Other Legal and Regulatory Requirements

9. As required by 'the Companies (Auditor's Report) Order, 2015', issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act (hereinafter referred to as the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
10. 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) 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.
 - (e) 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.
 - (f) 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.
 - (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 knowledge and belief and according to the information and explanations given to us:
 - i. The Company does not have any pending litigations as at 31st March, 2015 which would impact its financial position.



ii. The Company did not have any long-term contracts including derivative contracts as at 31st March,2015

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31st March 2015



For G.C.Godbole & Co.
Firm Registration Number: 122028W
Chartered Accountants

A handwritten signature in black ink, appearing to read "Girish C Godbole".

.....
Girish C Godbole
Proprietor
Membership Number 110857

Pune
23rd April,2015

Annexure to Independent Auditors' Report

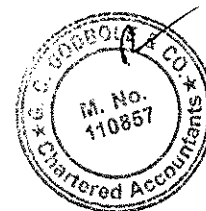
Referred to in paragraph 3 of the Independent Auditors' Report of even date to the members of Kirloskar Roadrailer Limited on the standalone financial statements for the year ended 31st March, 2015.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.
- ii. (a) There is no Inventory with the Company.
- iii. The Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a) and (iii)(b) of the said Order are not applicable to the Company.
- 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 for the purchase of inventory and fixed assets and for the sale of goods and services. 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 been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the rules framed there under to the extent notified.
- vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the 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 material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, sales-tax, wealth-tax, service-tax, duty of customs, and duty of excise or value added tax or cess which have not been deposited on account of any dispute.

(c) There are no amounts required to be transferred by the Company to the Investor Education and Protection Fund in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.
- viii. As the Company is registered for a period less than five years, the provisions of Clause 3(viii) of the Order are not applicable to the Company.

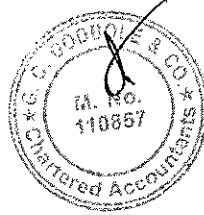


Annexure to Independent Auditors' Report

Referred to in paragraph 3 of the Independent Auditors' Report of even date to the members of Kirloskar Roadrailer Limited on the standalone financial statements for the year ended 31st March, 2015.

- ix. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- x. In our opinion, and 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 during the year. Accordingly, the provisions of Clause 3(x) of the Order are not applicable to the Company
- xi. The Company has not raised any term loans. Accordingly; the provisions of Clause 3(xi) of the Order are not applicable to the Company.
- xii. During the course of our examination of the books and records of the Company, carried out with the 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, noticed or reported during the year, nor have we been informed of such case by the Management.

Pune
23rd April, 2015



For G. C. Godbole & Co.
Firm Registration No. 122028W
Chartered Accountants

A handwritten signature in black ink, appearing to read "Girish Godbole".

(Girish Godbole)
Proprietor
Membership No. 110857

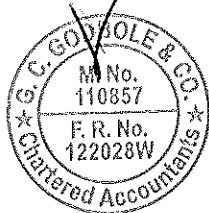
KIRLOSKAR ROADRAILER LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2015

	Note No.	Rs.	As at 31ST MARCH 15 Rs.	As at 31ST MARCH 14 Rs.
I. EQUITY AND LIABILITIES				
(1) SHAREHOLDERS' FUNDS :				
(a) Share Capital	1	45,700,000		1,000,000
(b) Reserves & Surplus	2	<u>(2,740,754)</u>		<u>(211,716)</u>
			42,959,246	788,284
(2) SHARE APPLICATION MONEY PENDING ALLOTMENT :				
(3) NON CURRENT LIABILITIES :				
() CURRENT LIABILITIES :				
Creditors	3		330,174,860	330,174,860
	Total		<u>373,134,106</u>	<u>330,963,144</u>
II. ASSETS :				
(1) NON CURRENT ASSETS :				
Capital work in progress			324,388,746	297,885,540
Non Current Investments			61,934	
(2) CURRENT ASSETS :				
Sundry Receivables	4		33,095,383	32,289,820
Cash and Bank Balances			15,588,043	787,784
	Total		<u>373,134,106</u>	<u>330,963,144</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
Proprietier



Kolhatkar
Suhas S. Kolhatkar
Chairman
DIN - 00059141

Shaligram
Rajendra B. Shaligram
Director
DIN - 03378647

Place : Pune
Date : 23-04-2015

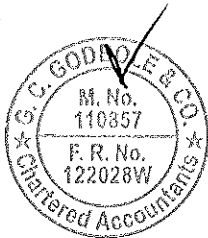
KIRLOSKAR ROADRAILER LIMITED

STATEMENT OF PROFIT AND LOSS ACCOUNT FOR THE PERIOD FROM 1ST APRIL 2014 TO 31ST MARCH 2015.

	Note No.	Rs.	Current Year Rs.	Previous Year Rs.
Other Income			50	-
I Total Revenue			50	-
II EXPENSES :				
Interest		160		
Other Expenses	5	<u>2,528,928</u>		<u>114,802</u>
Total Expenses			2,529,088	114,802
III Profit before Exceptional and Extraordinary Items and Tax (III - IV)			(2,529,038)	(114,802)
IV Exceptional Items				
V Profit before Extraordinary Items and Tax (V-VI)			(2,529,038)	(114,802)
VI Extraordinary Items				
VII Profit before Tax (VII-VIII)			(2,529,038)	(114,802)
Profit (Loss) for the Period			<u>(2,529,038)</u>	<u>(114,802)</u>

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

G C Godbole
Proprietor



Suhas S. Kolhatkar

Suhas S. Kolhatkar
Chairman
DIN - 00059141

Rajendra B. Shaligram

Rajendra B. Shaligram
Director
DIN - 03378647

Place : Pune
Date 23-04-2015

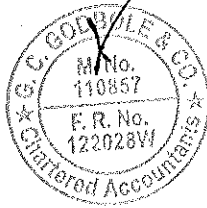
KIRLOSKAR ROADRAILER LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015

PARTICULARS	2014-2015 Rs.	2013-2014 Rs.
(I) OPERATING ACTIVITIES		
(A) PROFIT BEFORE TAXATION	(2,529,038)	(114,802)
(B) ADJUSTMENTS :	-	-
CASH FROM OPERATIONS	<u>(2,529,038)</u>	<u>(114,802)</u>
(C) (INCREASE) / DECREASE IN CURRENT ASSETS		
(i) Inventories	-	-
(ii) Sundry Debtors	-	-
(iii) Other Current Assets, Loans & Advances	<u>(805,563)</u>	<u>(32,289,820)</u>
	(805,563)	(32,289,820)
(D) INCREASE / (DECREASE) IN CURRENT LIABILITIES		
(i) Liabilities	-	330,169,860
	<u>(805,563)</u>	<u>297,880,040</u>
NET CASH FROM OPERATIONS	<u>(3,334,601)</u>	<u>297,765,238</u>
(II) INVESTMENT ACTIVITIES		
(i) Investments, net	(61,934)	-
(ii) Capital Expenditure - Tangible Assets	<u>(26,503,206)</u>	<u>(297,885,540)</u>
	(26,565,140)	(297,885,540)
(III) FINANCING ACTIVITIES		
(i) Increase in Share Capital	44,700,000	-
NET CHANGE IN CASH + CASH EQUIVALENTS (I + II + III)	14,800,259	(120,302)
Cash & Cash Equivalents as at 1-4-2014 (Opening Balance)	787,784	908,086
Cash & Cash Equivalents as at 31-3-2015 (Closing Balance)	<u>15,588,043</u>	<u>787,784</u>

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

G C Godbole
Proprietor



Place : Pune
Date 22-04-2015

Konathkar

Suhas S. Kolhatkar
Chairman
DIN - 00059141

Rajendra B. Shaligram

Rajendra B. Shaligram
Director
DIN - 03378647

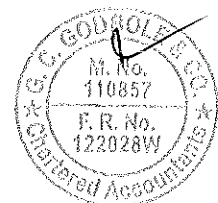
KIRLOSKAR ROADRAILER LIMITED

Note Nos. 1 to 9 are annexed to and forming part of the Financial Statements for the year ended 31st March, 2015

	As at 31 st March, 2015 Rs.	As at 31 st March, 2014 Rs.
NOTE 1 : SHARE CAPITAL :		
EQUITY SHARES:		
AUTHORISED :		
15,000,000 Equity Shares of Rs.10/- each	150,000,000	1,000,000
	<u>150,000,000</u>	<u>1,000,000</u>
ISSUED AND SUBSCRIBED :		
15,000,000 (100,000) Equity Shares of Rs. 10/- each	150,000,000	1,000,000
	<u>150,000,000</u>	<u>1,000,000</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 (-) Equity Shares of Rs.10/- each Rs.3/- paid	44,700,000	
Total	<u><u>45,700,000</u></u>	<u><u>1,000,000</u></u>

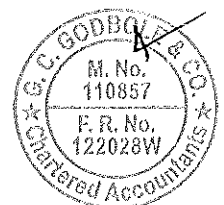
Share Holding Details :

	Nos.	Nos.
Holding Company i.e. Kirloskar Pneumatic Co. Ltd. holds 100% shares as on 31-March-2015	15,000,000	100,000



KIRLOSKAR ROADRAILER LIMITED

		As at 31st March, 2015	As at 31st March, 2014
	Rs.	Rs.	Rs.
NOTE 2 : RESERVES AND SURPLUS :			
Surplus :			
As per last Account	(211,716)		(96,914)
Add : Transferred from Statement of Profit & Loss Account	<u>(2,529,038)</u>		<u>(114,802)</u>
		(2,740,754)	(211,716)
Total		<u><u>(2,740,754)</u></u>	<u><u>(211,716)</u></u>
NOTE 3 : CREDITORS :			
For Capital Goods		330,169,860	330,169,860
For Expenses Audit Fees		5,000.00	5,000
		<u>330,174,860</u>	<u>330,174,860</u>
NOTE 4 : SUNDRY RECEIVABLES :			
Excise Duty Cenvat		32,284,320	32,284,320
Service Tax Cenvat		11,063	5,500
Prepaid Expenses		800,000	
		<u>33,095,383</u>	<u>32,289,820</u>
NOTE 5 : OTHER EXPENSES :			
Other Expenses :			
Rent	222,708		44,500
Legal & Professional fees	40,449		63,978
Audit Fees	5,000		5,000
Registration & Stamps	1,742,312		1,224
Bank Charges	4,517		100
Insurance General	400,000		
Licence Fees	105,000		
Sundry Expenses	8,942		
		<u>2,528,928</u>	<u>114,802</u>
Total		<u><u>2,528,928</u></u>	<u><u>114,802</u></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-7 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 :

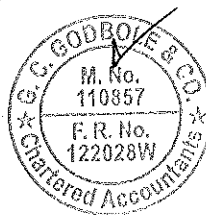
Current Tax is determined as the amount of tax payable in respect of Taxable income for the current year. Deferred tax is recognized, subject to the consideration of prudence, in respect of Deferred Tax Assets, on timing differences between Taxable income and Accounting income that originate in one period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

Particulars of Remuneration to

7) Auditors -

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

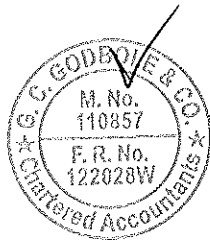
Name of Related Party Nature of Relationship
Kirloskar Pneumatic Company Limited Holding Company

Related Party Transactions

Nature of Transaction	Year	Amount (Rs.)
Purchase of Goods	2014-15	-
	2013-14	297,885,540
Rent Paid	2014-15	45,000
	2013-14	44,500
Reimbursement of Expenses	2014-15	-
	2013-14	46,000
Balance Outstanding		
Payable	2014-15	330,169,860
	2013-14	330,169,860

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

G C Godbole
Proprietor



Kolhatkar
Suhas S. Kolhatkar
Chairman
DIN - 00059141

Shaligram
Rajendra B. Shaligram
Director
DIN - 03378647

Place : Pune
Date : 23-04-2015