

Price Waterhouse

Chartered Accountants

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CAVENDISH INDUSTRIES LIMITED

Report on the Financial Statements

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

Management's Responsibility for the 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 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, 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on these 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 auditors' 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.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its loss and its cash flows for the period 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) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
 - (f) With respect to the other matters to be included in the Auditors' 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 March 31, 2015 which would impact its financial position.
 - ii) The Company did not have any long-term contracts including derivative contracts as at March 31, 2015



Price Waterhouse

Chartered Accountants

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

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants



Prabal Kr. Sarkar
Partner
Membership Number 52340

Kolkata
October 19, 2015

Price Waterhouse

Chartered Accountants

Annexure to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Cavendish Industries Limited on the financial statements as of and for the period ended March 31, 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) The inventory has been physically verified by the Management during the period. In our opinion, the frequency of verification is reasonable.

(b) In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.

(c) On the basis of our examination of the 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.

- iii. 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.

- iv. (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.



Price Waterhouse

Chartered Accountants

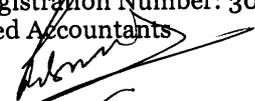
Annexure to Independent Auditors' Report

Referred to in paragraph 9 of the Independent Auditors' Report of even date to the members of Cavendish Industries Limited on the financial statements as of and for the period ended March 31, 2015.

- v. During the course of our examination of the books and records of the Company, carried out in accordance 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 period, nor have we been informed of any such case by the Management.

Matters specified in clauses (iii), (iv), (vi), (viii), (ix), (x) and (xi) of paragraph 3 of the CARO, 2015 does not apply to the Company.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants


Prabal Kr. Sarkar
Partner
Membership Number 52340

Kolkata
October 19, 2015

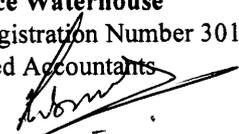
Cavendish Industries Limited
Balance sheet as at March 31, 2015

	Notes	As at March 31, 2015 (in ₹)
Equity and liabilities		
Shareholders' funds		
Share capital	2	7,000,500,000
Reserves and surplus	3	(26,580,042)
		<u>6,973,919,958</u>
Non-current liabilities		
Other non-current liabilities	5 (b)	6,700,000
Deferred tax liabilities (net)	4	-
		<u>6,700,000</u>
Current liabilities		
Short-term provisions	6	1,370,936,325
Trade payables	5 (a)	13,730,400,405
Other current liabilities	5 (b)	79,291,875
		<u>15,180,628,605</u>
TOTAL		<u>22,161,248,563</u>
Assets		
Non-current assets		
Fixed assets		
Tangible assets	7 (a)	20,220,136,073
Intangible assets	7 (b)	2,754,324
Capital work in progress		1,522,733,690
Long-term loans and advances	8	54,497,904
		<u>21,800,121,991</u>
Current assets		
Inventories	9	321,998,092
Cash and Bank balances	10	432,728
Short-term loans and advances	8	38,695,752
		<u>361,126,572</u>
TOTAL		<u>22,161,248,563</u>
Significant accounting policies	1 (B)	

The accompanying notes are an integral part of the financial statements.

This is the Balance Sheet referred to in our report of even date.

For Price Waterhouse
 Firm Registration Number 301112E
 Chartered Accountants


 Prabal Kr. Sarkar
 Partner
 Membership No 52340

Place: Kolkata
 Date: October 19, 2015

For and on behalf of the board of directors
 of Cavendish Industries Limited


 Pinaki Sircar
 Director


 Tridib Kumar Das
 Chief Financial Officer


 S. Nath
 Director


 Gautam Ganguli
 Company Secretary


 G. Jha
 Director

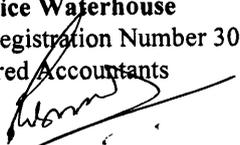
Cavendish Industries Limited**Statement of Profit and Loss for the period from January 12, 2015 to March 31, 2015**

	Notes	2014-15 (in ₹)
Expenses		
Other expenses	11	26,580,042
Total Expenses		<u>26,580,042</u>
Loss before tax		<u>(26,580,042)</u>
Tax expenses		<u>-</u>
Loss for the period		<u><u>(26,580,042)</u></u>
Earnings per equity share [nominal value of share ₹ 10 each]		
Basic & Diluted	12	(2.95)
Significant accounting policies	1 (B)	

The accompanying notes are an integral part of the financial statements.

This is the Statement of Profit and Loss referred to in our report of even date.

For Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants

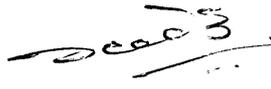

Prabal Kr. Sarkar
Partner
Membership No 52340

Place: Kolkata
Date: October 19, 2015

For and on behalf of the board of directors
of Cavendish Industries Limited


G. Saha
Director


Pinaki Sircar
Director


Tridib Kumar Das
Chief Financial Officer


S. Nath
Amitabha Ghosh
Director


Gautam Ganguli
Company Secretary

Cavendish Industries Limited

Cash Flow Statement for the period from January 12, 2015 to March 31, 2015

(In ₹)

Particulars		2014-15	
A.	CASH FLOW FROM OPERATING ACTIVITIES:		
	Loss before tax		(26,580,042)
	Operating Profit before working capital changes		
	Movement in Working Capital for:		
	Increase in Trade Payables	26,512,070	
	Increase in Other Liabilities	700	
	Net Cash used in Operating Activities		26,512,770 (67,272)
B.	CASH FLOW FROM INVESTING ACTIVITIES		-
C.	CASH FLOW FROM FINANCING ACTIVITIES		
	Issue of equity Share Capital	500,000	
	Share application money received	-	
	Net cash generated from financing activities		500,000
	Net Increase in Cash and Cash equivalents (A+B+C)		432,728
	Cash and Cash equivalents as at the beginning of the period		-
	Cash and Cash equivalents as at the end of the period		432,728

Notes:

1 The above cash flow statement has been prepared under the Indirect Method as set out in the Accounting Standard - 3 on Cash Flow Statements.

2 **Cash and Cash Equivalents comprise :**

March 31, 2015

Cash-on-hand

57,900

Balance with Banks on Current Account

374,828

Total

432,728

This is the Cash Flow Statement referred to in our report of even date.

For Price Waterhouse

Firm Registration Number 301112E

Chartered Accountants

Prabal Kr. Sarkar

Partner

Membership No 52340

Place: Kolkata

Date: October 19, 2015

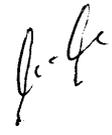
For and on behalf of Board of Directors
of Cavendish India Limited


Pinaki Sircar
Director


S. Nath
Director


G. Saha
Director


Tridib Kumar Das
Chief Financial Officer


Gautam Ganguli
Company Secretary

Cavendish Industries Limited

Notes to Financial Statements as at and for the period from January 12, 2015 to March 31, 2015

1 (A) CORPORATE INFORMATION

Cavendish industries Limited ("the Company") is a public company domiciled in India and incorporated under the provision of the Companies Act, 2013. The Company is primarily engaged in the business of manufacturing tyres, tubes and flaps and its manufacturing facility is located at Laksar, District Haridwar, Utrakhand and registered office at Kolkata, West Bengal.

1 (B) SIGNIFICANT ACCOUNTING POLICIES

A) Basis Of Preparation Of Accounts

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention.

B) Use of Estimates

The preparation of financial statements in conformity with the generally accepted accounting principles in India requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon the management's best knowledge of current events and actions, actual results could differ from these estimates.

C) (i) - Tangible Fixed Assets

i) Fixed assets are stated at cost, less accumulated depreciation and impairment if any. The cost of acquisition comprises of purchase price inclusive of duties (net of Cenvat / VAT), taxes, incidental expenses, erection/commissioning/trial run expenses and eligible borrowing cost, etc. up to the date the assets are ready for their intended use.

ii) Machinery spares which can be used only in connection with a particular item of fixed assets and whose use, as per the technical assessment, is expected to be irregular, are capitalised and depreciated prospectively over the residual life of the respective asset.

iii) The carrying amount of assets is reviewed at each balance sheet date to determine if there is any indication of impairment thereof based on external / internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount, which represents the greater of the net selling price of assets and their 'value in use'. The estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

C) (ii) - Intangible Fixed Assets

i) Intangible fixed assets are recognized when the asset is identifiable, is within the control of the Company, it is probable that the future economic benefits that are attributable to the asset will flow to the Company and cost of the asset can be reliably measured and amortised on a straight line basis over a period of three years from the date of capitalisation.

ii) Acquired computer software and licenses are capitalized at the costs incurred to bring the assets to present working condition for its intended use.

iii) Gains or losses arising from derecognition of intangible assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.



Cavendish Industries Limited

Notes to Financial Statements as at and for the period from January 12, 2015 to March 31, 2015

D) Depreciation

- i) The classification of Plant & Machinery into continuous and non-continuous process is done as per technical certification and depreciation thereon is provided accordingly.
- ii) Depreciation on fixed assets is provided in the manner prescribed in Schedule II to the Companies Act, 2013 and other application guidance and at rates determined based on the useful life of the assets estimated by the management, whichever is applicable.
- iii) In case of impairment, if any, depreciation is provided on the revised carrying amount of the assets over their remaining useful life.

E) Inventories

Raw materials, components, stores and spare parts:

At the Lower of cost and net realizable value. However, raw materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Provision is made for obsolete/slow moving/defective stocks, wherever necessary.

F) Borrowing Costs

Borrowing cost includes interest charge and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

G) Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes, if any) by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

H) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.



Cavendish Industries Limited

Notes to Financial Statements as at and for the period from January 12, 2015 to March 31, 2015

I) Retirement And Other Employee Benefits

Short-term Employee Benefits (i.e. benefits payable within one year) are recognised in the period in which employee services are rendered.

Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as defined contribution schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis. Retirement benefits in the form of Provident Fund are defined contribution schemes and these contributions are charged to the Statement of Profit and Loss in the year when these become due to the respective funds. The Company has no obligation, other than the contribution payable to these funds on a monthly basis.

The Company provides gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on respective employee's salary and the tenure of employment. The Company's liability is provided and funded on the basis of year end Actuarial valuation (using the Projected Unit Credit method). Actuarial losses/gains are recognised in the Statement of Profit and Loss in the year in which they arise.

Accumulated compensated absences which are expected to be availed or encashed within 12 months from the year end are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlements as at the year end. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial loss/gains are recognised in the Statement of Profit and Loss in the year in which they arise. The Company presents the entire leave as a current liability in the balance sheet, since it does not have unconditional right to defer its settlement for 12 months after the reporting date. Contribution to Central Government administered Employees' State Insurance Scheme for eligible employees is recognised as charge in Statement of Profit and Loss in the year in which they arise.

J) Taxation

Tax expense comprises current and deferred tax. Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the company operates. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences for the earlier years. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted at the reporting date. Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss.

Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

K) Segment reporting

The Company has only one business segment, namely tyre, with entire supply being made to the domestic market.



Cavendish Industries Limited**Notes to Financial Statements as at and for the period from January 12, 2015 to March 31, 2015****2. Share Capital**

	As at March 31, 2015 (in ₹)
Authorized shares	
5,000,000,000 Equity Shares @ ₹ 10/- each	50,000,000,000
	<u>50,000,000,000</u>
Issued, subscribed and fully paid-up shares	
700,050,000 Equity Shares @ ₹ 10/- each	7,000,500,000
	<u>7,000,500,000</u>
Total issued, subscribed and fully paid-up share capital	<u>7,000,500,000</u>

(a) Reconciliation of the shares outstanding at the beginning and at the end of the period

	As at March 31, 2015	
	(Nos.)	(in ₹)
Equity Shares		
Shares issued during the period	700,050,000	7,000,500,000
Outstanding at the end of the period	<u>700,050,000</u>	<u>7,000,500,000</u>

(b) Terms and Rights attached to equity shares

The Company has only one class of equity shares having par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company will declare and pay dividends in Indian rupees as and when proposed by the Board of Directors. The dividend proposed by the Board of Directors is subject to the approval of the shareholders at the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts, in proportion to the number of equity shares held by them.

(c) Details of shareholders holding more than 5% shares in the Company

Name of the shareholders	As at March 31, 2015	
	(Nos.)	(% holding)
Equity shares of ₹10 each fully paid Kesoram Industries Limited	700,046,000	99.99%

(d) Shares held by the Holding Company

	As at March 31, 2015	
	(Nos.)	(₹)
Equity shares of ₹ 10 each fully paid Kesoram Industries Limited	700,046,000	7,000,460,000

(e) Shares issued for consideration other than cash

Aggregate number of shares issued for consideration other than cash during the period :

	As at March 31, 2015 (Nos)
- Allotment of Equity shares to Kesoram Industries Limited against consideration for purchase of net assets as per Business Transfer Agreement dated March 26, 2015.	700,000,000
	<u>700,000,000</u>



Cavendish Industries Limited

Notes to Financial Statements as at and for the period from January 12, 2015 to March 31, 2015

3. Reserves and surplus

	As at March 31, 2015 (in ₹)
Loss for the period	(26,580,042)
Net (Deficit) in the Statement of Profit and Loss	(26,580,042)

4. Deferred tax liabilities (net)

	As at March 31, 2015 (in ₹)
Deferred Tax Liabilities	481,550,237
Difference between written down value of block of assets as per Income Tax Laws and book written down value of the fixed assets	A <u>481,550,237</u>
Deferred Tax Assets	
Business losses	B <u>481,550,237</u>
	C (A-B) <u><u>-</u></u>

Note

- (a) During the year the Company has recognised deferred tax assets on business losses to the extent of net deferred tax liability.
(b) Deferred Tax Assets and Deferred Tax Liabilities have been offset as they relate to the same governing taxation laws.

5. Trade Payables and Other liabilities

	Non-current As at March 31, 2015 (in ₹)	Current As at March 31, 2015 (in ₹)
a) Trade payables (refer note 14 for details of dues to micro and small enterprise) *	-	13,730,400,405
b) Other liabilities		
Employee benefits payable	-	77,548,631
Retention & Earnest deposits	6,700,000	1,742,544
Statutory dues	-	700
	<u>6,700,000</u>	<u>79,291,875</u>
Total	<u>6,700,000</u>	<u>13,809,692,280</u>

* includes payable to Holding Company Rs. 13,714,508,771 (refer note 16)

6. Short term provisions

	As at March 31, 2015 (in ₹)
Provision for employee benefits	
Gratuity *	81,155,235
Leave benefits **	29,781,090
Manpower rationalisation cost ***	1,260,000,000
	<u>1,370,936,325</u>

* The liability has been transferred to the Company pursuant to the Business Transfer Agreement dated March 26, 2015. However, transfer of the planned assets from the Trust maintained by the Transferrer Company (Kesoram Industries Limited) is pending completion.

** The liability has been transferred to the Company pursuant to the Business Transfer Agreement dated March 26, 2015.

*** Represents provision for the proposed manpower rationalisation as per the terms of the Binding Term Sheet between the transacting parties as referred to in Note 15.



Cavendish Industries Limited
Notes to Financial Statements as at and for the period from January 12, 2015 to March 31, 2015

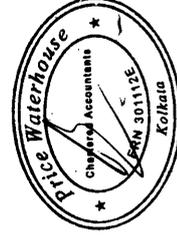
7. Tangible and Intangible assets

Particulars	GROSS BLOCK		DEPRECIATION AND AMORTIZATION				NET BLOCK		
	Opening balance as at Jan 12, 2015	Additions on account of stump sale*	Deletions	As at Mar 31, 2015	Opening balance as at Jan 12, 2015	For the period	On Deletions during the period	As at Mar 31, 2015	As at Mar 31, 2015
(a) Tangible Assets:									
Land-Freehold**	-	766,000,000	-	766,000,000	-	-	-	766,000,000	766,000,000
Buildings	-	2,717,400,001	-	2,717,400,001	-	-	-	2,717,400,001	2,717,400,001
Plant and equipments	-	16,672,348,925	-	16,672,348,925	-	-	-	16,672,348,925	16,672,348,925
Furniture and Fixtures	-	54,345,363	-	54,345,363	-	-	-	54,345,363	54,345,363
Office Equipments	-	1,003,284	-	1,003,284	-	-	-	1,003,284	1,003,284
Vehicles	-	5,153,240	-	5,153,240	-	-	-	5,153,240	5,153,240
Computers	-	3,885,260	-	3,885,260	-	-	-	3,885,260	3,885,260
	-	20,220,136,073	-	20,220,136,073	-	-	-	20,220,136,073	20,220,136,073
(b) Intangible Assets:									
Computer Software	-	2,754,324	-	2,754,324	-	-	-	2,754,324	2,754,324
	-	2,754,324	-	2,754,324	-	-	-	2,754,324	2,754,324
Total (A+B)	-	20,222,890,397	-	20,222,890,397	-	-	-	20,222,890,397	20,222,890,397

Notes:

* The fixed assets have been recorded in the books effective close of business March 31, 2015 (Refer Note 15) based on valuation carried out by an independent valuer and are mortgaged against loans taken by the Holding Company.

** Transfer of title of the entire land measuring c. 157 acres is under process.



Cavendish Industries Limited

Notes to Financial Statements as at and for the period from January 12, 2015 to March 31, 2015

8. Loans and advances

	Non-current As at March 31, 2015 (in ₹)	Current As at March 31, 2015 (in ₹)
Unsecured, considered good (unless stated otherwise):		
Security deposits	54,497,904	-
Advances recoverable in cash or in kind	-	112,476
Other loans and advances		
Prepaid expenses	-	13,895,669
Loans/Advances to employees (Dues from directors, officers, etc. - NIL)	-	24,687,607
Total	54,497,904	38,695,752

9. Inventories (valued at cost)

	As at March 31, 2015 (in ₹)
Raw materials	67,307,514
Stores and spares	254,690,578
	321,998,092

10. Cash and bank balances

	Current As at March 31, 2015 (in ₹)
Balances with banks:	
- On current accounts	374,828
Cash on hand	57,900
	432,728

11. Other expenses

	2014-15 (in ₹)
Filing fees	25,003,620
Legal and professional	67,571
Payment to the auditor - audit fees	1,500,000
Miscellaneous Expenses	8,851
	26,580,042



Cavendish Industries Limited

Notes to Financial Statements as at and for the period from January 12, 2015 to March 31, 2015

12. Earnings per share (EPS)

The following reflects the loss and share data used in the basic and diluted EPS computations:

	2014-15 (in ₹)
Net Loss for calculation of basic and diluted EPS	(26,580,042)
	No.
Weighted average nos. of Equity Shares for Basic and Diluted Loss per share of ₹ 10 each	9,024,359
Nominal Value per equity share	₹ 10
Basic and Diluted Earnings Per Share (in ₹)	(2.95)

13. Segment Information

The Company has only one business segment, namely tyre, with entire supply being made to the domestic market.

14. Details of dues to micro and small enterprises as defined under the MSMED Act, 2006

The Company has not received any memorandum from any party (as required to be filled by the suppliers with the notified authority under The Micro, Small and Medium Enterprises Act, 2006) claiming their status as Micro, Small and Medium Enterprises. Consequently the amount paid/payable to these parties during the period is NIL and no disclosures therefore are required to be made.

15. Note on Business Transfer

Kesoram Industries Limited transferred one of its automotive tyre manufacturing facilities at Laksar, District Haridwar, Uttarakhand vide a Business Transfer Agreement dated March 26, 2015 to the Company, 99.99% of the paid up share capital of which is held by it. Such transfer was made on a going concern basis at the close of business March 31, 2015 and was effected through a slump sale within the meaning of Section 50B of the Income Tax Act, 1961 and was made at a consolidated consideration of ₹2,195 crores based on a Binding Term Sheet dated September 12, 2015 between Kesoram Industries Limited being the proposed seller, JK Tyre Group being the proposed acquirer and the Company.

16. Related parties

A. Names of related parties and nature of relationship

Entities	Nature of relationship
Kesoram Industries Limited	Holding Company



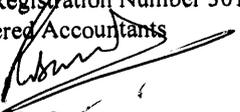
Cavendish Industries Limited**Notes to Financial Statements as at and for the period from January 12, 2015 to March 31, 2015****B. Nature of transactions with the Holding Company**

	Transaction Value (in ₹)	Balance Outstanding (in ₹)
Acquisition of various assets from Kesoram Industries Limited against issue of shares at par as per Business Transfer Agreement dated March 26, 2015	14,949,500,000	13,714,508,771
Issue of equity shares for consideration other than cash	7,000,000,000	-
Issue of equity shares for cash	460,000	-
Reimbursement of expenses like filing fees and other miscellaneous expenses	25,008,770	-

17. The Company has been incorporated on January 12, 2015. Hence, the financial statements have been prepared for less than twelve months with no comparative information for the corresponding period.

As per our report of even date

For Price Waterhouse
Firm Registration Number 301112E
Chartered Accountants


Prabal Kr. Sarkar
Partner
Membership No 52340

Place: Kolkata
Date: October 19, 2015

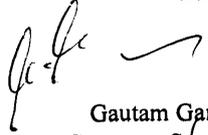
For and on behalf of the board of directors
of Cavendish Industries Limited


G. Jha
Director


Pinaki Sircar
Director


Tridib Kumar Das
Chief Financial Officer


S. Nath
~~Amitabha Ghosh~~
Director


Gautam Ganguli
Company Secretary