

## **AUDITORS' REPORT**

To,  
**THE MEMBERS OF  
INDIAN RAILWAY FINANCE CORPORATION LIMITED**

1. *We have audited the attached Balance Sheet of **INDIAN RAILWAY FINANCE CORPORATION LIMITED** as at 31<sup>st</sup> March 2007, and also the Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.*
2. *We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.*
3. *As required by the Companies (Auditors Report) Order (Amendment), 2004 issued by the Central Government of India in terms of Section 227(4A) of the Companies Act 1956, we enclose in the Annexure, a statement on the matters specified in paragraphs 4 and 5 of the said Order.*
4. *Further to our comments in the Annexure referred to in paragraph above, we report that:*
  - a) *We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;*
  - b) *In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;*
  - c) *The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account;*
  - d) *In our opinion, the Balance Sheet, Profit & Loss account and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956;*
  - e) *On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2007 and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31<sup>st</sup> March 2007, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956;*
  - f) *In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by*

*the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India;*

- i) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2007;*
- ii) in the case of the Profit and Loss Account, of the Profit of the Company for the year ended on that date; and*
- iii in the case of Cash Flow Statement, of the cash flows for the year ended on that date.*

***For O.P. TULSYAN & CO.***

***Chartered Accountants***

***Sd/-  
Dinesh Kumar Gupta  
Partner  
M.No. 86824***

***Place: New Delhi  
Date: 18<sup>th</sup> July, 2007***