

INDEPENDENT AUDITOR'S REPORT

CERTIFIED TRUE COPY

To the Members of Titagarh Capital Private Limited

TITAGARH CAPITAL PVT. LTD.

Report on the Financial Statements

~~Director/Authorised Signatory~~

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

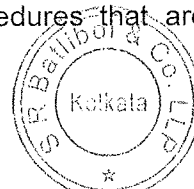
Management's Responsibility for the Financial Statements

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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with 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 the 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 misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We 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, issued by the Institute of Chartered Accountants of India, as 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 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



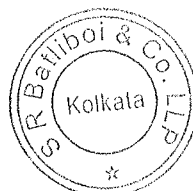
appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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, its loss and its cash flows 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") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 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, Statement of Profit and Loss, and 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 written representations received from the directors as on March 31, 2016, and 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 Companies Act, 2013;
 - 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 2" to this report;



S.R. BATLIBOI & Co. LLP

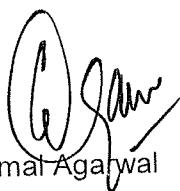
Chartered Accountants

- 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 has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 19 to the financial statements;
 - 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 S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

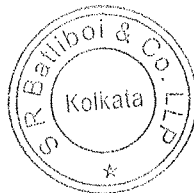


per Kamal Agarwal
Partner

Membership Number: 058652

Place of Signature: Kolkata

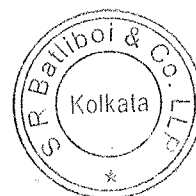
Date: May 25, 2016



Annexure 1 to the Auditor's Report

Referred to in our report of even date to the members of TITAGARH CAPITAL PRIVATE LIMITED as at and for the year ended March 31, 2016

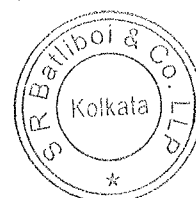
- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets represents railway wagons which have not been physically verified by the management during the year as the same have been given on operating lease to the Indian Railways, hence, we are unable to comment on the discrepancies, if any.
- (c) According to the information and explanations given by the management, there are no immovable properties, included in fixed assets of the company and accordingly, the requirements under paragraph 3(i) (c) of the Order are not applicable to the Company.
- (ii) The Company's business does not involve inventories and, accordingly, the requirements under paragraph 3(ii) of the Order are not applicable to the Company.
- (iii) (a) The Company has granted loans to a company covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations given to us, the terms and conditions of the grant of such loan are not prejudicial to the company's interest.
- (b) The Company has granted loan that is re-payable on demand, to a company covered in the register maintained under section 189 of the Companies Act, 2013. We are informed that the company has demanded and received repayment of part of such loan during the year, and thus, there has been no default on the part of the party to whom the money has been lent. The payment of interest has been regular.
- (c) There is no amount of loan granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which is overdue for more than ninety days.
- (iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of section 185 of the Companies Act, 2013 apply and hence not commented upon. In our opinion and according to the information and explanations given to us, provisions of section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) The Company has not accepted any deposits from the public.



- (vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of the Company.
- (vii) (a) Undisputed statutory dues including income-tax, service tax, cess and other material statutory dues have not been regularly deposited with the appropriate authorities and there have been serious delays in large number of cases. The provisions relating to provident fund, employees' state insurance, sales-tax, customs duty, excise duty and value added tax are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of income-tax, service tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions relating to provident fund, employees' state insurance, sales-tax, customs duty, excise duty and value added tax are not applicable to the Company.
- (c) According to the records of the Company, the dues of income-tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows:

Name of the statute	Nature of Dues	Amount (Rs in Lacs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Disallowance of Tax deducted at source	260.61	2009-10 to 2010-11	Income Tax Appellate Tribunal

- (viii) The Company did not have any outstanding loans or borrowing dues in respect of a financial institution or bank or to government or dues to debenture holders during the year.
- (ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the



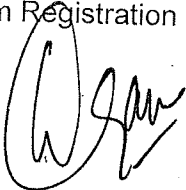
company by the officers and employees of the Company has been noticed or reported during the year.

- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act is not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- (xv) According to 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 as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, we report that the Company has registered as required, under section 45-IA of the Reserve Bank of India Act, 1934.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

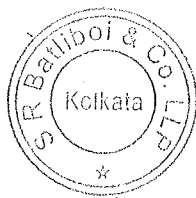


per Kamal Agarwal
Partner

Membership Number: 058652

Place of Signature: Kolkata

Date: May 25, 2016



**ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE
STANDALONE FINANCIAL STATEMENTS OF TITAGARH CAPITAL PRIVATE 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 Titagarh Capital Private 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

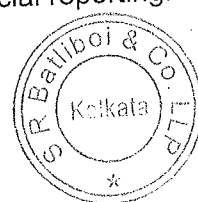
The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. 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 the 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.

Auditor's 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 as specified 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 internal financial controls system over financial reporting.



S.R. BATLIBOI & CO. LLP

Chartered Accountants

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.

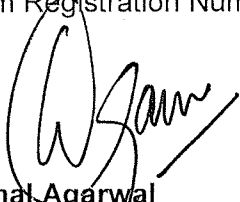
Opinion

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, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.R. Batliboi & CO. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

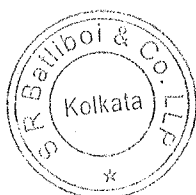

per **Kamal Agarwal**

Partner

Membership Number: 58652

Place of Signature: Kolkata

Date: May 25, 2016



AGARH CAPITAL PRIVATE LIMITED
Balance Sheet as at March 31, 2016

	Note	As at March 31, 2016 Amount in Rs.	As at March 31, 2015 Amount in Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	400,000,000	400,000,000
Reserves and surplus	4	(142,342,750)	(128,848,315)
Current liabilities			
Short-Term Borrowings	5	58,500,000	35,000,000
Trade payables	6.1	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,034,692	588,890
Other current liabilities	6.2	5,460,826	1,872,019
Short-term provisions	7	162,500	-
TOTAL		324,815,268	308,612,594
ASSETS			
Non-current assets			
Fixed Assets			
Tangible Assets	8	103,547,863	103,547,863
Current Investments	9	150,000,000	199,500,000
Loans and Advances	10	1,632,864	1,410,653
Current Asset			
Loans and Advances	10	65,000,000	-
Cash and bank balances	11	2,696,221	3,374,050
Other current assets	12	1,938,320	780,028
TOTAL		324,815,268	308,612,594

Summary of significant accounting policies

2.1

Accompanying notes are an integral part of the financial statements

For our Report of even date

S. R. BATLIBOI & CO. LLP

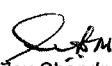
Chartered Accountants

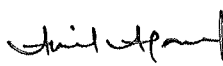
Registration No.: 301003E/E300005

Kamal Agarwal
Partner
Membership No. 58652

Office: Kolkata
Dated: May 25, 2016

For and on behalf of the Board of Directors of Titagarh Capital Private Limited


Sudev Chandra Das
Director


Anil Kumar Agarwal
Director


Dinesh Arya
Director


Averi Misra
Company Secretary



TITAGARH CAPITAL PRIVATE LIMITED
Statement of profit & loss for the year ended March 31, 2016

	Note	For the year ended March 31, 2016 Amount in Rs.	For the year ended March 31, 2015 Amount in Rs.
Revenue from operations	13	2,190,848	8,456,388
Other Income	14	31,263	901,916
Total Revenue (I)		2,222,111	9,358,304
Expenses			
Employee benefits expense			
Finance costs	15	441,503	66,434
Other expenses	16	5,611,013	1,818,417
	17	9,664,030	7,255,453
Total Expenses (II)		15,716,546	9,140,304
Profit/(Loss) before taxes		(13,494,435)	218,000
Tax expenses			
Current tax		-	-
Income tax for earlier years		-	-
Total tax expenses		-	1,174
Profit/(Loss) for the year		(13,494,435)	216,826

Earnings per equity share
Nominal value of share Rs 100 (31 March 2015: Rs 100)]
Basic & Diluted (in Rs.)

18 (9.00) 0.14

Summary of significant accounting policies

2.1

The accompanying notes are an integral part of the financial statement

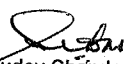
As per our Report of even date

For and on behalf of the Board of Directors of Titagarh Capital Private Limited

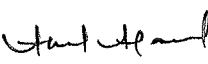
Dr S. R. BATLIBOI & CO. LLP
Chartered Accountants
Firm Registration No.: 301003E/E300005

Mr Kamal Agarwal
Partner
Membership No. 58652

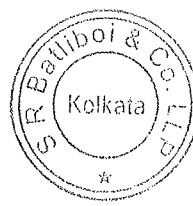
Office: Kolkata
Dated: May 25, 2016


Sudev Chandra Das
Director


Dinesh Arya
Director


Anil Kumar Agarwal
Director


Averi Misra
Company Secretary



TITAGARH CAPITAL PRIVATE LIMITED
Cash flow statements for the year ended March 31, 2016

	For the year ended March 31, 2016 Amount in Rs.	For the year ended March 31, 2015 Amount in Rs.
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before tax	(13,494,435)	218,000
Adjustments for:		
Irrecoverable loans written off (Net)	-	5,079,300
Provision for Standard Assets written back	-	(399,500)
Contingency provision against standard assets	162,500	-
Interest expenses	5,611,013	1,818,417
Interest Income	(31,263)	(502,416)
Operating Profit/(Loss) before Working Capital Changes	(7,752,185)	6,213,801
Movement in working capital		
Decrease / (Increase) in loans and advances	(65,000,000)	159,920,700
Increase in Current Assets	(1,274,272)	(655,492)
Decrease / (Increase) in non current investments	49,500,000	(199,500,000)
Increase in Trade Payable	2,445,802	530,710
Increase in Current Liabilities	319,194	193,834
	(14,009,276)	(39,510,248)
Cash used in operations	(21,761,461)	(33,296,447)
Direct taxes paid	(222,211)	(1,044,023)
Net Cash used in operating activities (A)	(21,983,672)	(34,340,470)
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received on bank deposits	147,243	438,954
Fixed Deposits encashed / matured	1,000,000	1,000,000
Net Cash generated from Investing Activities (B)	1,147,243	1,438,954
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Loan from Holding Company	90,000,000	35,000,000
Loan refunded to Holding Company	(66,500,000)	-
Interest paid	(2,341,400)	(182,143)
Net cash generated from financing activities (C)	21,158,600	34,817,857
Net increase/(decrease) in cash and cash equivalents (A+B+C)	322,171	1,916,341
Cash and cash equivalents at the beginning of the year	2,374,050	457,709
Cash and cash equivalents at the end of the year	2,696,221	2,374,050
Components of cash and cash equivalents		
Cash on Hand	123,550	123,550
Balances with banks:		
On current accounts	2,572,671	2,250,500
Total cash and cash equivalents (note 11)	2,696,221	2,374,050

As per our Report of even date

 For and on behalf of the Board of Directors
of Titagarh Capital Private Limited

 For S. R. BATLIBOI & CO. LLP
Chartered Accountants
Firm Registration No.: 301003E/E300005

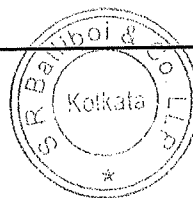
 Sudev Chandra Das
Director

 Anil Kumar Agarwal
Director

 per Kamal Agarwal
Partner
Membership No. 58652

 Dinesh Arya
Director

 Averi Misra
Averi Misra
Company Secretary

 Place: Kolkata
Dated : May 25, 2016


TITAGARH CAPITAL PRIVATE LIMITED

Notes to the financial statements as at and for the year ended March 31, 2016

1. Corporate information

Titagarh Capital Private Limited (the Company) is a private limited company domiciled in India. Based on the categories of Non-Banking Financial Companies (NBFC) as defined under the Reserve Bank of India Act, 1934, the Company has been classified as 'Other Non-deposit Accepting or Holding Companies'.

2. Basis of preparation

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. However, interest income is recognised on cash basis and also provision is made in respect of non-performing assets as per the guidelines for prudential norms prescribed by the Reserve Bank of India. The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year, except for the changes in accounting policy explained below.

2.1 Summary of significant accounting policies

(a) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(b) Tangible Fixed Assets

Tangible Fixed assets are stated at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use.

(c) Depreciation on tangible fixed assets

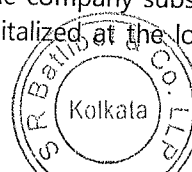
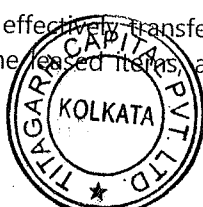
Depreciation on fixed assets is provided under Straight Line basis using the rates arrived at based on the useful lives estimated by the management. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The company has used the following rates to provide depreciation on its fixed assets.

Asset Class	Useful Life (Years)
Plant & Machinery (Railway Wagons)	15

(d) Leases

Finance Lease

Assets acquired under lease agreements which effectively transfer to the company substantially all the risks and benefits incidental to ownership of the leased items, are capitalized at the lower of the fair



TITAGARH CAPITAL PRIVATE LIMITED

Notes to the financial statements as at and for the year ended March 31, 2016

value of the leased property and present value of minimum lease payment at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and the reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of their liability. Finance charges are charged directly to the expenses account.

Operating Lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

(e) Borrowing costs

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

(f) Impairment of tangible fixed assets

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on the internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which is the greater of the assets' net selling price and value in use. In assessing the 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.

After impairment, depreciation is provided on the revised carrying amount of the assets over its remaining useful life.

(g) Investments

Investments that are readily realizable and intended to be held for not more than a year from the date on which such investments are made are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

(h) Revenue Recognition

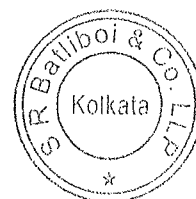
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Interest Income

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

(i) Taxes on Income

Tax expense comprises of current and deferred taxes.



TITAGARH CAPITAL PRIVATE LIMITED

Notes to the financial statements as at and for the year ended March 31, 2016

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. 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 of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. 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.

At each reporting date, the Company re-assesses unrecognized deferred tax assets. It recognizes deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set-off current tax assets against current tax liabilities and the deferred tax assets and deferred taxes relate to the same taxable entity and the same taxation authority.

(j) Segment Reporting

Identification of segments

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Allocation of common costs:

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common cost. Revenue and expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis are included under the head "Unallocated – Common".

The accounting policies adopted for segment reporting are in line with those of the Company.

(k) Earning per share

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue; bonus element in a rights issue to existing shareholders; share split; and reverse share split (consolidation of shares).



TITAGARH CAPITAL PRIVATE LIMITED

Notes to the financial statements as at and for the year ended March 31, 2016

For the purpose of calculating diluted earnings per share, the net profit or loss for the period 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.

(l) Provisions

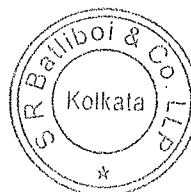
A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate.

(m) Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

(n) Cash and Cash equivalents

Cash and cash equivalents for the purposes of cash flow statement comprise of cash on hand, cash at bank and fixed deposits with an original maturity of three months or less.



3 SHARE CAPITAL

	As at March 31, 2016 Amount in Rs.	As at March 31, 2015 Amount in Rs.
Authorised Shares		
21,00,000 (31 March 2015: 21,00,000) Equity shares of Rs. 100 each	210,000,000	210,000,000
25,00,000 (31 March 2015: 25,00,000) 1% Compulsory Non Cumulative Convertible Preference Shares (NCCPS) of Rs. 100 each	250,000,000	250,000,000
	<u>460,000,000</u>	<u>460,000,000</u>
Issued, Subscribed and fully paid-up Shares		
15,00,000 (31 March 2015: 15,00,000) Equity shares of Rs. 100 each	150,000,000	150,000,000
25,00,000 (31 March 2015: 25,00,000) 1% NCCPS of Rs. 100 each	250,000,000	250,000,000
	<u>400,000,000</u>	<u>400,000,000</u>

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

There is no movement in the share capital during the current year and previous year.

b) Terms/rights attached to Equity shares

The company has only one class of equity shares having a par value of Rs. 100 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in 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. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Terms of conversion/redemption of NCCPS

NCCPS carry dividend @ 1% p.a. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Each holder of NCCPS is entitled to one vote per share only on resolutions placed before the company which directly affect the rights attached to NCCPS. The shares are compulsorily convertible into equity shares at par by 27 August 2022. In the event of liquidation of the company, the holders of preference shares will be entitled to receive not more than the value representing their investment before distribution to equity shareholders.

d) Shares held by holding company

Out of equity and preference shares issued by the company, shares held by its holding company are as below:

	Rs.	As at March 31, 2016 % holding	Rs.	As at March 31, 2015 % holding
Titagarh Wagons Limited, the Holding Company				
15,00,000 (31 March 2015: 15,00,000) Equity shares of Rs. 100 each fully paid	150,000,000	100%	150,000,000	100%
25,00,000 (31 March 2015: 25,00,000) 1% NCCPS of Rs. 100 each fully paid	250,000,000	100%	250,000,000	100%

4 RESERVES AND SURPLUS

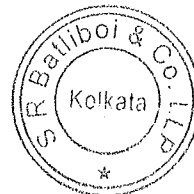
A. Reserve under Section 45-IC of the Reserve Bank of India Act, 1934

Balance as per the last financial statements	996,913	953,548
Add: Amount transferred from surplus in the statement of profit and loss during the year	-	43,365
	<u>996,913</u>	<u>996,913</u>

According to Section 45-IC of the Reserve Bank of India Act, 1934, every NBFC shall create a reserve fund and transfer therein a sum not less than 20% of its Net Profit every year as disclosed in the Statement of profit and loss and before declaration of dividend.

B. Deficit in the Statement of Profit and Loss

Balance as per the last financial statements	(129,845,228)	(130,018,689)
Profit/(Loss) for the year	(13,494,435)	216,826
Less: Amount transferred to Reserve under section 45-IC of the Reserve Bank of India Act, 1934	-	(43,365)
Net deficit in the statement of profit and loss	<u>(143,339,663)</u>	<u>(129,845,228)</u>
(A+B)	<u>(142,342,750)</u>	<u>(128,848,315)</u>



5 SHORT TERM BORROWINGS

	As at March 31, 2016 Amount in Rs.	As at March 31, 2015 Amount in Rs.
Unsecured Loan from Holding Company (refer note 20)	58,500,000	35,000,000
	<u>58,500,000</u>	<u>35,000,000</u>

- 5.1 Unsecured loan from Holding Company is repayable on demand and carries interest rate of 14% pa.
5.2 Interest accrued and due on above short term borrowings amounting to Rs. 3,313,627 due for payment on March 31, 2016 as included under other current liabilities (Note 6.2).

6 OTHER CURRENT LIABILITIES

	As at March 31, 2016 Amount in Rs.	As at March 31, 2015 Amount in Rs.
6.1 Trade Payables		
Total outstanding dues of micro enterprises and small enterprises (refer note 6.3 below)	3,034,692	588,890
Total outstanding dues of creditors other than micro and small enterprises	<u>3,034,692</u>	<u>588,890</u>
6.2 Other Current Liabilities		
Interest accrued and due on loan from Holding Company (refer note 20)	3,313,627	1,636,274
Interest accrued but not due on loan from Holding Company (refer note 20)	1,592,260	-
Others	554,939	235,745
Statutory Dues	<u>5,460,826</u>	<u>1,872,019</u>
Total Other Current Liabilities	<u>8,495,518</u>	<u>2,460,909</u>
Total Current Liabilities		

- 6.3 As per information available with the company, there are no suppliers covered under Micro, Small & Medium Enterprise Development Act, 2006. As a result, no interest provision / payment has been made by the company to such creditors, if any, and no disclosure thereof is made in this accounts.

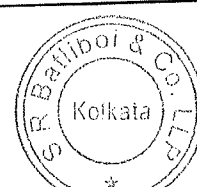
7 Short-term provisions

	As at March 31, 2016 Amount in Rs.	As at March 31, 2015 Amount in Rs.
Provision for standard assets	162,500	-
	<u>162,500</u>	<u>-</u>

8 FIXED ASSETS
TANGIBLE ASSETS

	Plant & Machinery (Railway Wagons) Amount in Rs.	Total Amount in Rs.
Cost or valuation		
At April 1, 2015	108,448,399	108,448,399
Additions	-	-
At March 31, 2015	<u>108,448,399</u>	<u>108,448,399</u>
Additions	108,448,399	108,448,399
At March 31, 2016	<u>108,448,399</u>	<u>108,448,399</u>
Depreciation & Amortization		
At April 1, 2015	4,900,536	4,900,536
Charge for the year	-	-
At March 31, 2015	<u>4,900,536</u>	<u>4,900,536</u>
Charge for the period	4,900,536	4,900,536
At March 31, 2016	<u>4,900,536</u>	<u>4,900,536</u>
Net Block		
At March 31 2015	<u>103,547,863</u>	<u>103,547,863</u>
At March 31, 2016	<u>103,547,863</u>	<u>103,547,863</u>

The above railway wagons include 200 wagons purchased in 2013-14 which comprises significant quantity of steel scrap on discard. The management based on the technical evaluation of an independent chartered engineer, has worked out the residual value of the aforesaid wagons considering the realizable value of the steel content on discard of these wagons. The residual value of these wagons has been determined at Rs. 99,906,750 which is higher than Rs. 16,100,000 (i.e 5% of the original cost) of the said wagons.



	As at March 31, 2016 Amount in Rs.	As at March 31, 2015 Amount in Rs.
9 NON-CURRENT INVESTMENT		
Trade investments (valued at cost unless stated otherwise)		
Preference shares (unquoted) 15,000,000 (31 March 2015: 15,000,000) 8% Non Convertible Non Cumulative Redeemable Preference Shares of Rs. 10 each fully paid-up in Cimmco Limited	150,000,000	150,000,000
Debentures (unquoted) Nil (31 March 2015: 4,950,000) 0.1% Optionally Fully Convertible Debentures (OFCD) in Titagarh Agrico Private Limited (b)	-	49,500,000
	<u>150,000,000</u>	<u>199,500,000</u>
Aggregate amount of unquoted investments	150,000,000	199,500,000

Note:

- (a) The preference shares are redeemable within five years from the date of allotment i.e. by July 07, 2019 at par.
(b) During the year the company has opted for redemption of the aforesaid OFCD.

10 LOANS AND ADVANCES

(Unsecured, considered good)

	Non Current		Current	
	As at March 31, 2016 Amount in Rs.	As at March 31, 2015 Amount in Rs.	As at March 31, 2016 Amount in Rs.	As at March 31, 2015 Amount in Rs.
Loans and advances to related party (Refer note no. 20)	-	-	65,000,000	-
Other loans and advances				
Advance income tax [Net of provision for taxation Rs. 933,171 (31 March 2015: Rs. 933,171)]	1,632,864	1,410,653	-	-
	<u>1,632,864</u>	<u>1,410,653</u>	<u>65,000,000</u>	<u>-</u>

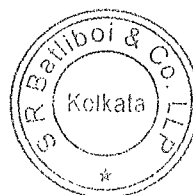
11 CASH AND BANK BALANCES

	As at March 31, 2016 Amount in Rs.	Current	As at March 31, 2015 Amount in Rs.
Cash and cash equivalents			
Balances with banks:			
On current accounts	2,572,671		2,250,500
Cash on hand	123,550		123,550
	<u>2,696,221</u>		<u>2,374,050</u>
Other bank balances			
Deposits with remaining maturity for less than 12 months	-		1,000,000
	<u>-</u>		<u>1,000,000</u>
	<u>2,696,221</u>		<u>3,374,050</u>

12 OTHER CURRENT ASSETS

(Unsecured, considered good)

	As at March 31, 2016 Amount in Rs.	As at March 31, 2015 Amount in Rs.
Interest accrued:		
On Fixed Deposits	-	115,980
On Loans to related party (refer note 20)	1,938,320	664,048
	<u>1,938,320</u>	<u>780,028</u>



	For the year ended March 31, 2016 Amount in Rs.	For the year ended March 31, 2015 Amount in Rs.
13 REVENUE FROM OPERATIONS		
Interest Income on Loans	2,190,848	8,456,388
	<u>2,190,848</u>	<u>8,456,388</u>
14 Other Income		
Interest Income on Bank deposits	31,263	502,416
Other Non Operating Income Provision for standard assets written back	-	399,500
	<u>31,263</u>	<u>901,916</u>
15 EMPLOYEE RELATED EXPENSES		
Salaries, wages and bonus	441,503	66,434
	<u>441,503</u>	<u>66,434</u>
16 FINANCE COSTS		
Bank charges	-	335
Interest expenses	5,611,013	1,818,082
	<u>5,611,013</u>	<u>1,818,417</u>
17 OTHER EXPENSES		
Legal and professional fees	8,432,050	1,544,513
Rates and Taxes	16,200	1,850
Director Fees	147,500	45,000
Irrecoverable loans written off	-	10,279,300
Less: Adjusted against provision for Non Performing Asset	-	5,200,000
Contingency provision against standard assets	162,500	5,079,300
Travelling Expenses	137,163	-
Payment to Auditors		-
As Auditor		
Audit fee	500,000	561,800
Limited Review	171,250	-
In Other Capacity:		
Other Services (Certificates, etc.)	85,500	-
Reimbursement of expenses	10,708	-
	<u>767,458</u>	<u>561,800</u>
Miscellaneous expenses	1,159	22,990
	<u>9,664,030</u>	<u>7,255,453</u>



TITAGARH CAPITAL PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended March 31, 2016

18 Earning per Share (EPS) :

	For the year ended March 31, 2016	For the year ended March 31, 2015
Profit / (Loss) after tax	(13,494,435)	216,826
Weighted average number of equity shares in calculating basic EPS	1,500,000	1,500,000
Earning per share (Rs. per share)	(9.00)	0.14

The Conversion of NCCPS is anti dilutive in nature and hence the disclosures for diluted EPS has not been given.

19 Contingent Liabilities

	For the year ended March 31, 2016	For the year ended March 31, 2015
Matters under appeal with Income tax authorities	26,061,180	26,061,180

20 Related Party Disclosures

Names of related parties and related party relationship

Related parties where control exists:

Holding Company : Titagarh Wagons Limited

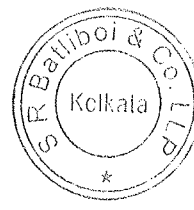
Related parties with whom transactions have taken place during the period:

Fellow Subsidiaries : Titagarh Agrico Private Limited
Cimco Equity Holdings Private Limited (w.e.f April 16, 2014)
Cimmco Limited (subsidiary of Cimco Equity Holdings Private Limited)
Greysam & Co. Private Limited (ceased to be a fellow subsidiary w.e.f. February 20, 2015)

Enterprises over which KMP / shareholders / relatives have significant influence : Cimmco Limited (upto April 15, 2014)

Details of transactions between the Company and related parties and outstanding balances as at the year end are given below:

Nature of transactions	Holding - Company	Fellow subsidiary	Enterprises over which KMP / shareholders / relatives have significant influence	Total
Interest received		2,153,689	-	2,153,689
Cimmco Limited		(6,791,412)	(950,097)	(7,741,509)
		37,159		37,159
Titagarh Agrico Private Limited		(680,297)		(680,297)
Interest paid	5,611,013			5,611,013
Titagarh Wagons Limited	(1,818,082)			(1,818,082)
Loan written off		-		-
Greysam & Co. Private Limited		(5,079,300)		(5,079,300)
Investments		-		-
Cimmco Limited		(150,000,000)		(150,000,000)
Loan received	90,000,000			90,000,000
Titagarh Wagons Limited	(35,000,000)			(35,000,000)
Loans given		90,000,000		90,000,000
Cimmco Limited		(50,000,000)		(50,000,000)
		-		-
Titagarh Agrico Private Limited		(49,500,000)		(49,500,000)
Repayment of loan taken	66,500,000			66,500,000
Titagarh Wagons Limited	(-)			(-)
Receipt against loan given		25,000,000		25,000,000
Cimmco Limited		(209,800,000)		(209,800,000)



TITAGARH CAPITAL PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended March 31, 2016

Nature of transactions	Holding Company	Fellow subsidiary	Enterprises over which KMP / shareholders / relatives have significant influence	Total
Redemption of Optionally fully convertible debentures (Investments)				
Titagarh Agrico Private Limited		49,500,000		49,500,000
		(-)		(-)
Loans given, converted into Optionally fully convertible debentures (Investments)				
Titagarh Agrico Private Limited		-		-
		(49,500,000)		(49,500,000)
Balance outstanding as at the year end (Dr)				
Cimmco Limited		66,938,320		66,938,320
		(51,781)		(51,781)
Titagarh Agrico Private Limited		-		-
		(612,267)		(612,267)
Balance outstanding as at the year end (Cr)				
Titagarh Wagons Limited	63,405,887			63,405,887
	(36,636,274)			(36,636,274)

21 Disclosure required under Sec 186(4) of the Companies Act 2013

Included in loans and advance are certain loans given, the particulars of which are disclosed below as required by Sec 186(4) of Companies Act 2013:

Name of Company	Rate of interest	Nature of transaction	Amount in Rs.	
			As at March 31, 2016	As at March 31, 2015
Cimmco Limited	15%	Loan given	65,000,000	-

(i) Loan given to company is for their general business purpose and is repayable on demand

22 Deferred Tax

In absence of virtual certainty supported with convincing evidence in terms of Accounting Standard 22, the Company as a matter of prudence has not recognized the deferred tax asset arising on account of brought forward losses and unabsorbed depreciation.

23 Segment Reporting

In terms of Accounting Standard 17 - "Segment Reporting" notified by the Companies Act, the Company is engaged in the business of Financial Services and has only one reportable segment. The Company operates in only one geographical segment, i.e., "within India" and no separate information for geographical segment has been given.

24 Provident fund and Payment of Gratuity Act are not applicable to the Company as it has employed less than 10 employees during the year.

25 The Company is in the process of appointing a Chief Financial Officer to comply with the provisions of The Companies Act, 2013.

26 Previous Year Figures

Previous year's figure including those in brackets have been regrouped and/or rearranged wherever necessary.

As per our Report of even date

For and on behalf of the Board of Directors of Titagarh Capital Private Limited

For S. R. BATLIBOI & CO. LLP

Firm Registration No.: 301003E/E300005

Chartered Accountants

per Kamal Agarwal
Partner

Membership No. 58652

Sudev Chandra Das
Director

Dinesh Arya
Director

Anil Kumar Agarwal
Director

Averi Misra
Company Secretary

Place: Kolkata

Dated : May 25, 2016

