

INDEPENDENT AUDITOR'S REPORT

To the Members of Titagarh Capital Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Titagarh Capital Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, 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 and the Companies (Accounting Standards) Amendment Rules, 2016. 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 misstatement, 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 controls 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



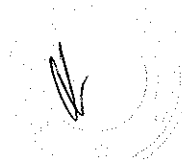
evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate 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, 2017, its profit, 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 and the Companies (Accounting Standards) Amendment Rules, 2016;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (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:



S.R. BATLIBOI & CO. LLP

Chartered Accountants

- 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.
- iv. The Company has provided requisite disclosures in Note 26 to these financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005

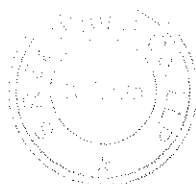


per Kamal Agarwal
Partner

Membership Number: 058652

Place of Signature: Kolkata

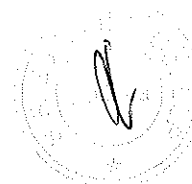
Date: May 18, 2017



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, 2017

- (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 loans 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 information and explanations given to us, there are no dues of income tax, service tax and cess which have not been deposited on account of any dispute.
- (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.



S.R. BATLIBOI & CO. LLP

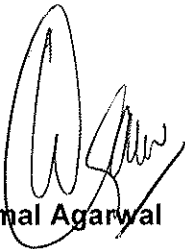
Chartered Accountants

- (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

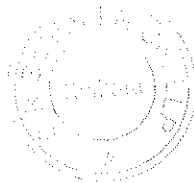


per **Kamal Agarwal**
Partner

Membership Number: 058652

Place of Signature: Kolkata

Date: May 18, 2017



**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, 2017 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 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.



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.

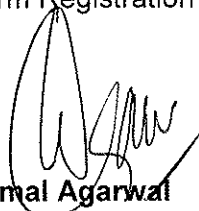
Opinion

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, 2017, 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: 058652

Place of Signature: Kolkata

Date: May 18, 2017



TITAGARH CAPITAL PRIVATE LIMITED
Balance Sheet as at March 31, 2017

	Note	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.
A EQUITY AND LIABILITIES			
Shareholders Fund			
Share Capital	3	400,000,000	400,000,000
Reserves & Surplus	4	(145,125,954)	(142,342,750)
Current liabilities			
Short Term Borrowings	5	103,500,000	58,500,000
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		987,000	3,034,692
Other Current Liabilities	6.2	205,552	5,460,826
Short Term Provisions	7	259,753	162,500
TOTAL		359,826,351	324,815,268
B ASSETS			
Non-current assets			
Fixed Assets			
Tangible Assets	8	103,547,863	103,547,863
Non - Current Investments	9	150,000,000	150,000,000
Loans and Advances	10	2,365,110	1,632,864
Current assets			
Loans and Advances	10	100,000,000	65,000,000
Cash and Bank balances	11	3,913,378	2,686,221
Other Current Assets	12	-	1,938,320
TOTAL		359,826,351	324,815,268

Summary of significant accounting policies

2.1

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

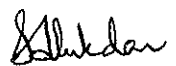
As per our Report of even date

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


per **Kamal Agarwal**
Partner
Membership No. 58652

Place: Kolkata
Dated: May 18, 2017

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


Sunirmal Talukdar
Director


Dinesh Arya
Director


Anil Kumar Agarwal
Director


Averi Misra
Company Secretary



Wine *Saver*

TITAGARH CAPITAL PRIVATE LIMITED

Statement of profit & loss for the year ended March 31, 2017

	Note	For the year ended March 31, 2017 Amount in Rs.	For the year ended March 31, 2016 Amount in Rs.
Revenue from operations	13	14,597,262	2,190,848
Other Income	14	129,735	31,263
Total Revenue (I)		14,726,997	2,222,111
Expenses			
Employee Benefit Expense	15	739,935	1,041,503
Finance Costs	16	13,519,899	5,611,013
Other Expenses	17	3,250,367	9,064,030
Total Expenses (II)		17,510,201	15,716,546
Loss before taxes		(2,783,204)	(13,494,435)
Tax expenses			
Current tax		-	-
Loss for the year		(2,783,204)	(13,494,435)
Earnings per equity share [Nominal value of share Rs. 100 (31 March 2016: Rs. 100)]			
Basic & Diluted (in Rs.)	18	(1.86)	(9.00)
Summary of significant accounting policies	2.1		

The accompanying notes are an integral part of the financial statement

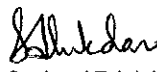
As per our Report of even date

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

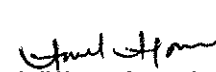
For S. R. BATLIBOI & CO. LLP
Chartered Accountants
Firm Registration No.: 301003E/E300005

per Kamal Agarwal
Partner
Membership No. 58652

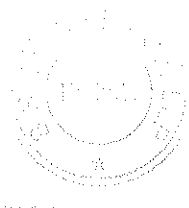
Place: Kolkata
Dated : May 18, 2017


Sunirmal Talukdar
Director


Dinesh Arya
Director


Anil Kumar Agarwal
Director


Averi Misra
Company Secretary



TITAGARH CAPITAL PRIVATE LIMITED

Cash flow statement for the year ended March 31, 2017

	For the year ended March 31, 2017 Amount in Rs.	For the year ended March 31, 2016 Amount in Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before tax	(2,783,204)	(13,494,435)
Adjustments for:		
Contingency provision against standard assets	87,500	162,500
Interest expenses	13,519,899	5,611,013
Interest Income	-	(31,263)
Operating Profit/(Loss) before Working Capital Changes	10,824,195	(7,752,185)
Movement in working capital		
Increase in loans and advances	(35,000,000)	(65,000,000)
Decrease / (Increase) in Current Assets	1,938,320	(1,274,272)
Decrease / (Increase) in non current investments	-	49,500,000
Increase / (Decrease) in Trade Payable	(2,047,692)	2,445,802
Increase / (Decrease) in Current Liabilities	(339,634)	319,194
	(35,449,006)	(14,009,276)
Cash used in operations	(24,624,811)	(21,761,461)
Direct taxes paid	(732,246)	(222,211)
Net Cash used in operating activities	(25,357,057)	(21,983,672)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Interest Received on bank deposits	-	147,243
Fixed Deposits encashed / matured	-	1,000,000
Net Cash generated from Investing Activities	-	1,147,243
C. CASH FLOW FROM FINANCING ACTIVITIES		
Loan from Holding Company	45,000,000	90,000,000
Loan refunded to Holding Company	-	(66,500,000)
Interest paid	(18,425,786)	(2,341,400)
Net cash generated from financing activities	26,574,214	21,158,600
Net Increase in cash & cash equivalent (A+B+C)	1,217,157	322,171
Cash and Cash Equivalents at the beginning of the year	2,696,221	2,374,050
Cash and Cash Equivalents at the end of the year	3,913,378	2,696,221
Components of Cash & Cash Equivalents:		
Cash on Hand	123,550	123,550
Balance with Banks:		
On Current Account	3,789,828	2,572,671
Total cash and cash equivalents (note 11)	3,913,378	2,696,221

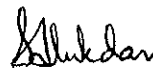
As per our Report of even date

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

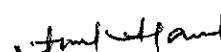
For S. R. BATLIBOI & CO. LLP
Chartered Accountants
Firm Registration No.: 301003E/E300005

per Kamal Agarwal
Partner
Membership No. 58652

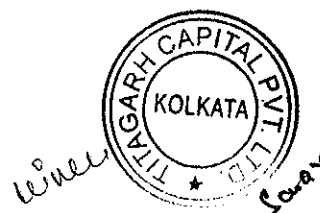
Place: Kolkata
Dated : May 18, 2017


Sunirmal Talukdar
Director


Dinesh Arya
Director


Anil Kumar Agarwal
Director


Averi Misra
Company Secretary



TITAGARH CAPITAL PRIVATE LIMITED

Notes to the financial statements as at and for the year ended March 31, 2017

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. 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.

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

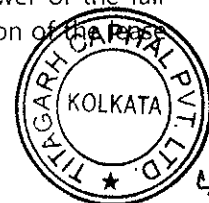
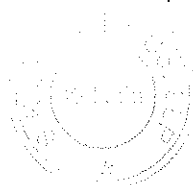
Depreciation on fixed assets is provided under Straight Line basis using the rates arrived at based on the useful lives estimated by the management. The identified components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The company 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 value of the leased property and present value of minimum lease payment at the inception of the lease.



TITAGARH CAPITAL PRIVATE LIMITED

Notes to the financial statements as at and for the year ended March 31, 2017

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 and 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.

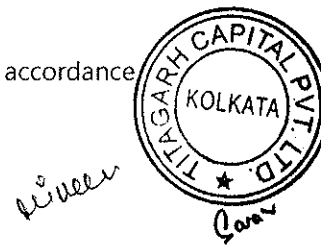
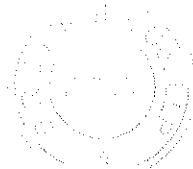
Interest Income

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.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance



TITAGARH CAPITAL PRIVATE LIMITED

Notes to the financial statements as at and for the year ended March 31, 2017

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.

(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:

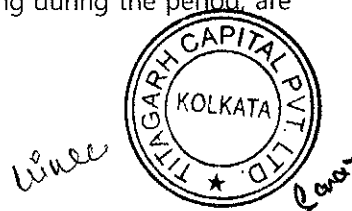
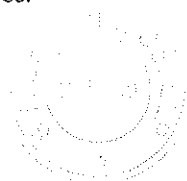
Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common cost. Revenue and expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis are included under the head "Unallocated – Common".

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

(k) Earnings per share

Basic earnings 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).

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.



TITAGARH CAPITAL PRIVATE LIMITED

Notes to the financial statements as at and for the year ended March 31, 2017

(l) Provisions

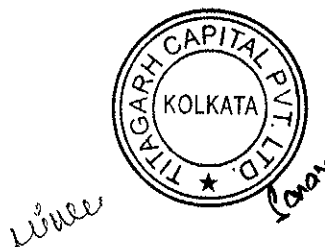
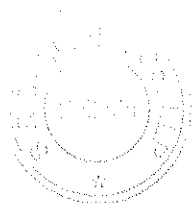
A provision is recognized when the company has a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not discounted 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.



	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.
3 SHARE CAPITAL		
Authorised Shares		
21,00,000 (31 March 2016: 21,00,000) Equity shares of Rs. 100 each	210,000,000	210,000,000
25,00,000 (31 March 2016: 25,00,000) 1% Non Cumulative Compulsory Convertible Preference Shares (NCCCPs) 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 2016: 15,00,000) Equity shares of Rs. 100 each	150,000,000	150,000,000
25,00,000 (31 March 2016: 25,00,000) 1% NCCCPs 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 NCCCPs

NCCCPs carry non-cumulative 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 NCCCPs is entitled to one vote per share only on resolutions placed before the company which directly affect the rights attached to NCCCPs. 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:

	As at March 31 2017		As at March 31 2016	
	Rs	% Holding	Rs	% Holding
Titagarh Wagons Limited, the Holding Company				
15,00,000 (31 March 2016: 15,00,000) Equity shares of Rs. 100 each fully paid	150,000,000	100%	150,000,000	100%
25,00,000 (31 March 2016: 15,00,000) 1% NCCCPs of Rs. 100 each fully paid	250,000,000	100%	250,000,000	100%

	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.
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	<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. No amount has been transferred during the year in view of losses.		
B. Deficit in the Statement of Profit and Loss		
Balance as per the last financial statements	(143,339,663)	(129,845,228)
Loss for the year	<u>(2,783,204)</u>	<u>(13,494,435)</u>
Net deficit in the statement of profit and loss	<u>(146,122,867)</u>	<u>(143,339,663)</u>
(A+B)	<u><u>(145,125,954)</u></u>	<u><u>(143,342,750)</u></u>



5 SHORT TERM BORROWINGS

	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.
Unsecured Loan from Holding Company (refer note 20)	103,500,000	58,500,000
	<u>103,500,000</u>	<u>58,500,000</u>

Unsecured loan from Holding Company is repayable on demand and carries interest rate of 14% pa.

6 OTHER CURRENT LIABILITIES

	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.
6.1 Trade Payables		
Payables for goods and services	-	-
Total outstanding dues of micro enterprises and small enterprises (Refer Note 6.3 below)	987,000	3,034,692
Total outstanding dues of creditors other than micro and small enterprises	<u>987,000</u>	<u>3,034,692</u>
6.2 Other Current Liabilities		
Interest accrued and due on loan from Holding Company (Refer Note 20)	-	3,313,627
Interest accrued but not due on loan from Holding Company (Refer Note 20)	-	1,592,260
Others		
Statutory Dues	205,552	554,939
Total Other Current Liabilities	<u>205,552</u>	<u>5,460,826</u>
Total Current Liabilities	<u>1,192,552</u>	<u>8,495,518</u>

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 these accounts.

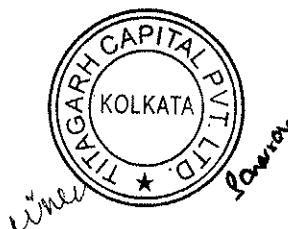
7 Short-term provisions

	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.
Provision for standard assets	250,000	162,500
Provision for leave encashment	9,753	-
	<u>259,753</u>	<u>162,500</u>

8 FIXED ASSETS
TANGIBLE ASSETS

	PLANT & MACHINERY (Railway Wagons)
	<u>Amount in Rs.</u>
Cost or valuation	
At April 1, 2015	108,448,399
Additions	
At March 31, 2016	<u>108,448,399</u>
Additions	
At March 31, 2017	<u>108,448,399</u>
Depreciation & Amortization	
At April 1, 2015	4,900,536
Charge for the year	
At March 31, 2016	<u>4,900,536</u>
Charge for the period	
At March 31, 2017	<u>4,900,536</u>
Net Block	
At March 31, 2017	<u>103,547,863</u>
At March 31 2016	<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. 9.99.06.750 which is higher than Rs. 1,61,00,000 (i.e 5% of the original cost) of the said wagons.



TITAGARH CAPITAL PRIVATE LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2017

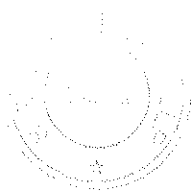
	No. of Shares			As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.
	As at March 31, 2017	As at March 31, 2016	Face value		
9 NON CURRENT INVESTMENT					
Trade investment (valued at cost unless stated otherwise)					
Preference Shares (unquoted)					
8% Non Convertible Non Cumulative Redeemable Preference Shares in Cimico Limited	15,000,000	15,000,000	10	150,000,000	150,000,000
				<u>150,000,000</u>	<u>150,000,000</u>
Aggregate amount of unquoted investments				150,000,000	150,000,000
Note:					
The preference shares are redeemable within five years from the date of allotment i.e. by July 07, 2019 at par.					
10 LOANS AND ADVANCES					
Unsecured, considered good					
	Non Current			Current	
	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.		As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.
Loans and advances to Related Party (refer note 20)	-	-		100,000,000	65,000,000
Other loans and advances					
Advance Tax, Tax deducted at source	2,365,110	1,632,864		-	-
[Net of provision for tax NIL (31 March 2016: Rs. 933,171)]					
	<u>2,365,110</u>	<u>1,632,864</u>		<u>100,000,000</u>	<u>65,000,000</u>
11 CASH AND BANK BALANCES					
				Current	
				As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.
Cash and cash equivalents					
Balances with banks:					
On current accounts				3,789,828	2,572,671
Cash in hand				123,550	123,550
				<u>3,913,378</u>	<u>2,696,221</u>
12 OTHER CURRENT ASSETS					
(Unsecured, considered good)					
				As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.
Interest accrued:					
On Loans to related parties (refer note 20)				-	1,938,320
				<u>-</u>	<u>1,938,320</u>



TITAGARH CAPITAL PRIVATE LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2017

	For the year ended March 31, 2017 Amount in Rs.	For the year ended March 31, 2016 Amount in Rs.
13 REVENUE FROM OPERATIONS		
Interest Income on Loans	14,597,262	2,190,848
	<u>14,597,262</u>	<u>2,190,848</u>
14 Other Income		
Interest Income on Bank deposits	-	31,263
Income Tax Refund	79,005	-
Other Non Operating Income	50,730	-
Sundry Liabilities Written Back		
	<u>129,735</u>	<u>31,263</u>
15 EMPLOYEE RELATED EXPENSES		
Salaries, wages and bonus	289,935	441,503
Director remuneration	450,000	600,000
	<u>739,935</u>	<u>1,041,503</u>
16 FINANCE COSTS		
Interest expenses	13,519,899	5,611,013
	<u>13,519,899</u>	<u>5,611,013</u>
17 OTHER EXPENSES		
Legal and professional fees	1,887,418	7,832,050
Rates and Taxes	15,700	16,200
Director Fees	130,000	147,500
Contingency provision against standard assets	87,500	162,500
Travelling Expenses	12,311	137,163
Payment to Auditors		
As Auditor		
Audit fee	500,000	500,000
Limited Review	172,500	171,250
In Other Capacity:		
Other Services (Certificates, etc.)	438,079	85,500
Reimbursement of expenses	<u>3,861</u>	<u>10,708</u>
Miscellaneous expenses	<u>2,998</u>	<u>1,159</u>
	<u>3,250,387</u>	<u>9,064,030</u>



TITAGARH CAPITAL PRIVATE LIMITED
Notes to Financial Statements as at and for the year ended March 31, 2017
18 Earning per Share (EPS) :

	For the year ended March 31, 2017	For the year ended March 31, 2016
--	--------------------------------------	--------------------------------------

Loss after tax	(27,83,204)	(1,34,94,435)
Weighted average number of equity shares in calculating basic EPS	15,00,000	15,00,000
Earnings per share (Rs. per share)	(1.86)	(9.00)

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, 2017	For the year ended March 31, 2016
--	--------------------------------------	--------------------------------------

Matters under appeal with income tax authorities	-	2,60,61,180
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20 Related Party Disclosures
Names of related parties and related party relationship
Related parties where control exists:

Holding Company : Titagarh Wagons Limited

Related parties under AS 18 with whom transactions have taken place during the year :

Fellow Subsidiary : Titagarh Agrico Private Limited
Cimmco Limited

Additional Related parties under Companies Act 2013 with whom transactions have taken place during the year :

Directors
Mr. Sunirmal Talukdar
Mr. Nandan Bhattacharya
Mr. Sudev Chandra Das - Resigned w.e.f 27th October 2016
Mr. Anil Agarwal
Mr. Dinesh Arya

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	Key Managerial Personnel	Total
Interest received				
Cimmco Limited		1,44,57,534		1,44,57,534
		(21,53,689)		(21,53,689)
Titagarh Agrico Private Limited		1,39,726		1,39,726
		(37,159)		(37,159)
Interest paid				
Titagarh Wagons Limited	1,34,90,822			1,34,90,822
	(56,11,013)			(56,11,013)
Director Sitting Fees				
Anil Agarwal			32,500	32,500
			(37,500)	(37,500)
Dinesh Arya			32,500	32,500
			(32,500)	(32,500)
Sunirmal Talukdar			30,000	30,000
			(40,000)	(40,000)
Nandan Bhattacharya			25,000	25,000
			-	-
Sudev Chandra Das			10,000	10,000
			(37,500)	(37,500)
Professional & Consultancy				
Anil Agarwal			4,50,000	4,50,000
			(6,00,000)	(6,00,000)
Loan Received				
Titagarh Wagons Limited	4,50,00,000			4,50,00,000
	(9,00,00,000)			(9,00,00,000)
Loans given				
Cimmco Limited		4,50,00,000		4,50,00,000
		(9,00,00,000)		(9,00,00,000)
Titagarh Agrico Private Limited		1,00,00,000		1,00,00,000
		(-)		(-)
Repayment of loan taken				
Titagarh Wagons Limited	-			-
	(6,65,00,000)			(6,65,00,000)



TITAGARH CAPITAL PRIVATE LIMITED

Notes to Financial Statements as at and for the year ended March 31, 2017

Nature of transactions	Holding Company	Fellow subsidiary	Enterprises over which KMP / shareholders / relatives have significant influence	Total
Repayment of loan given				
Cimmco Limited		10,000,000		10,000,000
		(25,000,000)		(25,000,000)
Titagarh Agrico Private Limited		10,000,000		10,000,000
		(-)		(-)
Redemption of 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		100,000,000		100,000,000
		(66,938,320)		(66,938,320)
Balance outstanding as at the year end (Cr)				
Titagarh Wagons Limited	103,500,000			103,500,000
	(63,405,887)			(63,405,887)

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

Included in loans and advances are certain loans given, the particulars of which are disclosed below:

Amount in Rs.

Name of the Company	Rate of Interest	Nature of Transaction	As at 31st March 2017	As at 31st March 2016
Cimmco Limited (Refer Note Below)	15%	Loan Given	100,000,000	65,000,000

Note: 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 Details of Specified Bank Notes (SBN) held and transacted during the period November 8, 2016 to December 30, 2016 as provided in the table below:

Amount in INR

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	123,550	123,550
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	-	-
(-) Amount deposited in Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	123,550	123,550

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

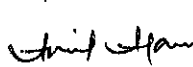
 per Kamal Agarwal
 Partner
 Membership No. 58652

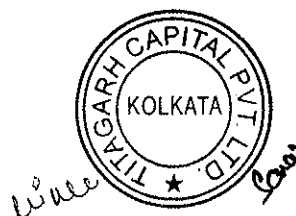
 Place: Kolkata
 Dated : May 18, 2017

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


 Sunirmal Talukdar
 Director


 Dinesh Arya
 Director


 Anil Kumar Agarwal
 Director


 Averi Misra
 Company Secretary


TITAGARH CAPITAL PRIVATE LIMITED

(FORMERLY FLOURISH SECURITIES AND FINANCE PVT. LTD.)

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the 23rd Annual Report and Audited Accounts of the Company for the financial year ended March 31, 2017.

Financial Performance:

Particulars	FY Ended 31.03.2017 Amount (Rs.)	FY Ended 31.03.2016 Amount (Rs.)
Total Revenue	14,726,997	2,222,111
Total Expenses	17,510,201	15,716,546
Profit/Loss Before Tax	(2,783,204)	(13,494,435)
Tax Expenses	-	-
Profit/Loss After Tax	(2,783,204)	(13,494,435)

Financial performance of the Company during the year under review is in line with the trend witnessed by the industry in which your Company operates.

Review of Operations:

The Company being classified as a non-deposit accepting NBFC is engaged in the business of giving loans and making investments. Increase in revenue was recorded owing to enhanced deployment of funds resulting in larger interest income during the FYE 31/03/2017. Further, lower legal expenses enabled reduction in loss during the year under review. With focus on more efficient utilization of resources, the Directors are reasonably optimistic of the outlook for current year.

Transfer to Reserves:

No transfer to Special Reserve has been made due to loss incurred during the year under review.

Dividend:

The Directors do not recommend any dividend for the financial year ended March 31, 2017.

Risks & Concern:

The Company has laid down a risk management mechanism commensurate with the nature of operations of the Company, which is reviewed periodically.

Internal Financial Controls:

Appropriate Policies and procedures have been adopted by the Board to ensure effective financial controls, risk assessment and mitigation measures, accuracy and completeness of the accounting records, prevention and detection of frauds and errors, orderly and efficient conduct of the Company's business and timely preparation of reliable financial information.

Extract of Annual Return:

The details forming part of the extract of the Annual Return in Form MGT-9 are annexed and marked as **Annexure DR-1**.

Material Changes and Commitments after balance sheet date:

No material changes and commitments have occurred from the date of close of the financial year, to which the financial statements relate, till the date of this report, which might affect the financial position of the Company.

Particulars of subsidiary/joint venture/associate companies:

The company does not have any subsidiary/joint venture/associate companies whose details are required to be disclosed as per Rule 8 of the Companies (Accounts) Rules, 2014.

Meetings of the Board of Directors:

During the year under review, 5 (Five) meetings of the Board of Directors of the Company were held on 25.05.2016, 22.08.2016, 28.10.2016, 14.12.2016 and 06.02.2017.

Loans, Guarantees & Investments:

Particulars of loans, guarantees and investments made by the Company pursuant to the Section 186 of the Companies Act, 2013 (the Act) are furnished in the notes to the Accounts/Financial Statements.

Significant and Material Orders:

There were no material/significant orders passed by any regulator/tribunal impacting the going concern status and the Company's operations in future.

TITAGARH CAPITAL PRIVATE LIMITED

(FORMERLY FLOURISH SECURITIES AND FINANCE PVT. LTD.)

Related Party Transactions:

No related party transactions, material or otherwise requiring approvals during the year under review were entered into and therefore the disclosure in Form AOC-2, being inapplicable, is not attached.

Internal Control System:

As per Section 143 (3) (i) of the Companies Act, 2013, the Company has adequate system of internal controls and necessary checks and balances, which are being strengthened so as to ensure that (a) its assets are safeguarded, (b) transactions are authorised, recorded and reported properly; and (c) the accounting records are properly maintained and its financial statements are reliable.

Deposits:

The Company has not accepted any deposits during the year under review and as required by the RBI as a condition for continuation of certification as a Non Deposit accepting NBFC, the Board has resolved not to accept deposits from public during the current year.

Directors and Key Managerial Personnel:

Appointment

Shri Nandan Bhattacharya was appointed as Independent Director of the Company w.e.f. 14.12.2016 as per the provisions of Sections 149 and 152 read with Schedule IV of the Act and pursuant to recommendation of the Nomination and Remuneration Committee.

Resignation

Shri Sudev Chandra Das, Independent Director of the Company resigned w.e.f. 27.10.2016 owing to personal reasons.

Retirement by rotation

Shri Anil Kumar Agarwal, Director retires by rotation pursuant to the provisions of Section 152 of the Act and is eligible for re-appointment.

During the year under review, there was no change in the Key managerial Personnel of the Company.

Declaration by Independent Directors:

Declarations pursuant to the Sections 164 and 149(6) of the Act by the two Independent Directors of the Company have been made.

Evaluation of the Board's performance, Committee and Individual Directors:

In compliance with the Act, the Board has adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors. The exercise has been carried out through a structured evaluation process covering various aspects of the Board and Committees, experience and competencies, performance of specific duties and obligations, governance issues etc. Criteria for evaluation of the Board is annexed hereto as **Annexure DR-2**.

Separate meeting of Independent Directors:

As stipulated by the Code of Independent Directors as per Schedule V to the Act, a separate meeting of the Independent Directors of the Company was held on 6th February, 2017 to review the performance of Non-Independent Directors and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committee which is necessary to effectively and reasonably perform and discharge their duties.

Remuneration Policy and remuneration:

A policy approved by the Nomination and Remuneration Committee and the Board is followed by the Company on remuneration of Directors, as per the details provided under Section 178 (3) and is attached hereto and marked as **Annexure DR-3**.

Statutory Auditor and Auditors' Report:

M/s. S R Batliboi & Co. LLP, Chartered Accountants, Auditors of the Company have expressed their unwillingness to continue as the Statutory Auditors of the Company.

The Board recommends appointment of Price Waterhouse and Company Chartered Accountants LLP, as the Statutory Auditors of the Company to hold office for a period of 5 years from the conclusion of the ensuing AGM till the conclusion of the 28th AGM.

Composition of the Audit Committee:

The Board has constituted Audit Committee comprising of Shri Sunirmal Talukdar as Chairman and Shri Nandan Bhattacharya and Shri Anil Kumar Agarwal as members.

Shri S C Das ceased to be a member of the Audit Committee w.e.f. 27.10.2016 and Shri Nandan Bhattacharya has been inducted in the Committee as a member w.e.f. 14.12.2016.

During the year all recommendations made by the Audit Committee were accepted by the Board.



TITAGARH CAPITAL PRIVATE LIMITED

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Particulars of Employees:

The Company does not have any employee whose particulars are required to be disclosed pursuant to Section 197 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings & Outgo:

Considering the nature of activities of the Company and in view of there being no such event/activity as would attract the provisions of Section 134(3)(m) of the Act read with Rule 8 of the Companies (Accounts) Rules 2014 on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo and the information pursuant thereto is not applicable.

Directors' Responsibility Statement:

Pursuant to Section 134(5) of the Act, the Board of Directors of the Company confirms that:

- In the preparation of the annual accounts for the year ended 31st March, 2017, the Company has followed the applicable accounting standards and there are no material departures from the same.
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2017 and of the profit and loss of the Company for that period;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a 'going concern' basis;
- the Company, being unlisted, sub-clause (e) of Section 134(3) of the Act pertaining to laying down internal financial controls is not applicable to the Company;
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Acknowledgement:

Your Directors would like to express their sincere appreciation for the assistance and co-operation received from the banks, Government authorities, customers, vendors and members during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed services by the Company's employee(s).

Registered Office:


756 Anandapur

E M Bypass

Kolkata 700107

By Order of the Board of Directors


Shri Dinesh Arya
DIN: 00168213
Director


Shri Anil Kumar Agarwal
DIN: 01501767
Director

Dated: the 18th day of May, 2017

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TITAGARH CAPITAL PRIVATE LIMITED

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Annexure- DR-1

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2017

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

I. REGISTRATION AND OTHER DETAILS:

1	CIN	U01122WB1994PTC138832
2	Registration Date	10.05.1994
3	Name of the Company	Titagarh Capital Private Limited
4	Category / Sub-Category of the Company	Non Banking Financial Company
5	Address of the Registered office and contact details	756 Anandpur, EM Bypass Kolkata-700107
6	Whether listed company	Unlisted
7	Name, Address and Contact details of Registrar and Transfer Agent	Not Applicable

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY--- Giving Loans and making investments

All the business activities contributing 10% or more of the total turnover of the company shall be stated (Based on Audited Financial Results 2015-16)-None

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Non Banking Financial Company	649	99.64%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Names and Address of Co	CIN	Holding/Subsidiary/Associate	Percentage of Shares held	Applicable Section
1	Titagarh Wagons Limited 756 Anandapur, E M Bypass Kolkata-700107	L27320WB1997PLC084819	Holding Company	100%	2(46)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2016				No. of Shares held at the end of the year 31.03.2017				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1. Indian									
a. Individual/HUF	Nil	20	20	0.01	Nil	20	20	Negligible	Nil
b. Central Govt.	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
c. State Govt.	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
d. Bodies Corp.	Nil	14,99,980	14,99,980	99.99	Nil	14,99,980	14,99,980	99.99	Nil
e. Bank/FI	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
f. Any other									
Sub-Total-A(1)	Nil	15,00,000	15,00,000	100	Nil	15,00,000	15,00,000	100	N.A.
2. Foreign									
a. NRI-Individuals	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
b. Other Individuals	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
c. Body Corporate	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.

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d. Bank/FI	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
e. Any Other	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
Sub-Total-A(2)	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
Total Shareholders of Promoters (1+2)	Nil	15,00,000	15,00,000	100	Nil	15,00,000	15,00,000	100	N.A.
B. Public Shareholding									
1. Institution									
a. Mutual Funds	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
b. Bank/FI	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
c. Cent. Govt/State Govt	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
d. Venture Capital	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
e. Insurance Co.	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
f. FIs									
g. Foreign Portfolio Corporate	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
h. Foreign Venture Capital Fund	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
i. Others	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
Sub Total B(1)	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
2. Non-Institution									
a. Body Corp Indian Overseas	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
b. Individual									
i. Individual Shareholders holding nominal share capital up to Rs. 1 Lakh.	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
ii. Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh.	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
C. Others									
(i) Clearing Members	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
(ii) Foreign Bodies	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
(iii) Foreign Bodies Corporate	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
(iv) Non Resident Indians	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
(v) Trust	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
Sub-Total-B(2)	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
Net Total (1+2)	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
c. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
Grand Total (A+B+C)	Nil	15,00,000	15,00,000	100	Nil	15,00,000	15,00,000	100	N.A.

**Shares are held by the Nominee Shareholder of Titagarh Marine Limited.




TITAGARH CAPITAL PRIVATE LIMITED

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(ii) Shareholding of Promoters

Sl. No.	Share Holders' Names	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Titagarh Wagons Limited (TWL)	14,99,940	99.9964	Nil	14,99,940	99.9964	Nil	Nil
2	Shri Dinesh Arya* Joint: TWL	10	0.0006	Nil	10	0.0006	Nil	Nil
3	Shri Nandan Bhattacharya* Joint: TWL	10	0.0006	Nil	10	0.0006	Nil	Nil
4	Shri Akash Saraf* Joint: TWL	10	0.0006	Nil	10	0.0006	Nil	Nil
5	Shri Tuhin Bhattacharya* Joint: TWL	10	0.0006	Nil	10	0.0006	Nil	Nil
6	Shri Milan Sarkar Joint: TWL	10	0.0006	Nil	10	0.0006	Nil	Nil
7	Smt Averi Misra Joint: TWL	10	0.0006	Nil	10	0.0006	Nil	Nil
	Total	15,00,000	100	Nil	15,00,000	100	Nil	Nil

*Beneficial owner is Titagarh Wagons Limited.

(iii) Change in Promoters' Shareholding - There is No Change in the shareholding of the Promoter Group

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	N.A	Nil	N.A
	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease(e.g. allotment/ transfer/bonus/ sweat equity etc)				
	At the End of the year	Nil	N.A	Nil	N.A

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

NIL

Sl. No.	Top Ten Shareholders	Shareholding at the beginning of the year 1.4.16		Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity etc)	Shareholding at the end of the year 31.3.17	
		No. of Shares	% of total shares of the Company		No. of shares	% of total shares of the Company

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TITAGARH CAPITAL PRIVATE LIMITED

(FORMERLY FLOURISH SECURITIES AND FINANCE PVT. LTD.)

(v) Shareholding of Directors and Key Managerial Personnel: NIL

Sl. No.	Top Ten Shareholders	Shareholding at the beginning of the year 1.4.16		Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity etc)	Shareholding at the end of the year 31.3.17	
		No. of Shares	% of total shares of the Company		No. of shares	% of total shares of the Company

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs/Lacs) -

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year	-	1,00,000,000	-	1,00,000,000
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	-	-	-	-
Change in Indebtedness during the financial year	-	-	-	-
+Addition	-	-	-	-
-Reduction	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year	-	-	-	-
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total of (1+2+3)	-	1,00,000,000	-	1,00,000,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director/Whole-time Director: NIL

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		
4.	Commission - as % of profit - others, specify...		
5.	Others, please specify		
	Total (A)		
	Ceiling as per the Act		
	N	I	L

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TITAGARH CAPITAL PRIVATE LIMITED

(FORMERLY FLOURISH SECURITIES AND FINANCE PVT. LTD.)

B. Remuneration to other directors:


Particulars of Remuneration	Name of Directors		Total Amount
	Independent Directors		
Name of Directors	Shri Nandan Bhattacharya	Shri Sunirmal Talukdar	
Fee for attending board committee meetings:	Rs 25,000/-	Rs 30,000/-	Rs 55,000/-
Commission	Nil	Nil	Nil
Others	Nil	Nil	Nil
Total (1)			Rs 55,000/-
	Non-Executive Director		
Name of Directors	Shri Anil Kumar Agarwal	Shri Dinesh Arya	
Fee for attending board committee meetings:	Rs 32,500/-	Rs 32,500/-	Rs 65,000/-
Commission	Nil	Nil	Nil
Others	Nil	Nil	Nil
Total (2)			Rs 65,000/-
Total (B)=(1+2)			Rs 1,20,000/-
Total Managerial Remuneration			Rs 1,20,000/-

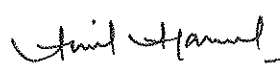
C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:

Sl. No.	Particulars of Remuneration	Miss Averi Misra- C.S - KMP (appointed w.e.f 25.05.2016)	Total
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs 2,80,182 /-	Rs 2,80,182 /-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil
2.	Stock Option	Nil	Nil
3.	Sweat Equity	Nil	Nil
4.	Commission - as % of profit - others, specify	Nil	Nil
5.	Others, please specify	Nil	Nil
	Total (A)	Rs 2,80,182 /	Rs 2,80,182 /-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE

For and on behalf of the Board of Directors


Shri Dinesh Arya
 DIN: 00168213
 Director


Shri Anil Kumar Agarwal
 DIN: 01501767
 Director

Dated: the 18th Day of May, 2017

TITAGARH CAPITAL PRIVATE LIMITED

(FORMERLY FLOURISH SECURITIES AND FINANCE PVT. LTD.)

ANNEXURE DR-2

CRITERIA FOR PERFORMANCE EVALUATION OF BOARD AND INDEPENDENT DIRECTORS

An effective Board consciously creating a culture of leadership and transparent corporate governance with a long term vision and requisite strategies to enable the Company to become a responsible entity working for maximization of the stakeholders' value while contributing to society is at the core of TCPL's approach. Towards this TCPL ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.

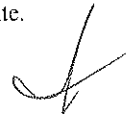
TCPL also recognizes the importance of Independent Directors in achieving the effectiveness of the Board and aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

Pursuant to the provisions of the Companies Act, 2013 the Board carries out an annual evaluation of its own performance, as well as the evaluation of the working of its Committees and Individual Directors. The performance evaluation of all the Directors was carried out by the Nomination and Remuneration Committee. The performance evaluation was carried out in accordance with the Remuneration Policy framed by the Company within the framework of applicable laws.

QUALIFICATION AND CRITERIA OF INDEPENDENCE

- The Nomination and Remuneration Committee (NRC) and the Board shall review on an annual basis appropriate skills, knowledge and experience required of the Board as a whole and its individual members.
- NRC shall also assess the independence of the directors at the time of appointment/reappointment and the Board shall assess the same annually.
- The Board shall reassess determinants of independence when any new interest or relationships are disclosed by a Director.
- In evaluating the suitability of the individual members NRC may take into account factors such as, general understanding of the Company's business dynamics, global business and social perspective.

The Board may review and update the criteria from time to time as it may deem appropriate.



TITAGARH CAPITAL PRIVATE LIMITED

(FORMERLY FLOURISH SECURITIES AND FINANCE PVT. LTD.)

ANNEXURE DR-3

REMUNERATION POLICY

Titagarh Capital Private Limited (TCPL) recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Remuneration policy is designed to attract, motivate and retain talented employees in a competitive market.

Therefore, the Remuneration Policy has been formulated with the following objectives and features:

- a. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate employees, to run the Company successfully.
- b. Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.
- c. Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goal.
- d. Aligning the remuneration of Directors, KMPs and Senior Management Personnel with the Company's financial position as well as with trends in the industry to the extent applicable to the Company.
- e. Performance evaluation of the Committees of the Board and Directors including Independent Directors.
- f. Ensuring Board Diversity.
- g. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down.

POLICY RELATING TO REMUNERATION OF DIRECTORS, KMP & SENIOR MANAGEMENT PERSONNEL

- The Board on the recommendation of the Nomination & Remuneration Committee shall review and approve the remuneration payable to the directors/KMPs which shall be within the limits approved by the shareholders.
- It is to be ensured that relationship of remuneration to the performance is clear and meets appropriate performance benchmarks which are unambiguously laid down and communicated.

REVIEW

The policy shall be reviewed by the Nomination and Remuneration Committee and the Board, from time to time as may be necessary.

