



Cimmco Limited

Annual Report 2016 - 2017

CONTENTS

Corporate Information	1
Notice	2
Directors' Report & Management Discussion and Analysis	11
Annexures to Directors' Report	16
Corporate Governance Report	26
Independent Auditors' Report	37
Balance Sheet	42
Statement of Profit & Loss	43
Statement of Changes in Equity	44
Cash Flow Statement	45
Notes to Financial Statements	46

CORPORATE INFORMATION*



Board of Directors

Shri J P Chowdhary	<i>Executive Chairman</i>
Shri Umesh Chowdhary.....	<i>Vice Chairman</i>
Shri Anil Kumar Agarwal	<i>Wholetime Director</i>
Dr. G B Rao	<i>Independent Director</i>
Shri Jagdish Kumar Shukla	<i>Independent Director</i>
Shri Nandan Bhattacharya.....	<i>Independent Director</i>
Shri KS B Sanyal	<i>Independent Director</i>
Shri MJ Z Mowla	<i>Independent Director</i>
Shri R N Tiwari	<i>Director (Works)</i>
Smt. Vinita Bajoria	<i>Non-Executive Director</i>

Chief Financial Officer

Shri Lokesh Agarwal

Company Secretary

Shri Dipankar Ganguly

Audit Committee

Shri J K Shukla	<i>Chairman</i>
Shri K S B Sanyal	<i>Member</i>
Shri Anil Kumar Agarwal	<i>Member</i>
Shri Nandan Bhattacharya	<i>Member</i>

Nomination & Remuneration Committee

Shri K S B Sanyal	<i>Chairman</i>
Shri J K Shukla	<i>Member</i>
Shri M J Z Mowla	<i>Member</i>

Stakeholders' Relationship Committee

Shri J K Shukla	<i>Chairman</i>
Shri M J Z Mowla	<i>Member</i>
Shri Umesh Chowdhary	<i>Member</i>

Auditors

M/s. S R Batliboi & Co. LLP
Chartered Accountants

Bankers

ICICI Bank Limited
Syndicate Bank

Registered Office

Cimmco Limited

CIN : L28910WB1943PLC168801
756, Anandapur, E M Bypass, Kolkata-700107
Telephone: +91 33 4019 0800
Fax: +91 33 4019 0823, Email: corp@cimmco.in

Works

Mal Godown Road
Bharatpur-321001
Rajasthan
Phone : (05644)238756
Fax : (05644) 238757

Registrar and Transfer Agent (RTA)

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32, Gachibowli
Financial District, Nanakramguda, Hyderabad 500 032
Phone: +91 40 6716 2222, Fax: +91 40 2300 1153
E-mail for Investors: einward.ris@karvy.com

*as on 18th May, 2017

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Seventy-Second Annual General Meeting (AGM) of the members of CIMMCO LIMITED will be held at "Manovikas Kendra, 482, Madudah, Plot I-24, Sector-J, E M Bypass, Kolkata-700107 on Monday, the 31st July, 2017 at 12:30 P.M. to transact the following businesses :

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2017, the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri R N Tiwari, Director (Works) (DIN : 06510376) who retires by rotation at this AGM and being eligible offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration by passing, with or without modification(s) the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification or re-enactment thereof) and pursuant to the recommendation of the Audit Committee and the Board of Directors, Price Waterhouse & Co Chartered Accountants LLP, having Firm Registration Number: FRN-304026E/E- 300009 be and are hereby appointed as the Statutory Auditors of the Company in place of the retiring auditors, S R Batliboi & Co. LLP, Chartered Accountants (Firm Registration No. 301003E) to hold office from the conclusion of this 72nd (Seventy Second) AGM till the conclusion of the 77th (Seventy Seventh) AGM subject to ratification by the members at every AGM and the Board of Directors be and is hereby authorized to fix their remuneration plus other applicable expenses in connection with Statutory Audit and/or continuous audit and such other remuneration, as may be decided to be paid by the Board/Committee of the Board for performing duties if any other than those referred to hereinabove and the remuneration so fixed may be paid at such intervals during the year as may be decided by the Board/Committee of the Board."

SPECIAL BUSINESS:

4. To consider the appointment of Shri Anil Kumar Agarwal (DIN : 01501767) as Whole time Director of the Company and in this regard to consider and if thought fit to pass, with or without modification the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 read with Schedule V and other applicable provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications and re-enactment thereof) approval of the

shareholders be and is hereby accorded to re-designate Shri Anil Kumar Agarwal (DIN : 01501767), Non Executive Director as Wholetime Director and KMP of the Company for a period of five years w.e.f. 01/01/2017 on the terms and conditions including payment of minimum remuneration detailed in the Explanatory Statement annexed hereto and as contained in the agreement entered into between Shri Anil Kumar Agarwal and the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to alter or vary the terms and conditions of the appointment/agreement, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by the Act.

RESOLVED FURTHER THAT the Board of Directors (which term shall include a Committee thereof) be and is hereby authorised to take all steps and to do acts, deeds and things as may be deemed necessary for giving effect to this Resolution."

5. To renew appointment and remuneration of Shri R N Tiwari, Director (Works) (DIN : 06510376) and in this regard to consider and if thought fit to pass, with or without modification the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 of the Companies Act, 2013 read with Schedule V and other applicable provisions of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modifications and re-enactment thereof) approval of the shareholders be and is hereby accorded to reappointment of Shri R N Tiwari as Director (Works) [Din No: 06510376] for a term of two years w.e.f. 25th February, 2017 on the terms and conditions, including payment of minimum remuneration, as recommended by the Nomination and Remuneration Committee, and as set out in the service agreement entered into with Shri Tiwari and the Company, a gist whereof is mentioned in the Explanatory Statement annexed to this notice.

RESOLVED FURTHER THAT Shri Tiwari as Director (Works) shall be liable to retire by rotation and the Board of Directors be and is hereby authorised to alter or vary the remuneration of Shri Tiwari including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time, as may be considered appropriate, subject to the overall limits specified by this resolution and the Act and to take all action as may be required in this regard."

6. To consider and if thought fit, to pass with or without modification(s) the following Resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with Rules made thereunder and pursuant to the requirements of Regulation 23

NOTICE OF ANNUAL GENERAL MEETING

of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR') and other enabling/applicable provisions of law as may be applicable, consent of the Company be and is hereby accorded to the Board of Directors to enter into a contract or arrangement or Continuing Contract/Arrangement for purchase/sale of materials and/or supply of services between Titagarh Wagons Limited (TWL), holding company and the Company from time to time during three financial years ending on the 24th May, 2020 with an estimated ceiling of Rs. 60 crores per financial year and on the terms and conditions as may be mutually agreed upon between the Board of Directors of TWL and the Company.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

7. To ratify the remuneration of Cost Auditor and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the consent of the members be and is hereby accorded to payment of Rs. 1 Lakh (Rupees One Lakh only) as remuneration plus taxes as may be applicable and reimbursement of reasonable out of pocket expenses as may be incurred by the firm, payable to M/s. M.R. Vyas and Associates; Cost Accountants (Registration No: 2032) of D-219, Vivek Vihar, Phase -I, New Delhi- 110095 appointed by the Board as Cost Auditors of the Company for the financial year 2017-18 be and is hereby ratified."

Registered Office :
756 Anandapur,
E M Bypass, Kolkata -700107
Place : Kolkata
Date : May 18, 2017

By Order of the Board of Directors
Dipankar Ganguly
Company Secretary

Important Notes:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL, ON HIS BEHALF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Members/Proxies/Authorised Representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting. Proxies submitted on behalf of limited companies, societies etc. must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. Proxies in order to be effective must be received by the Company at the registered office address not less than 48 hours before the commencement of the AGM. A Proxy Form for the AGM is enclosed.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, the 24th July, 2017 to Monday, the 31st July, 2017 (both days inclusive), for the purpose of holding the AGM.
4. The Company shall also display full text of these communications/ documents/ reports at its website www.cimmco.in.
Please note that as a member of the Company upon receipt of request, you will be entitled to receive free of cost, copy of such communications/documents/Annual Reports and all other documents required to be attached thereto.
5. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA.
6. Details under LODR in respect of the Directors seeking appointment/re-appointment at the AGM, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
7. Electronic copy of the Annual Report for FY 2016-17 is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for FY 2016-17 is being sent in the permitted mode.
8. Electronic copy of the Notice of the 72nd AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the

NOTICE OF ANNUAL GENERAL MEETING

72nd AGM of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.

10. Members may also note that the Notice of the 72nd AGM and the Annual Report for FY 2016-17 will also be available on the Company's website www.cimmco.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.

11. Voting through electronic means:

- A. In compliance with provisions of Section 108 of the Companies Act, 2013 (the Act) and Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Rules, 2015 and Regulation 44 of LODR, the Company is pleased to provide members facility to exercise their right to vote at the 72nd AGM by electronic means and the business may be transacted through e-voting Services provided by Karvy Computershare Private Limited.
- B. **The remote e-voting period commences at 9:00 a.m. on Thursday, the 27th July, 2017 and ends at 5:00 p.m. on Sunday, the 30th July, 2017. The remote e-voting module shall be disabled by Karvy for voting thereafter.**
- C. During the remote e-voting period, members of the Company holding shares either in physical form or dematerialized form as on the cut-off date i.e. Monday, the 24th July, 2017 may cast their vote electronically.
- D. **Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.**
- E. **Voting rights of the members shall be in proportion to their respective shareholding as on the cut-off date i.e. Monday, the 24th July, 2017.**
- F. The facility for voting through polling papers shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be eligible to exercise their right to vote at the meeting through polling paper.
- G. The members who have cast their vote by remote e-voting prior to AGM may also attend the AGM but shall not be entitled to cast their vote again.
- H. Any person who acquires shares of the Company and becomes a member of the Company after the dispatch of this Notice and holds shares as on the cut-off date i.e. Monday, the 24th July, 2017 should follow the instructions for e-voting as mentioned

below for FIRST TIME USER. In case of any queries, the shareholder may also contact the Registrar & Share Transfer Agent.

- I. The Board of Directors has, at its meeting held on 18th May, 2017 appointed M/s. Sushil Goyal & Co., Practicing Company Secretaries, as the Scrutinizer to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.
- J. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at AGM through ballot paper.
- K. The instructions for Shareholders voting electronically are as under:
 - a) In case a member receiving an email of the AGM Notice from Karvy [for members whose email IDs are registered with the Depository Participant(s)] :
 - i. Launch internet browser by typing the URL: <https://evoting.karvy.com>.
 - ii. Enter the login credentials (i.e., User ID and password). Event No. followed by Folio No./ DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
 - iii. After entering these details appropriately, Click on "LOGIN".
 - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "EVENT" i.e., CIMMCO LIMITED.
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should

NOTICE OF ANNUAL GENERAL MEETING

not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

- viii. Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.
 - ix. Voting has to be done for each item of the Notice separately. In case you do not cast your vote on any specific item it will be treated as abstained.
 - x. You may then cast your vote by selecting an appropriate option and click on "Submit".
 - xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, members can login any number of times till they have voted on the Resolution.
 - xii. Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at the email ID: csskgoyal@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_ EVENT NO."
 - xiii. In case a person has become a Member of the Company after the dispatch of AGM Notice but on or before the cut-off date i.e. Monday, the 24th day of July, 2017, he may write to the Karvy on the email ID: evoting@karvy.com or to Ms. Shobha Anand Contact No. 040-67162222, at [Unit: Cimmco Limited] Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032, , requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast the vote.
- B. In case of Members receiving physical copy of the AGM Notice by Post/Courier [for Members whose email IDs are not registered with the Depository Participant(s)]:
- i. User ID and initial password as provided at the bottom of the Attendance Slip:

EVEN (E-Voting/ Event Number)	USER ID	PASSWORD/PIN

- ii. Please follow all steps from Sr. No. (i) to (xi) as mentioned in (A) above, to cast your vote.

- L. The e-voting period commences at 9:00 a.m. on Thursday, the 27th July, 2017 and ends at 5:00 p.m. on Sunday, the 30th July, 2017. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date being Monday, the 24th day of July, 2017 may cast their vote by electronic means in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have casted their vote electronically shall not vote by way of poll, if held at the Meeting.
- M. In case of any query pertaining to e-voting, please visit Help & FAQ's section of [https:// evoting.karvy.com](https://evoting.karvy.com). (Karvy's website).
- N. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date being Monday, the 24th day of July, 2017.

The Company has appointed M/s. Sushil Goyal & Co. Practicing Company Secretaries as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer shall, after the conclusion of the AGM, first count the votes cast at the meeting and thereafter unlock the votes cast through remote e-voting in the presence of at least 2 (Two) witnesses not in the employment of the Company. The Scrutinizer shall, within a period of not more than three working days from the conclusion of the AGM, prepare a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit it to the Chairman or any person authorised by him in writing, who shall countersign the same and declare the results of the voting.

- O. The results so declared along with Scrutinizer's Report shall be placed on the website link: <https://evoting.karvy.com> and subject to the receipt of requisite number of votes, the resolution set out in the Notice shall be deemed to be passed on the date of the AGM. The results shall also be forwarded to the BSE, NSE and other stock exchanges whereat the Company's shares are listed.
12. Members are requested to preferably send their queries to the registered office of the company atleast 7 days before the date of AGM.
13. The documents pertaining to all the special businesses set out in the Notice and the Register of Directors & KMP and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts

NOTICE OF ANNUAL GENERAL MEETING

or Arrangements in which directors are interested maintained under Section 189 of the Act are available for inspection at the Registered office of the Company during 10:30 A.M. to 1:00 P.M. on all working days.

14. The explanatory Statement pursuant to Section 102 of the Act, which sets out details relating to Special Businesses at the meeting is annexed hereto.

EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESSES SET OUT IN THE NOTICE PURSUANT TO THE PROVISIONS OF SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO. 4

Shri Anil Kumar Agarwal has been designated as Wholetime Director of Cimmco Limited w.e.f. 01/01/2017. The Board at its meeting held on 14.12.2016 has approved his change in designation for a term of five years pursuant to the recommendation of the Nomination and the Remuneration Committee (NRC).

Shri Anil Kumar Agarwal at 41 years has rich experience in of over twenty years in the finance, accounts, and other corporate functions and been awarded the best CFO award by the then Finance Minister – Shri Pranab Mukherjee. He has been associated with the Company since 2010 as a nominee director.

The Board and the NRC has approved the terms and conditions of Shri Agarwal's appointment and payment to him of Consolidated remuneration aggregating Rs 12,00,059/- per annum. He does not hold any shares in the Company. In the event of inadequacy or loss during the tenure of Shri Agarwal as Wholetime Director, he will be paid minimum remuneration equivalent to monthly fixed remuneration or such other higher amount as may be permitted by the provisions of the Act.

Shri Anil Kumar Agarwal is the Chief Financial Officer of the Holding Company : Titagarh Wagons Limited (TWL). TWL has consented to his appointment in the Company pursuant to the provisions of Section 203(3) of the Act.

Disclosures pursuant to Part II of the Schedule V of the Act and applicable provisions of LODR are appended to this Notice.

None of the KMP or their relatives or Directors except Shri Anil Kumar Agarwal is concerned or interested in the aforesaid Resolution.

The Directors Recommend passing of this Resolution as an Ordinary Resolution.

ITEM NO. 5

Following the end of his tenure of two years on February 25, 2017 and selected by the Nomination and Remuneration Committee (NRC) and approved by the Board Shri R N Tiwari has been reappointed as Director

(Works) for another term of two years. Shri Tiwari, M.Com, LLB & DLL aged about 66 years has 45 years of experience in the industry in various fields like Finance & Accounts, Commercial, Legal, Marketing, Personnel and Administration, manufacturing operations and real estate etc. He has been involved in the day to day operations at Bharatpur plant of the Company during the past many years. The Board and the NRC has approved the remuneration of Shri Tiwari as per the gist below:

Salary : Rs. 93,100/- (Rupees Ninety Three Thousand One Hundred only) per month as Basic Pay; House Rent Allowance (HRA) : Rs. 46,550/- (Rupees Forty Six Thousand Five Hundred and Fifty Only) per month; Conveyance Allowance: Rs. 18,620/- (Rupees Eighteen Thousand Six Hundred and Twenty Only) per month; Special Allowance: Rs. 13,965 (Rupees Thirteen Thousand Nine Hundred and Sixty Five Only) per month; Medical Allowance: Rs. 8,844.50 (Rupees Eight Thousand Eight Hundred and Forty Four and Fifty Paise Only) per month; Leave Travel Allowance: Equivalent to one month's Basic Pay per annum.; Leave Encashment : As per the Rules of the Company. Other perquisites as may be applicable in accordance with the rules of the Company. Shri Tiwari does not hold any shares in the Company.

In the event of inadequacy or Loss during the tenure of Shri R N Tiwari as Director (Works), he will be paid minimum remuneration equivalent to monthly fixed remuneration or such other higher amount as may be permitted by the provisions of the Act.

Disclosures pursuant to Part II of Schedule V of the Act and applicable provisions of LODR are appended to this Notice.

None of the Directors or KMP except Shri Tiwari are concerned or interested in the aforesaid Resolution.

The Directors Recommend passing of this Resolution as an Ordinary Resolution.

ITEM NO. 6

Titagarh Wagons Limited (TWL) and the Company (Cimmco Limited) propose to enter into transactions of sale/purchase of certain materials and/or provide services related thereto for manufacture of Wagons/products in the ordinary course of business under a continuing contract/arrangement. As TWL is a 'related party' within the meaning of Section 2(76) of the Act and aggregate value of the transaction may reach the threshold qualifying it as a material transaction as prescribed by the LODR, the transaction requires the approval of members by a resolution under Regulation 23 of LODR and other enabling/applicable provisions of law. The particulars of such contract/arrangement are as under:

NOTICE OF ANNUAL GENERAL MEETING

(a) Name of the related party and Relationship	Titagarh Wagons Limited (TWL)	Remark
(b) the nature, duration of the contract and particulars of the contract or arrangement	TWL is holding company of Cimmco Limited Continuous/recurring contract for sale/purchase of goods/ materials/ provision of services related thereto for three years w.e.f. May 24, 2017	
(c) material terms of the contract or arrangement including the value, if any;	<p>TWL supplies to Cimmco bogies, couplers and steel castings etc. used in manufacture of Wagons and provides related services from time to time and Cimmco supplies steel plates and/or other raw materials/components as and when requisition/ Purchase order is placed by the purchaser, of such value or amount as specified in the requisition/ Purchase order broadly on the following terms and conditions:</p> <ul style="list-style-type: none"> a) Delivery terms: Ex-works of supplier b) Freight charges: To be paid by purchaser c) Packing and Loading charges: To be paid by supplier d) Payment: Within 30 days e) Amount payable will include all applicable taxes. f) Other terms and conditions as may be mutually agreed by TWL and Cimmco g) The terms and conditions stated above are standard in nature and subject to mutually agreed modifications in accordance with purchase order/requisition. 	The aggregate value of transaction may exceed the threshold of 10% of annual turnover of Cimmco and therefore, approval of the shareholders pursuant to Section 188 of the Companies Act, 2013 and Regulation 23 of LODR is being hereby obtained.
(d) any advance paid or received for the contract;	No	
(e) the manner of determining the pricing and other commercial terms, both included as part of the contract and not considered as part of contract;	<p>Price and other terms of contract for the materials/services are fixed after obtaining generally three quotations from unrelated parties/manufacturer/supplier and are included as part of the contract.</p> <p>Commercial terms not as part of contract: not applicable.</p>	
(f) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering	All factors have been considered	
(g) any other information relevant or important to take a decision on the proposed transaction	As both the parties viz. TWL and Cimmco have the expertise in the area of manufacture of materials/services involved in the contract and their respective strengths/relevant aspects are known, as long as the pricing is competitive and in sync with market conditions, the transaction works in their mutual interests.	

The Board recommends the resolution set forth in Item No. 2 above for approval of the members. None of the Directors or Key Managerial Personnel (KMP) or their relatives except Shri J P Chowdhary, Shri Umesh Chowdhary and Shri Anil Kumar Agarwal, is in any way concerned or interested in the Resolution.

NOTICE OF ANNUAL GENERAL MEETING

ITEM NO.7

The Company with the recommendation of the Audit Committee and approval of the Board at its meeting held on 18th May, 2017 has appointed M/s. M. R. Vyas and Associates; Cost Accountants as Cost Auditor of the Company for the Financial Year 2017-18 at a remuneration of Rs. 1 Lakh (Rupees One Lakh only). Pursuant to the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014 the remuneration of the Cost Auditor is to be ratified by the shareholders.

The Board recommends the resolution set forth at this item for approval of the members.

None of the Directors or KMP or their relatives are concerned or interested in the aforesaid Resolution.

Registered Office :
756 Anandapur,
E M Bypass, Kolkata -700107
Place : Kolkata
Date : May 18, 2017

By Order of the Board of Directors

Dipankar Ganguly
Company Secretary

Details pursuant to Schedule V of the Companies Act, 2013 of Item Nos. 4 & 5:

I. GENERAL INFORMATION				
Name	Shri Anil Kumar Agarwal		Shri R N Tiwari	
Nature of industry	Rolling Stock manufacturing, Heavy Engineering Products and products for Defence Existing Company, already commenced on 08/09/1943.			
Date or expected date of commencement of commercial production In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Existing Company - Not Applicable			
Financial performance based on given indicators		2016-17	2015-16	2014-15
	Sales	12281.70	6870.66	3210.42
	Net Loss	(1054.84)	(1364.16)	(2577.97)
Foreign investments or collaborators, if any	The Company does not have foreign investment			
II. INFORMATION ABOUT TWO MANAGERIAL PERSONNEL				
Name	Shri Anil Kumar Agarwal		Shri R N Tiwari	
Background details	Shri Anil Kumar Agarwal aged about 41 years has 20 years' experience in finance, accounts, and other corporate functions.		Shri R N Tiwari, aged 66 years, has 45 years' experience in Finance & Accounts, Commercial, Legal, Marketing, Personnel and Administration, manufacturing operations and real estate.	
Past remuneration	As non-executive Director, he was being paid the applicable sitting fees only for attending the meetings of Board/Committees.		Rs.18,04,572/- (CTC) per annum	
Recognition or awards	He has been awarded the best CFO award by the then Finance Minister – Shri Pranab Mukherjee.		He has been recognized for his administrative skills.	
Job profile and his suitability	Subject to superintendence and control of the Board to manage the day to day affairs of the Company including power to sign documents, deeds, agreements and other papers and to do and perform related acts on behalf of the Company in the ordinary course of business and in the interest of the Company.		Subject to superintendence and control of the Board to look after the day to day affairs having control, management and superintendence of the Company's factory at Bharatpur, with power to sign documents, deeds, agreements and other papers and to do and perform related acts, deeds and things on behalf of the Company in the ordinary course of business and in the interest of the Company.	

NOTICE OF ANNUAL GENERAL MEETING

Name	Shri Anil Kumar Agarwal	Shri R N Tiwari
Remuneration proposed	Rs. 12,00,059/- per annum	Rs. 24,00,108/- per annum
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The proposed remuneration is comparable with the remuneration drawn by the peers and is necessitated due to complexities of business	
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Shri Anil Kumar Agarwal and Shri R N Tiwari do not have any pecuniary relationship with the Company or with the managerial personnel.	
Minimum Remuneration	In the event of inadequacy or loss during the tenure of Shri Anil Agarwal as Wholetime Director, he will be paid minimum remuneration equivalent to monthly fixed remuneration or such other higher amount as may be permitted by the provisions of the Act.	In the event of inadequacy or loss during the tenure of Shri R N Tiwari as Director (Works), he will be paid minimum remuneration equivalent to monthly fixed remuneration or such other higher amount as may be permitted by the provisions of the Act.
III. OTHER INFORMATION		
Reasons of loss or inadequate profits	Apart from the impact of irregular procurement orders placed by the Indian Railways and at a low price due to predatory pricing resorted to by some of the manufacturers in the industry, the significant finance cost inter alia was a major reason for the loss during the financial year ended March 31, 2017. Further, the Exceptional Item represents the payment of arrears from the period prior to lock out of the Company's operations in 2000, pursuant to Sales Tax Amnesty Scheme, 2016 of the State Government, to amicably settle all the past liabilities.	
Steps taken or proposed to be taken for improvement	Implementation of the Company's plan to achieve growth in other segments after pursuing the order for defence products for which the Company has been issued Industrial License by the Government of India. Cost efficiency and improvement in productivity for optimisation of resources are consistently practiced in order to achieve further improvement in performance while simultaneously de-risking the Company's business from predominant dependence on wagons procurement by Indian Railways.	
Expected increase in productivity and profits in measurable terms	Productivity improvement is assured but the increase in production will depend upon orders for other segments. Efforts are being made to improve the financials and expected to succeed provided Wagons procurement of orders are awarded in time by the Indian Railways.	
IV. DISCLOSURES		
The following disclosures are given in the Board of Director's report under the heading "Corporate Governance Report" of the Company in the Annual Report 2016-17:		
(i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors;		
(ii) Details of fixed component and performance linked incentives along with the performance criteria;		
(iii) Service contracts, notice period, severance fees;		
(iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.		

NOTICE OF ANNUAL GENERAL MEETING

Details of directors seeking Appointment/Re-appointment at the Annual General Meeting:

Particulars	Shri Anil Kumar Agarwal	Shri R N Tiwari
Date of Birth	05/07/1975	20/07/1951
Date of Appointment as director	14/03/2010	25/02/2013
Qualifications	Chartered Accountant & Cost Accountant	LLB and DLL
Expertise in Specific Functional Areas	Shri Anil Kumar Agarwal at 41 years has rich experience in of over twenty years in the finance, accounts, and other corporate functions and been awarded the best CFO award by the then Finance Minister – Shri Pranab Mukherjee.	44 years of experience in the industry in various fields viz. Finance & Accounts, Commercial, Legal, Marketing, Personnel & Administration, Manufacturing operations and real estate etc.
Directorship held in other companies (excluding foreign Companies)	<ul style="list-style-type: none"> • Titagarh Agrico Private Limited • Titagarh Capital Private Limited 	<ul style="list-style-type: none"> • Titagarh Agrico Private Limited
Memberships/Chairmanships of Committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee)	Member of Audit Committee of Titagarh Capital Private Limited	NIL
No. of shares held in the Company	NIL	NIL

BOARD'S REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Dear Shareholders,

The Directors hereby present their 72nd Annual Report on the business and operations of your Company, together with the audited financial statement for the financial year ended March 31, 2017.

Financial Results

The performance of your Company during the financial year ended the 31st March, 2017 was as follows.

(Rs. in lacs)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
Turnover	12281.70	6870.66
EBIDTA	779.49	3.06
Less: Depreciation	363.44	398.82
Less: Finance Cost	1149.47	946.84
(Loss) before Extra-ordinary Items & Tax	(733.42)	(1342.60)
Add: Exceptional Items	449.91	131.54
(Loss) before Taxation	(1183.33)	(1474.14)
Tax Expense including Deferred Tax	(128.49)	51.20
(Loss) after Taxation	(1054.84)	(1364.16)

Company's Performance and Outlook

Turnover and EBIDTA of your Company for the financial year ended March 31, 2017 improved owing to reasonable quantity of Wagons procurement order awarded by the Indian Railways (IR), the largest customer, as compared to the previous financial year, however the significant finance cost inter alia was a major reason for the loss. Further, the Exceptional Item represents the payment of arrears from the period prior to lock out of the Company's operations in 2000, pursuant to Sales Tax Amnesty Scheme, 2016 of the State Government, to amicably settle all the past liabilities.

Pursuant to the order of the Hon'ble High Court of Calcutta passed on 11.07.2016 sanctioning the scheme of amalgamation of inter alia Cimco Equity Holdings Private Limited (CEHPL) with Titagarh Wagons Limited (TWL) the Company has become direct subsidiary of TWL.

The proposed merger of Titagarh Agrico Private Limited, a fellow subsidiary with your Company pursuant to approval of the Board received clearance from the authorities concerned and as also the shareholders and creditors at the meetings convened by the Hon'ble National Company Law Tribunal (NCLT). The remaining formalities

for obtaining the sanction of NCLT to the Scheme of Amalgamation are progressing as per schedule. Post the said merger, Tractors vertical would be added to your Company's business portfolio and is expected to provide the necessary fillip to the endeavours to mitigate the risk of predominant dependence on business from Indian Railways.

Apart from the measures for more efficient utilization of resources and cost optimization, your Company is pursuing the order for defence products for which your Company has been issued Industrial License by the Government of India.

Uncertainty in procurement of Wagons by the Indian Railways having become a norm and keeping in view the time required for the benefits of diversification to flow into your Company's performance, the outlook for the current year is cautiously optimistic.

Overall Review

The overall performance of the Company during the financial year ended March 31, 2017 although improved as compared to the previous financial year, was impacted by predominant dependence on the orders from Indian Railways.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Business Segment

Wagons

- a) Industry Outlook: Wagons industry is beset by irregular and decremental Wagons procurement orders by Indian Railways. Notwithstanding the Government of India's budget announcement, and requirement of wagons by the Indian Railways uncertainty and delay continue even as the Wagons industry struggles for survival.
- b) Opportunities: Rail is expected to be the preferred mode of movement of cargo being an effective and more economical mode of carrying goods across the country. The Government's plans to expand the railway network and the project of dedicated freight corridors if implemented in right earnest, Wagon industry offers substantial opportunity which can be seized particularly by the established units to fullest extent.
- c) Challenges: Uncertainty in timely placement of wagons procurement orders by Indian Railways and availability of funds coupled with the stressed margins due to unhealthy competition in the industry besides rising cost of inputs are major challenges for Wagon Industry in India. The dependence on one customer i.e. Indian Railways is a serious concern in as much as any change in the Government policy stands to directly impact the industry.
- d) Segment Review and Analysis:

	Unit	March 31, 2017	March 31, 2016	% Change
Production of Wagons	No.	792	420	88.57%
Sales	No.	730	466	56.65%
Average Realisation	Rs. Lacs/No.	14.76	13.32	10.81

Review of operations: Performance of the Wagons segment has although improved as compared to the previous financial year significant finance cost incurred during the year under review impacted the profitability.

- e) In line with the conditions prevailing in the Wagons industry, the outlook for current fiscal is cautiously optimistic.

Material Changes and commitments after the Balance Sheet date

No material changes and commitments have occurred from the date of close of the Financial Year to which the financial statement relates, till the date of this report, which might affect the financial position of the Company.

Dividend

In view of the loss sustained, the Directors do not recommend any dividend for the year under review.

Reserves

Your Directors do not propose to transfer any amount to the General Reserve of the Company.

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, the prevention and detection of frauds and errors and orderly and efficient conduct of the Company's business.

The internal financial controls (IFC) have been documented and adequacy of IFC has been evaluated by an external firm of experts and certified by the Statutory Auditors. Based on the aforesaid, the Board has concluded that during the year under review IFC were operating effectively.

Risk Management, Risks and Concerns

A Risk Management Policy to identify and assess the key risk areas, monitor mitigation measures and report compliance has been adopted. Based on a review, major elements of risks have been identified and are being monitored for effective and timely mitigation.

Risk management is an integral part of the Company's risk management policy adopted by the Board with periodic review by the Audit Committee and the Board. Prudence and conservative dealing with risks is at the core of risk management strategy being followed by the Company. The risks, both internal and external to which the Company is exposed to include macro-economic, regulatory, strategic, financial, operational, value chain, human resources etc. and each of them is taken into consideration for development and maintaining a robust mechanism for mitigation which is evolving with time and developments within which the Company operates.

Subsidiary Companies

There is no subsidiary of your Company.

Extract of Annual Return

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

Number of Board Meetings

The Board of Directors met eight (8) times during the financial year ended 31st March, 2017 as per the details provided in the Corporate Governance Report forming part of the Annual Report.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Loans, Guarantees and Investments

Particulars of loans, guarantees and investments made by the Company pursuant to the Section 186 of the Companies Act, 2013 are furnished under notes to financial statements.

Significant and material orders

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

Composition of Audit Committee

The Board has constituted the Audit Committee comprising Shri J K Shukla as the Chairman, Shri Anil Kumar Agarwal, Shri K S B Sanyal and Shri Nandan Bhattacharya as the members and the details are provided in the Corporate Governance Report annexed.

Related Party Transactions

All Related Party Transactions (RPTs) are entered into in compliance with the applicable provisions of the Companies Act, 2013 and also in accordance with the policy on the subject adopted by the Board. Audit Committee reviews and approves all the RPTs as stipulated by the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('LODR') and based thereon final approval of the Board is obtained. RPTs as approved by the Board during the financial year ended 2017 are furnished in the Form AOC 2 annexed hereto and marked as **Annexure DR-2**.

Corporate Governance Report

The Company has complied with the corporate governance requirements under the Act and LODR. A separate section on corporate governance under LODR along with a certificate from a company secretary in practice confirming the compliance, is annexed to and forms part of the Annual Report.

Management Discussion and Analysis Report

The Management Discussion and Analysis Report is annexed to and forms part of the Annual Report in compliance of the Regulation 34 of LODR.

Internal Control System

The Company has system of internal controls and necessary checks and balances which are being strengthened so as to ensure

- a. that its assets are safeguarded
- b. that transactions are authorised, recorded and reported properly; and

- c. that the accounting records are properly maintained and its financial statements are reliable.

The Company has appointed external firm of Chartered Accountants to conduct internal audit whose periodic reports are reviewed by the Audit Committee and management for bringing about desired improvement wherever necessary.

Vigil Mechanism

A fraud free and corruption free environment as part of work culture of the Company cannot be over emphasized and with that objective a Vigil Mechanism policy has been adopted by the Board and is uploaded on the web site of the Company at www.cimmco.in. No complaint of this nature was received by the Audit Committee during the year.

Internal Complaints Committee

As per the requirement of Section 4 of The Sexual Harassment of Women At Workplace (Prevention, Prohibition and Redressal) Act, 2013 an Internal Complaints Committee has been formed by the Company, the details of which are given in the Corporate Governance Report. No complaint has been lodged with the Committee during the year.

Directors and Key Managerial Personnel

Retirement by rotation

Shri R N Tiwari, Director (Works) retires by rotation pursuant to the provisions of Section 152 of the Act and is eligible for re-appointment.

Re-Appointment

The term of Shri R N Tiwari, as Director (Works) ended on 25th February, 2017. Pursuant to the decision of Nomination & Remuneration Committee, the Board at its meeting held on December 14, 2016 has subject to approval of the shareholders reappointed him for two years w.e.f. 25th February, 2017.

Re-designation

Shri Anil Kumar Agarwal has been designated as Wholetime director of the Company w.e.f. 01/01/2017 by the Board at its meeting held on 14.12.2016 pursuant to the recommendation of the Audit Committee and Nomination & Remuneration Committee, subject to the approval of the shareholders.

The information prescribed by LODR in respect of the above said Directors is given in the Notice of Annual General Meeting.

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

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

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

In compliance with the Act and LODR, the performance evaluation of the Board, Committees and Individual Directors was carried out during the year under review as per the details given in Corporate Governance Report.

Declaration by Independent Directors

Declarations pursuant to the Sections 164 and 149(6) of the Act and LODR and affirmation of compliance with the Code of Conduct as well as the Code for Regulation of Insider Trading adopted by the Board, by all the Independent Directors of the Company have been made.

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 and Senior Management Employees, as per the details provided in the Corporate Governance Report.

Particulars of Remuneration of Directors/KMP/Employees

Disclosure pertaining to Remuneration and other details as required under Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (the Rules) is annexed and marked as **Annexure DR-3**. The information pursuant to Rules 5(2) and 5(3) of the Rules not annexed to this Report, is readily available for inspection by the members at the Company's Registered Office between 10.30 A.M. to 1 P.M. on all working days upto the date of ensuing AGM. Should any member be interested in obtaining a copy including through email (corp@cimmco.in), may write to the Company Secretary at the Registered office of the Company.

Directors' Responsibility Statement

The Directors state that:

- Appropriate Accounting Standards as are applicable to the Annual Statement of Accounts for the financial year ended March 31, 2017 had been followed in preparation of the said accounts and there were no material departures therefrom requiring any explanation;
- The directors had selected and followed the accounting policies as described in the Notes on Accounts and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year and of the profit of the Company for that period;

- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The directors had prepared the Annual Accounts on a going concern basis; and
- The directors had laid down internal financial controls (IFC) to be followed by the Company and that such IFC are adequate and operating effectively.
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Statutory Auditors

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

Pursuant to recommendation of the Audit Committee, the Board places before the members the appointment of Price Waterhouse & Co. 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 77th AGM and recommends the same for their approval.

As regards the qualified opinion expressed by the Statutory Auditors, the Note No. 5 and emphasis of matter - the Note No. 6 in the relevant notes on the financial statements (the Notes) are self-explanatory requiring no further specific response from the Directors at this stage. The Company is persistently making efforts to recover the entire amount receivable and address the issue in due course.

Cost Auditors

M.R. Vyas & Associates., Cost Accountants have been appointed as Cost Auditors to conduct cost audit of the accounts maintained by the Company in respect of the products manufactured by the Company, for the Financial Year 2017-18 subject to ratification of their remuneration by the shareholders in accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014. The Cost Audit Report for the previous financial year ended 31st March, 2016 has been filed as stipulated by the applicable provisions of law.

Secretarial Auditor

Secretarial Audit has been conducted by Sumantra Sinha & Associates, Practicing Company Secretaries appointed by the Board and their report is annexed hereto and marked as **Annexure DR-4**.

DIRECTORS' REPORT AND MANAGEMENT DISCUSSION & ANALYSIS

Fixed Deposits

The Company did not accept any deposits during the financial year ended March 31, 2017.

Personnel/Human Resources

A. Empowering the employees

The Company considers its organizational structure to be evolving consistently over time while continuing with its efforts to follow good HR practices. Adequate efforts of the staff and management personnel are directed on imparting continuous training to improve the management practices.

B. Industrial Relations

Industrial relations at all sites of the Company remained cordial.

C. No. of Employees: Manpower employed as at March 31, 2017 was 108.

Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A statement pursuant to 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 is annexed to and marked as **Annexure DR-5**.

Listing with Stock Exchanges

The equity shares of the Company are listed at The National Stock Exchange of India Limited (NSE), BSE Limited and Listing fees for the financial year ending the 31st March, 2018 have been duly paid. Whereas the Delhi Stock Exchange Limited (DSE), and the Madhya Pradesh Stock Exchange Limited (MPSE) have been de-recognised, the Company has made an application for voluntary delisting from The Calcutta Stock Exchange Limited (CSE) which is under process.

Discussion on Financial Performance with respect to Operational Performance

To mitigate the risk factors referred to hereinabove impacting the operations, better manufacturing processes, improved productivity

and focus on optimization of resource deployment are undertaken for a reasonable performance, viewed in the backdrop of the trends witnessed in the industries in which the Company operates.

Corporate Social Responsibility

Your Company continues its endeavours to contribute suitably to the society by being involved in a series of Community Welfare Programs, directly or through philanthropic organizations. Bharatpur plant is located close to the Bharatpur Bird Sanctuary amidst vast green area and all care is taken to preserve the environment to allow the nature's expanse to remain green and grow healthily.

Forward Looking Statement

The statements in this report describing the Company's policy, strategy, projections, estimation and expectations may appear forward looking statements within the meaning of applicable securities laws or regulations. These statements are based on certain assumptions and expectations of future events and the actual results could materially differ from those expressly mentioned in this Report or implied for various factors including those mentioned in the paragraph "Risks and Concerns" herein above and subsequent developments, information or events.

Acknowledgements

Your Directors wish to place on record their appreciation for the cooperation and support of the Banks and Governments of Rajasthan, Madhya Pradesh and Delhi, local administration (West Bengal)/other Government Departments; for contribution of the employees of the Company and all other stakeholders.

On behalf of the Board

Kolkata
May 18, 2017

J. P. Chowdhary
Executive Chairman

ANNEXURE TO THE DIRECTORS' REPORT

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	L28910WB1943PLC168801
2	Registration Date	08.09.1943
3	Name of the Company	CIMMCO LIMITED
4	Category/Sub-category of the Company	Public Company Limited by Shares
5	Address of the Registered office and contact details	756, Anandapur, E M Bypass, Kolkata 700 107 Contact : +91 33 40190800, Fax: +91 33 40190823 E Mail : corp@cimmco.in
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032, Telephone: +91 040 67161563

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated (Based on Audited Financial Results 2016-17)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Wagons	3020	100.00%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Names and Addresses of companies	CIN	Holding/Subsidiary/ Associate	Percentage of Shares held	Applicable Section
1	Titagarh Wagons Limited 756, Anandapur, E M Bypass, Kolkata-700 107	U01122WB1994PTC138832	Holding	74.77%	2(46)

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

i) Category-wise Shareholding

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	31424	Nil	31424	0.16	31424	Nil	31424	0.16	N.A.
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	N.A.	N.A.
d. Bodies Corp.	15065350	Nil	15065350	74.77	15065350	Nil	15065350	74.77	N.A.
e. Bank/FI	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
f. Any other	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
Sub-Total-A (1)	15096774	Nil	15096774	74.93	15096774	Nil	15096774	74.93	N.A.

ANNEXURE TO THE DIRECTORS' REPORT

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	
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
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 Shareholding of Promoters (1+2)	15096774	Nil	15096774	74.93	15096774	Nil	15096774	74.93	N.A
B. Public Shareholding									
1. Institution									
a. Mutual Funds	784	840	1624	0.01	784	840	1624	0.01	NIL
b. Bank/FI	212510	26192	238702	1.18	176323	522	176845	0.88	(0.30)
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	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
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)	213294	27032	240326	1.19	177107	1362	178469	0.89	(0.30)
2. Non-Institution									
a. Body Corp									
Indian	1271152	82046	1353198	6.72	1199138	82024	1281162	6.36	(0.36)
Overseas	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
b. Individual									
Individual Shareholders holding nominal share capital up to Rs. 1 Lakh.	1976327	302139	2278466	11.31	1572839	293737	1866576	9.26	(2.05)
Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh.	1084485	Nil	1084485	5.38	1230905	Nil	1230905	6.11	0.73
c. Others									
(i) NBFCs registered with RBI	1523	Nil	1523	0.01	199300	Nil	199300	0.99	0.98
(ii) Clearing Members	11505	Nil	11505	0.06	206395	Nil	206395	1.02	0.96
(iii) Foreign Bodies	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
(iv) Foreign Bodies Corporate	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
(v) Non Resident Indians	81142	377	81519	0.40	62168	377	62545	0.31	(0.09)
(vi) Trust	50	680	730	0.00	25720	680	26400	0.13	0.13
Sub-Total-B(2)	4426184	385242	4811426	23.88	4496465	376818	4873283	24.18	0.30
Net Total (1+2)	4639478	412274	5051752	25.07	4673572	378180	5051752	25.07	Nil
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)	19736252	412274	20148526	100.00	19770346	378180	20148526	100.00	

ANNEXURE TO THE DIRECTORS' REPORT

ii) Shareholding of Promoters

Sl. No.	Share Holders' Names	Shareholding at the beginning of the year			Shareholding 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	Cimco Equity Holdings Pvt. Ltd.*	15065350	74.77	Nil	-	-	-	(74.77)
2	Titagarh Wagons Limited	-	-	-	15065350	74.77	Nil	74.77
2	Gaurav Kajaria	14000	0.07	Nil	14000	0.07	Nil	N.A.
3	Vinita Bajoria	13424	0.07	Nil	13424	0.07	Nil	N.A.
4	Sumita Kandoi	4000	0.02	Nil	4000	0.02	Nil	N.A.
	Total	15096774	74.93	Nil	15096774	74.93	Nil	Nil

* Cimco Equity Holdings Private Limited (CEHPL) has since been merged with Titagarh Wagons Limited (TWL) as per the order of the Hon'ble High Court, Calcutta dated 11.07.2016

iii) Change in Promoters' Shareholding

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Share	No. of Shares	% of total Share
1.	At the beginning of the year	15096774	74.93	15096774	74.93
2.	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ equity etc.)	Nil	Nil	Shares of CEHPL vested in TWL pursuant to the order of the Calcutta High Court sanctioning the Scheme of Amalgamation.	Nil
3.	At the End of the year	15096774	74.93	15096774	74.93

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

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year 1.04.16		Shareholding at the end of the year 31.03.2017	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	TARUN SURESH JAIN	-	-	371133	1.84
2.	EQUITY INTELLIGENCE INDIA PRIVATE LIMITED	-	-	211511	1.05
3.	MAVERICK FINANCIAL SERVICES PVT. LTD	-	-	198000	0.98
4.	ROSY BLUE SECURITIES PVT LTD	200000	0.99	140000	0.69
5.	LIFE INSURANCE CORPORATION OF INDIA	135050	0.67	135050	0.67
6.	VIKAS KHEMANI HUF	-	-	119590	0.59
7.	VIKAS VIJAYKUMAR KHEMANI	-	-	100000	0.50
8.	SUSHILA DEVI KHEMANI	-	-	100000	0.50
9.	WEST BENGAL INDUSTRIAL DEVELOPMENT CORPORATION LTD	95278	0.47	95278	0.47
10.	CIMMCO LIMITED-UNCLAIMED SUSPENSE ACCOUNT	301	0.00	91136	0.45

v) Shareholding of Directors and Key Managerial Personnel :

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year 1.04.16		Shareholding at the end of the year 31.03.2017	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Smt. Vinita Bajoria	13424	0.07%	13424	0.07%

ANNEXURE TO THE DIRECTORS' REPORT

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 at the beginning of the financial year				
i) Principal Amount	5461.12	650.00	Nil	6111.12
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total of (i+ii+iii)	5461.12	650.00	Nil	6111.12
Change in Indebtedness during the financial year				
+ Addition	-	450.00	Nil	450.00
- Reduction	1199.49	100.00	Nil	(1299.49)
Net Change	(1199.49)	350.00	Nil	(849.49)
Indebtedness at the end of the financial year				
i) Principal Amount	4261.63	1000.00	Nil	5261.63
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total of (i+ii+iii)	4261.63	1000.00	Nil	5261.63

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Shri R. N.Tiwari	Shri Anil Kumar Agarwal (WTD) From January 2017 to March 2017*	
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	Rs. 21,00,826/-	Rs. 3,00,015 /-	Rs. 24,00,841/-
	(b) Value of Perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil
	- as % of profit			
	- others, specify...			
5.	Others, please specify	Nil	Nil	Nil
	Total (A)	Rs. 21,00,826/-	Rs. 3,00,015 /-	Rs. 24,00,841/-
	Ceiling as per the Act			

* Shri Anil Kumar Agarwal is also Chief Financial Officer of the holding company, TWL and is paid remuneration and ESOP details whereof are available for inspection on the weekdays during 10.30 am to 3.30 pm till the date of AGM.

ANNEXURE TO THE DIRECTORS' REPORT

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors					Total Amount (Rs.)
	Independent Directors					
Name of the Directors	Shri J K Shukla	Shri Nandan Bhattacharya	Dr. G. B. Rao	Shri M. J. Z. Mowla	Shri K. S. B. Sanyal	
Fee for attending Board and Committee meetings	4,20,000/-	2,40,000/-	1,20,000/-	2,70,000/-	2,60,000/-	13,10,000/-
Commission	Nil	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil	Nil
Total (1)	4,20,000/-	2,40,000/-	1,20,000/-	2,70,000/-	2,60,000/-	13,10,000/-

Particulars of Remuneration	Name of Directors		Total Amount (Rs.)
	Non-Executive Directors		
Name of the Directors	Shri Anil Kumar Agarwal From April 2016 to December 2016		Smt Vinita Bajoria
Fee for attending board committee meetings:	2,60,000/-		1,40,000/-
Commission	Nil		Nil
Others	Nil		Nil
Total (2)	2,60,000/-		1,40,000/-
Total (B)=(1+2)			17,10,000/-
Total Managerial Remuneration (A+B)			41,10,841/-
Overall Ceiling as per the Act			

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

Sl. No.	Particulars of Remuneration	Shri Dipankar Ganguly (C.S.)	Shri Lokesh Agarwal (CFO) ¹	Total Amount (Rs.)
1.	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	Rs. 15,41,225/-	Rs 9,92,711 /-	Rs 25,33,936/-
	(b) Value of Perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	Total	Rs. 15,41,225/-	Rs 9,92,711 /-	Rs 25,33,936/-

1. Shri Lokesh Agarwal was granted 5000 options entitling him to equal number of equity shares of Rs. 2/- each in the Holding Company (Titagarh Wagons Limited) pursuant to TWL Employees Stock Option Scheme, 2014 (ESOS). The options spread over four years are to be exercised in the percentage i.e. 10%, 15%, 25% and 50% respectively starting 04.03.2016. Accordingly, he upon exercise of options entitled to him was allotted 1250 equity shares during the financial year ended 31.03.2017, the perquisite value where of amounted to Rs. 2,03,000/-.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES : N O N E

Place : Kolkata

Date : May 18, 2017

On behalf of the Board

J. P. Chowdhary

Executive Chairman

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE DR-2

FORM NO. AOC-2

[Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto.

Details of Material Contract, Arrangement or Transaction at Arm's Length Basis for the year ended March 31, 2017

Sl. No.	Name (s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date (s) of approval by the Board, if any:	Amount paid as advances, if any:
1	Titagarh Wagons Limited (Holding Company)	Continuing Contract for sale/purchase of goods/materials and/or provision of services related thereto in the ordinary course of business with a ceiling of supply value of Rs. 60 crore per financial year	3 Financial years w.e.f. 24th May, 2014 to 23rd May, 2017	Upto Rs. 60 crores in a financial year on the following terms and conditions: a) Delivery terms: Ex-works of supplier b) Freight charges: To be paid by purchaser c) Packing and Loading charges: To be paid by supplier d) Payment: Within 30 days e) Amount payable will include all applicable taxes. f) Other terms and conditions as may be mutually agreed by TWL and Cimmco g) The terms and conditions stated above are standard in nature and subject to mutually agreed modifications in accordance with purchase order/requisition.	24.05.2014	Nil

Place : Kolkata

Date : May 18, 2017

On behalf of the Board

J. P. Chowdhary
Executive Chairman

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE DR-3

Details under Section 197(12) of the Companies Act, 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Rule	Particulars			
(i)	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year	a	Shri J P Chowdhary, Executive Chairman	N.A.*
		b	Shri Umesh Chowdhary, Vice Chairman	N.A.*
		c	Shri R N Tiwari, Director (Works)	11.19
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.	a	Shri J P Chowdhary, Executive Chairman	N.A.
		b	Shri Umesh Chowdhary, Vice Chairman	N.A.
		c	Shri R N Tiwari, Director (Works)	33%
		d	Shri Lokesh Agarwal	Nil
		e	Shri Dipankar Ganguly, Company Secretary	10%
(iii)	The percentage increase in the median remuneration of employees in the financial year	35.47%		
(iv)	The number of permanent employees on the rolls of the Company	108		
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average percentile increase in the salaries of employees other than managerial personnel in the last financial year is 20.41% The average percentile increase in the managerial remuneration is 21.50%. There has not been any exceptional circumstances for increase in managerial remuneration.		
(vi)	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company			

* Shri J P Chowdhary and Shri Umesh Chowdhary do not draw any remuneration from the Company

Place : Kolkata

Date : May 18, 2017

On behalf of the Board

J. P. Chowdhary
Executive Chairman

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE DR-4

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2017

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

The Members,

Cimmco Limited

756, Anandapur, E. M. Bypass

Kolkata-700 107

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Cimmco Limited having its Registered Office at 756 Anandapur, E. M. Bypass, Kolkata-700107 (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing my opinion thereon.

Based on my verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended 31.03.2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

Auditors' Responsibility

Maintenance of Secretarial Records is the responsibility of the management of the Company. My responsibility is to express an opinion on existence of adequate Board process and compliance management system, commensurate with the size of the Company, based on these secretarial records as shown to me during the said audit and also based on the information furnished to me by the officers' and the agents of the Company during the said audit.

I have followed the audit practices and processes as were appropriate to the best of my understanding to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed provide a reasonable basis for my opinion.

I have not verified the correctness, appropriateness and bases of financial records, books of accounts and decisions taken by the Board and by various committees of the Company during the period under scrutiny. I have checked the Board process and compliance management system to understand and to form an opinion as to whether there is an adequate system of seeking approval of respective committees of the Board, of the Board, of the members of the Company and of other authorities as per the provisions of various statutes as mentioned hereinafter.

Wherever required, I have obtained the management representation about the compliance of the laws, rules and regulations and happening of events, etc.

The Compliance of the provisions of Corporate and other applicable laws, rules, regulations and standards is the responsibility of the management. My examination was limited to the verification of compliance procedures on test basis.

My report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness or accuracy with which the management has conducted the affairs of the Company.

I report that, I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended 31.03.2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Secretarial Standards (SS – 1 and SS-2) as issued by The Institute of Company Secretaries of India and which became effective from 01.07.2015.
- (iii) Listing Agreement(s) with the Stock Exchange(s).
- (iv) The Securities Contracts (Regulation) Act, 1956 and the rules made there under;
- (v) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (vi) Foreign Exchange Management Act, 1999 and the rules and regulation made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (vii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 :
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (d) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

ANNEXURE TO THE DIRECTORS' REPORT

During the period under review, provisions of the following regulations/guidelines/standards were not applicable to the Company:

- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (ii) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999
- (iii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008
- (iv) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009.

There are no laws specifically applicable to the Company, the books, papers, minute books, forms and returns of which were required to be examined by me for this report.

During the period under review, based on my examination and verification the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that:

- (a) The status of the Company during the financial year has been that of a Listed Public Company;
- (b) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place, if any, during the period under review were carried out in compliance with the provisions of the Act.
- (c) As informed to us adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- (d) Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.
- (e) There are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- (f) The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the code of Business Conduct & Ethics for Directors and Management Personnel.
- (g) The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorship in other companies and interests in other entities.

Place : Kolkata
Dated : 18th May, 2017

(CS Sumantra Sinha)
Practicing Company Secretary
ACS-11247 / CP-15245

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE DR-5

Particulars required under Section 134(3)(m) read with Rule 8 of the Companies Act, 2013.

A. CONSERVATION OF ENERGY

i) Steps taken or impact on conservation of energy :

1. Installation of power saver compressor units replacing old and inefficient compressors.
2. Use of transparent sheets in sheds to utilize sunlight for illumination and thus reducing electrical energy input for illumination.
3. Welding machines with power savers installed to save power.

Additional investments and proposals, if any, being implemented for reduction of consumption of energy :

1. Replacement of rewound and inefficient drives.
2. Usage of LED/Energy Efficient lighting system for shop floor illumination.
3. Energy saving units (like timer) being installed in lighting circuit to reduce consumption.

ii) Steps taken by the Company for utilizing alternate sources of energy :

The measures taken as above have been implemented on need based approach and are monitored for improvement wherever necessary.

iii) Capital investment on energy conservation equipments :

No capital investment on energy conservation equipment was required during the year ended 31st March, 2017.

B. TECHNOLOGY ABSORPTION

i) Efforts made towards technology absorption

The Company's endeavours to complete in house design for special type of wagons as a part of its R & D activities continue.

ii) Benefits derived like product improvement, cost reduction, product development or import substitution :

The benefits are by way of saving in non-renewable sources of power and energy which are scarce and expensive in the country thereby lowering the cost of production as well as saving the non-renewable sources of energy.

Future plan of action :

The Company is focused on value addition in the manufacturing and marketing of wagons. The research and development in other fields would be carried out in due course.

iii) In case of Imported Technology (imported during the last three years reckoned from the beginning of the Financial Year) :

- i) The details of the technology imported: N.A.
- ii) Year of import: N.A.
- iii) Whether the technology has been fully absorbed: N.A.
- iv) If not fully absorbed, areas where this has not taken place, reasons thereof: N.A.

iv) Expenditure on R & D :	(Rs. in lacs) 2016-17
Capital	Nil
Recurring	Nil
Total	Nil
Total R & D expenditure as a percentage of total turnover	N.A.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign Exchange Earnings : Nil

Foreign Exchange Outgo : Nil

Place : Kolkata
Date : May 18, 2017

On behalf of the Board
J. P. Chowdhary
Executive Chairman

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Corporate Governance

Cimmco's philosophy of Corporate Governance is based on the tenets of trusteeship, empowerment, accountability, control and ethical corporate citizenship with transparency at its core. The basic objective of governance pursued by Cimmco is to foster, on a sustainable basis the interest of all the stakeholders with values backed by commitment of dedicated and self-disciplining team voluntarily contributing to sound corporate practices.

2. Board of Directors

Cimmco's Board as at March 31, 2017 comprised ten directors including -Executive Chairman, Vice Chairman, Wholetime Director and Director (Works) being the Executive Directors, five Independent Directors and one Women Director (Non-Executive). The composition of the Board complies with the provisions of the Companies Act, 2013 and Regulation 17(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (the "LODR"). The Executive Director(s) and the Non-Executives Directors (except Independent Directors) are liable to retire by rotation unless otherwise specifically approved by the shareholders. The composition of the Board and other provisions as to Board and Committees are in compliance with the LODR. The Independent directors of the Company fulfil the criteria for "independence" and/or "eligibility" as prescribed under the LODR and Section 149 of the Companies Act, 2013 (the Act).

None of the directors on the Board is a member of more than 10 committees and/or Chairman of more than 5 committees, reckoned in terms of Regulation 26 of the LODR. The Independent Directors of the Company do not serve in more than the prescribed number of companies as independent directors in terms of the requirements of the LODR.

Composition, Attendance at the Board Meetings and the last Annual General Meeting ("AGM"), outside Directorships and other Board Committees:

Sl No.	Name of the Director	Category	No. of Board Meetings attended*	Attendance at previous AGM on 29.09.2016	No. of Shares held (Face Value Rs.10 each)	No. of other Directorship held		Chairmanship in other Committees	Membership in other Committees
						Total	Listed#		
1	Shri J P Chowdhary DIN : 00313685	Promoter & Executive Chairman	8	Present	Nil	2	1	Nil	Nil
2	Shri Umesh Chowdhary DIN : 00313652	Promoter & Vice Chairman	5	Present	Nil	2	1	Nil	1
3	Shri Anil Kumar Agarwal DIN : 01501767	Wholetime Director**	8	Present	Nil	2	Nil	Nil	1
4	Shri J K Shukla DIN : 01780212	Independent & Non-Executive	7	Present	Nil	Nil	Nil	Nil	Nil
5	Dr. G B Rao DIN : 00493992	Independent & Non-Executive	5	Present	Nil	2	1	2	Nil
6	Shri M J Z Mowla DIN : 01004409	Independent & Non-Executive	7	Present	Nil	Nil	Nil	Nil	Nil
7	Shri K S B Sanyal DIN : 00009497	Independent & Non-Executive	5	Absent	Nil	5	2	Nil	Nil
8	Shri R N Tiwari DIN : 06510376	Director (Works)	1	Absent	Nil	Nil	Nil	Nil	Nil
9	Smt. Vinita Bajoria DIN: 02412990	Director (Non-Executive Director)	7	Present	13,424	2	Nil	Nil	Nil
10	Shri Nandan Bhattacharya DIN: 00313590	Independent & Non-Executive	8	Present	Nil	8	2	1	6

* The meeting held on 08.09.2016 was adjourned to 09.09.2016.

** Nominee Director of Cimco Equity Holdings Private Limited from 14.03.2010 to 21.08.2016. Non Executive Director of the Company from 22nd August, 2016 to 31st December, 2016 and Whole Time Director of the Company from 1st January, 2017.

Included in total.

Notes :

1. Shri J P Chowdhary is the father of Shri Umesh Chowdhary and Smt. Vinita Bajoria.
2. Independent Directors meet with criteria of their independence as mentioned in Regulation 25 (3) of the LODR.
3. Other Directorships do not include directorship of Section 8 companies and of companies incorporated outside India.
4. Chairmanships/Memberships of Board Committees include Audit and Stakeholder's Relationship Committee only.

CORPORATE GOVERNANCE REPORT

Separate Meeting of Independent Directors

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the LODR, a separate meeting of the Independent Directors of the Company was held on 10th March, 2017 to review the performance of Non-independent Directors (including the Chairman) 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 Committees which is necessary to effectively and reasonably perform and discharge their duties.

Agenda

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated at the meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board Committees and Subsidiaries for the information of the Board. Additional agenda items in the form of "Other Business" are included with the permission of the Chairman. Agenda papers are circulated seven days prior to the Board Meeting. In addition, for any business exigencies, the Resolutions are passed by circulation and later placed in the ensuing Board Meeting for ratification / approval.

Invitees & Proceedings

Apart from the Board members, the Company Secretary and the CFO are invited to attend all the Board Meetings. Other senior management executives are called as and when necessary, to provide additional inputs for the items being discussed by the Board. The Chairman of various Board Committees brief the Board on all the important matters discussed and decided at their respective committee meetings, which are generally held prior to the Board meeting.

Directors' Induction, Familiarization & Training of Board Members

Pursuant to Regulation 25 (7) of the LODR, the Company is mandatorily required to provide suitable training to the Independent Directors to familiarize them with the Company, their role, nature of the industry in which the Company operates, business model of the Company etc. details of such training imparted are also required to be disclosed in the Annual Report.

The Directors are offered visits to the Company's plant, where plant head makes them aware of the operational and sustainability aspects of the plant to enable them to have full understanding on the activities of the Company and initiatives taken on safety, quality, CSR, Sustainability etc.

At various Board meetings during the year, presentations are made to the Board on safety, health and environment and sustainability issue, risk management, company policies, changes in the regulatory environment applicable to the corporate sector and to the industry in which it operates, with areas of improvement and other relevant issue.

Quarterly presentations on operations made to the Board include information on business performance, operations, market share, financial parameters, working capital management, fund flows, senior management change, major litigation, compliances, subsidiary information, donations, regulatory scenario etc.

The details of such familiarization programmes have been placed in the website of the Company under the web link: <http://cimmco.in/Cimmco%20Policies.pdf>

Evaluation of the Board's Performance

During the year, the Board adopted an interactive mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Boards functioning such as composition of the Board & Committees, experience & competencies, performance of specific duties and obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders' interest etc. Criteria for evaluation of the Board is annexed hereto as **Annexure – CG-1**.

Board Meetings held during the Financial Year ended the 31st March, 2017

Eight (8) meetings of the Board of Directors were held in the year 2016 on 29th April, 25th May, 27th June, 22nd August, 8th September (adjourned to 9th September), 29th September and 14th December; and 6th February, 2017 in the financial year ended March 31, 2017.

Appointment/Reappointment of Directors

The details of the directors proposed to be appointed/ reappointed at the ensuing Annual General Meeting (AGM) are given in the Notice of AGM.

Board Committees

Audit Committee

The Audit Committee comprises Shri J K Shukla, Shri Anil Kumar Agarwal, Shri Nandan Bhattacharya (inducted in the Committee w.e.f. 14/12/2016) and Shri K S B Sanyal. Shri J K Shukla, retired executive of Life Insurance Corporation of India (LIC) with expertise in corporate management is the Chairman of the Audit Committee. Shri Dipankar Ganguly, Company Secretary acts as the Secretary to the Audit Committee. The role and duties of the Audit Committee have been defined by the Board of Directors under Section 177 of the Companies Act, 2013 and cover the areas mentioned under Regulation 18 Part C of Schedule –II of the LODR.

CORPORATE GOVERNANCE REPORT

At least one meeting of the Audit Committee was held in every quarter and the time gap between two consecutive meetings of the Audit Committee did not exceed 120 days during the financial year 2016-17.

Terms of Reference of Audit Committee are broadly as follows :

The terms of reference of the Audit Committee are as per the guidelines set out in Regulation 18 of the LODR with the stock exchanges read with Section 177 of the Companies Act, 2013. These broadly include (i) overseeing the financial reporting process (ii) review of financial statements (iii) ensuring compliance with the regulatory guidelines (iv) compliance with listing and other legal requirements concerning financial statements (v) scrutiny of inter-corporate loans and investments (vi) review of internal audit reports (vii) recommending appointment and remuneration of auditors to the Board of Directors and (viii) to review adequacy of internal control systems and internal audit function and other matters specified for Audit Committee under the LODR and Section 177 of the Act. The Audit Committee also reviews the information as per the requirement of Part C of Schedule II of the LODR.

Attendance of the directors at the Audit Committee Meetings :

During the financial year ended on 31st March, 2017 Eight (8) Audit Committee meetings were held on 29th April, 2016, 25th May, 2016, 22nd August, 2016, 8th September, 2016 (adjourned to 9th September, 2016), 5th November, 2016, 14th December, 2016, 6th February, 2017 and 10th March, 2017. The composition and attendance of the members of the Audit Committee are as follows:

Sl. No.	Name of the Director	Position	Category	No. of meetings attended
1.	Shri J K Shukla	Chairman	Independent, Non-Executive	8
2.	Shri Anil Kumar Agarwal	Member	Wholtime Director	8
3.	Shri K S B Sanyal	Member	Independent, Non-Executive	6
4.	Shri Nandan Bhattacharya	Member	Independent, Non-Executive	3

The previous AGM of the Company was held on 29.09.2016 and was attended by Shri J K Shukla, Chairman of the Audit Committee. During the year the Committee of Directors and Risk Management Committee were merged into Audit Committee.

Nomination & Remuneration Committee

Shri K S B Sanyal has been appointed as the Chairman of the Nomination & Remuneration Committee with Shri J K Shukla and Shri M J Z Mowla being the other members.

The Nomination and Remuneration Committee acts in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the LODR.

Terms of Reference

The terms of reference of the Committee cover all the areas mentioned under Regulation 19 of the LODR and Section 178 of the Act which broadly includes:

- Formulation of the criteria for determining qualification, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- Formulation of criteria for evaluation of Independent Directors and the Board as a whole;
- Devising the policy on Board diversity;
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every Director's performance.

Attendance of the Directors at the Nomination & Remuneration Committee Meetings held :

During the financial year ended 31st March, 2017 three (3) meetings of the Nomination and Remuneration Committee were held on 29th April, 2016, 14th December, 2016 and 10th March, 2017. The composition and attendance of the members of the Nomination and Remuneration Committee are as follows:

Sl. No.	Name of the Director	Position	Category	No. of meetings attended
1.	Shri K S B Sanyal	Chairman	Independent, Non-Executive	2
2.	Shri M J Z Mowla	Member	Independent, Non-Executive	3
3.	Shri J K Shukla	Member	Independent, Non-Executive	3

Remuneration Policy

Remuneration policy of the Company is based on the need to attract the best available talent and is in line with the prevailing trends in the industry. The remuneration policy therefore is market led and aimed at leveraging the performance appropriately. The remuneration of Non-Executive Directors is decided by the Nomination and Remuneration Committee in accordance with the Remuneration Policy of the Company. The criteria for making payments to Non-Executive Directors have been placed on the website of the Company under the web link: <http://cimmco.in/Cimmco%20Policies.pdf>.

CORPORATE GOVERNANCE REPORT

Remuneration paid to all the Directors of the Company during Financial Year ended 31.03.2017 and their shareholding in the Company :

(Rs. in lakhs)

Sl No.	Name of the Director	Number of Shares held	Salary & Perquisites	Sitting Fees	Total Amount	Service Contract/ Notice Period
1	Shri Anil Kumar Agarwal	NIL	3.00	2.60	5.60	Term of office as Wholetime Director valid upto 1st January, 2022
2	Shri J K Shukla	NIL	-	4.20	4.20	Appointed as Independent Director upto 31st March, 2019.
3	Shri M J Z Mowla	NIL	-	2.70	2.70	Appointed as Independent Director upto 31st March, 2019.
4	Shri Nandan Bhattacharya	NIL	-	2.40	2.40	Appointed as Independent Director upto 23rd September, 2020.
5	Dr. G B Rao	NIL	-	1.20	1.20	Appointed as Independent Director upto 31st March, 2020.
6	Shri K S B Sanyal	NIL	-	2.60	2.60	Appointed as Independent Director upto 31st March, 2019.
7	Shri R N Tiwari	NIL	21.00	-	21.00	Term of office valid upto 24th February, 2019.
8	Smt. Vinita Bajoria	13424	-	1.40	1.40	N.A.
	TOTAL	13424	24.00	17.10	41.10	

Shri J P Chowdhary and Shri Umesh Chowdhary do not draw any remuneration from the Company.

Stakeholders' Relationship Committee

The Stakeholder's Relationship Committee which considers and resolves the grievances of security holders of the Company is headed by Shri J K Shukla with Shri Umesh Chowdhary and Shri M J Z Mowla being the other members.

Attendance of the Directors at the Stakeholders' Relationship Committee Meetings held :

Sl. No.	Name of the Director	Position	Category	No. of meetings attended
1.	Shri J K Shukla	Chairman	Independent, Non-Executive	4
2.	Shri Umesh Chowdhary	Member	Promoter and Vice Chairman	3
3.	Shri M J Z Mowla	Member	Independent, Non-Executive	3

During the year ended March 31, 2017 the Company received 64 complaints from investors which have been duly attended to and resolved by Karvy Computershare Pvt. Ltd., RTA of the Company. No investors' grievance was pending as at March 31, 2017. There was no Investor complaint pending against the Company as at March 31, 2017 on SCORES, web based complaint redressal system of SEBI.

Share transfers and requests for other services are disposed of by the RTA within the time stipulated in the LODR. Shri Dipankar Ganguly, Company Secretary, is the Compliance Officer.

Internal Complaints Committee

The Committee has been formed by the Board as per the requirement of Section 4 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Committee is headed by Smt. Vinita Bajoria as Presiding Officer, Smt. June Coelho, Smt. Tapati Chakraborty and Smt. Indira Lily Pichler - Member representing Family India Foundation & Calcutta Marudyan, NGO are the other members. There was no complaint falling under the purview of the Committee during the financial year ended March 31, 2017.

CORPORATE GOVERNANCE REPORT

Compliance Officer

Shri Dipankar Ganguly, Company Secretary is the Compliance Officer and acts as the Secretary to all the Committees.

General Body Meetings

A. Annual General Meetings (AGMs) and Special Resolutions passed thereat in last three years

The date, time and venue of the last three AGMs of the Company and the No. of Special Resolutions passed by the Shareholders in these AGMs are set out as follows:

Particulars of last three AGMs :

No. of AGM	Year	Venue	Date	Time	Special Resolutions passed
71st	2016	Manovikas Kendra, 482 Madudah, Plot-1-24, Sector-J, E.M. Bypass Kolkata-700107	29.09.2016	12:30 PM	1
70th	2015	Bharatiya Bhasha Parishad 36 A, Shakespeare Sarani, 4th Floor, Kolkata-700017	24.09.2015	3.45 PM	5
69th	2014	Rotary Sadan 94/2, Chowringhee Road, Kolkata- 700020	11.09.2014	10.30 AM	2

Postal Ballot

No postal Ballot exercise was conducted during the financial year ended 31st March, 2017.

Remote e-voting and ballot voting at Annual General Meeting (AGM)

The Company has arranged for a remote e-voting facility. The Company has engaged Karvy Computershare Private Limited to provide e-voting facility to all the members. Members whose names appear on the Register of Members as on 24th July, 2017 shall be eligible to participate in the e-voting. The facility for voting through ballot will also be made available at the AGM and the members who have not already cast their vote by remote e-voting can exercise their vote at AGM.

Disclosures

i) Subsidiary Company

The Company does not have any subsidiary company.

ii) Related Party Transactions

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of the LODR were in the ordinary course of business and on arm's length pricing basis. There were no materially significant transactions with the related parties during the financial year which were in conflict with the interest of Company. Suitable disclosures as required by IND AS 24 have been made in the Financial Statements. The Board has approved a policy for related party transactions which can be accessed at the Company website link: <http://cimmco.in/Cimmco%20Policies.pdf>.

iii) Compliance with Accounting Standards

In the preparation of the financial statements, the Company has followed the Accounting Standards specified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The significant accounting policies which are consistently applied have been set out in the notes to the financial statements.

iv) Disclosures on materially significant related party transactions that may have potential conflict with the interest of Company at large

Details of transactions with the related parties as specified in IND AS 24 have been reported in the Financial Statements. There was no transaction of a material nature with any of the related parties which was in conflict with the interest of the Company.

v) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years

There was no such instance in the last three years.

(vi) Whistle-Blower Policy and affirmation that no personnel has been denied access to the Audit Committee

In compliance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the LODR the Company has framed a Vigil Mechanism/Whistle Blower Policy duly adopted by the Board for the safeguard of employees and directors and the same has also been placed on the website of the Company. The Company affirms that no personnel have been denied access to the Audit Committee. The Board has approved a policy for the same which can be accessed at the Company website link: <http://cimmco.in/Cimmco%20Policies.pdf>.

CORPORATE GOVERNANCE REPORT

(vii) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of this Regulation

The Company has complied with all the mandatory requirements of the LODR.

The following non-mandatory requirements under LODR to the extent they have been adopted are as mentioned below:

- a) The Internal Auditors of the Company make presentation to the Audit Committee on their reports.

Code of Conduct

The Board of Directors has laid down a Code of Conduct for all Board members and all employees in senior management grade of the Company. The Code of Conduct is posted on the website of the Company. All Board members and senior management personnel have confirmed compliance with the Code. Chief Executive Officer's certificate of compliance of the Code of Conduct by the Directors and Senior Management is appended to this Report.

Code of Conduct to Regulate, Monitor and Report Trading by Insiders

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 the Board has approved and adopted a code of conduct governing all the directors, senior management and other employees at all locations of the Company. Shri Dipankar Ganguly, Company Secretary has been designated Compliance Officer in respect of compliance of the Code. Code of Conduct is posted on the Company's website at www.cimmco.in.

Code of Conduct for Independent Directors

The Board has adopted the Code of Conduct for Independent Directors as per Schedule IV of the Companies Act, 2013 and the LODR. Shri Dipankar Ganguly, Company Secretary has been designated Compliance Officer in respect of compliance of the Code.

Means of Communication

The quarterly and annual financial results are published in compliance with Regulation 33 of the LODR, in Business Standard or Financial Express (English daily) and Aajkal or Dainik Statesman or Ekdin (Bangla edition). Besides, information and latest updates and the announcements regarding the Company including its shareholding pattern are also available on the website of the Company: www.cimmco.in and on the website(s) of NSE/BSE.

7. General Shareholder Information

A. Annual General Meeting

Day, Date & Time : Monday, 31.07.2017 at 12:30 P.M.

Venue : Manovikas Kendra, 482, Madudah, Plot 1-24, Sector : J
E M Bypass, Kolkata-700107

B. Financial Calendar

The tentative financial calendar for the current financial year, i.e. April 01, 2017 to March 31, 2018 is set out below :

Schedule for the Financial Year (FY) 2017-18

Publication of	Schedule
Un-Audited Financial Results for the Quarter ended June 2017	August- September 2017
Un-Audited Financial Results for the Quarter ended September 2017	November-December 2017
Un-Audited Financial Results for the Quarter ended December 2017	January-February, 2018
Audited Financial Results for the Financial Year ended 2018	April-May, 2018

C. Book Closure

The period of Book Closure is from Monday, 24th July, 2017 to Monday, 31st July, 2017 (both days inclusive).

D. Dividend Payment Date

Not applicable since no dividend has been recommended by the Board of Directors.

E. Details of unclaimed shares pursuant to Regulation 39(4) read with Schedule VI of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015

In accordance with the LODR, out of 92551 equity shares required to be transferred to Unclaimed Suspense Account, 91176 equity shares were lying in the Demat Account for the purpose with Karvy Stock Broking Limited in Electronic format as at March 31, 2017.

F. Listing on Stock Exchanges

The equity shares of the Company are listed at BSE Limited and the National Stock Exchange of India Limited (NSE). Whereas Delhi Stock Exchange and M.P. Stock Exchange have been derecognised, the Company has applied for delisting of its equity shares from The Calcutta Stock Exchange Limited (CSE) which is under process. The Company is regular in payment of Listing Fee to the Stock Exchanges, as well as, the Annual Custodial Fees payable to the Depositories, i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Fees for the year 2017-18 have been duly paid. The shares of the Company are traded at BSE and NSE.

CORPORATE GOVERNANCE REPORT

Stock Code

The codes assigned to the equity shares of the Company by NSE, BSE and NSDL/CDSL are given below :

Codes assigned to the equity shares of the Company

NSDL/CDSL (ISIN)	NSE Stock Code	BSE Stock Code
INE 184C01028	CIMMCO	505230

G. Market Price Data

Monthly closing high and low quotations and volume of shares traded on the BSE Limited and National Stock Exchange of India Limited are shown in the Chart below.

Monthly High-Low at BSE

Month	High (Rs.)	Low (Rs.)	Volume (in Nos.)	Sensitive Index	
				High	Low
April, 2016	76.00	66.00	47394	26100.54	24523.20
May, 2016	76.80	61.25	35800	26837.20	25057.93
June, 2016	78.60	60.00	278060	27105.41	25911.33
July, 2016	78.50	68.10	184751	28240.20	27034.14
August, 2016	77.40	64.00	140120	28532.25	27627.97
September, 2016	83.50	68.05	443742	29077.28	27716.78
October, 2016	75.90	66.20	219192	28477.65	27488.30
November, 2016	77.95	56.35	85756	28029.80	25717.93
December, 2016	74.80	60.10	181689	26803.76	25753.74
January, 2017	87.90	66.65	331290	27980.39	26447.06
February, 2017	77.00	64.20	112267	29065.31	27590.10
March, 2017	114.00	58.20	2128631	29824.62	28716.21

Monthly High-Low at NSE

Month	High (Rs.)	Low (Rs.)	Volume (in Nos.)	CNX-NIFTY	
				High	Low
April, 2016	117.55	91.00	1336687	8844.80	8144.75
May, 2016	122.50	93.50	1840131	8489.55	7997.15
June, 2016	96.50	77.00	922684	8467.15	7940.30
July, 2016	106.15	83.00	913190	8654.75	8315.40
August, 2016	93.95	60.05	666800	8606.30	7667.25
September, 2016	73.25	60.20	374491	8055.00	7539.50
October, 2016	79.90	65.05	298738	8336.30	7930.65
November, 2016	85.50	56.10	423958	8116.10	7714.15
December, 2016	93.85	74.10	1635026	7979.30	7551.05
January, 2017	103.65	71.25	3671007	7972.55	7241.50
February, 2017	93.70	64.55	1246500	7600.45	6825.80
March, 2017	79.45	66.00	548462	7741.95	7035.10

H. Registrar & Share Transfer Agent (RTA)

The Company has engaged the services of Karvy Computershare Private Limited, as the RTA for both physical and dematerialized share maintenance. Share transfers are generally effected within 15 days of lodgement or such period as may be permissible by law/regulatory authority.

Karvy Computershare Private Limited, (Unit: Cimmco Limited)

Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad 500 032

Phone: +91- 40-6716 2222, Fax: +91-40-2300 1153, E-mail for Investors: einward.ris@karvy.com

CORPORATE GOVERNANCE REPORT

I. Share Transfer System

For registration of transfer of shares held in physical mode, the share certificate(s) in original, alongwith the share transfer deed(s) and other relevant documents, should be submitted at the Registered Office of the Company or with its RTA. In case the documents are in order, the requests for registration of transfer of shares are processed within the time stipulated by the provisions applicable.

J. Distribution of Shareholding

The shareholding pattern and distribution of the shareholding of the equity shares of the Company, in terms of categories of shareholders and size of holding respectively are as follows:

Shareholding Pattern as at March 31, 2017 (Category)

Category of Shareholders	Mode of Holding Shares		Total Shareholding	
	Physical	Demat	Number	%
Promoters and Promoter Group	-	1,50,96,774	1,50,96,774	74.93
Bodies Corporate	82,024	13,98,438	14,80,462	7.35
Financial Institutions	522	1,76,323	1,76,845	0.88
Mutual Funds	840	784	1,624	0.01
Trust	680	25,720	26,400	0.18
NRIs	61	62,168	62,229	0.31
Individuals	2,94,053	29,62,741	32,56,794	16.10
Clearing Members	-	47,398	47,398	0.24
Total	3,78,180	1,97,70,346	2,01,48,526	100.00

Distribution of Shareholding as on March 31, 2017

Range of Shares	Folio/Client ID		Shareholding	
	Number	%	Number	%
Up to 5000	47,314	98.22	10,05,829	4.99
From 5001 to 10,000	441	0.92	3,65,482	1.81
From 10,001 to 20,000	182	0.38	2,69,363	1.34
From 20,001 to 30,000	77	0.16	1,95,179	0.97
From 30,001 to 40,000	21	0.04	78,139	0.39
From 40,001 to 50,000	28	0.06	1,32,344	0.66
From 50,001 to 1,00,000	38	0.08	2,73,541	1.36
1,00,001 and above	68	0.14	1,78,28,649	88.49
Total	48,169	100.00	2,01,48,526	100.00

K. Dematerialization of Shares

The number of equity shares of the Company held in dematerialized mode through National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and in physical form as on March 31, 2017 are as follows :

Shareholding in Demat & Physical modes as on March 31, 2017

NSDL		CDSL		Physical		Total	
No. of Shares	% of Capital	No. of Shares	% of Capital	No. of Shares	% of Capital	No. of Shares	% of Capital
18113659	89.90	1656687	8.22	378180	1.88	20148526	100

L. Outstanding GDRs/ADRs/Warrants or any other instruments, which are convertible into equity shares of the Company

The Company has not issued any GDRs/ADRs/Warrants or any other instruments, which are convertible into equity shares of the Company.

CORPORATE GOVERNANCE REPORT

M. Plant Location

Mal Godown Road, Bharatpur 321001, Rajasthan

N. Address for Correspondence

Company	RTA
Registered Office : 756, Anandapur E M Bypass Kolkata 700 107 Phone : 91 33 4019 0800 Fax : 91 33 4019 0823 E-mail : corp@cimmco.in	Karvy Computershare Private Limited (Unit : Cimmco Limited) Karvy Salenium Tower B, Plot 31-32, Gachibowli Financial District Nanakramguda, Hyderabad 500 032 Phone : +91- 40-6716 2222 Fax : +91-40-2300 1153 E-mail for Investors : einward.ris@karvy.com

Place : Kolkata
 Date : May 18, 2017

For and on behalf of Cimmco Limited

J. P. Chowdhary
Executive Chairman

Declaration Affirming Compliance of Provisions of the Code of Conduct

To the best of my knowledge and belief and on the basis of declarations given to me, I hereby affirm that all the Board members and the senior management personnel have fully complied with the provisions of the Code of Conduct for Directors and Senior Management Personnel during the financial year ended 31st March, 2017.

Place : Kolkata
 Date : May 18, 2017

J. P. Chowdhary
Executive Chairman & CEO

Certificate on Corporate Governance

To the Members of Cimmco Limited

I have examined the compliance of conditions of Corporate Governance by Cimmco Limited for the year ended on 31st March, 2017, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedures and implementation thereof, adopted by the Company ensuring for compliance of the conditions of Corporate Governance. It is neither an audit nor expression of the opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance, as stipulated by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place : Kolkata
 Date : May 18, 2017

CS SUMANTRA SINHA
(Practicing Company Secretary)
 Membership No. : ACS 11247
 C.P. No. : 15245

CORPORATE GOVERNANCE REPORT

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification in terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We have reviewed the financial statements read with cash flow statement of Cimmco Limited for the year ended on the 31st day of March, 2017 and to the best of our knowledge and belief, we state that:

- a) These statements do not contain any materially untrue statement or omit any material fact or contain statements, that might be misleading;
- b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- c) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct;
- d) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies;
- e) We have indicated to the auditors and the Audit Committee:
 - i) Significant changes in internal control during the year;
 - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;
 - iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Kolkata
18th May, 2017

J P Chowdhary
Executive Chairman & CEO

Lokesh Agarwal
Chief Financial Officer

ANNEXURE CG-1

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 Cimmco's approach. Towards this Cimmco Limited 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.

Cimmco 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 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, 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 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.

CORPORATE GOVERNANCE REPORT

ANNEXURE CG-2

REMUNERATION POLICY

Cimmco Limited 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.

The Remuneration Policy is available on the Company's website under the following web link: <http://cimmco.in/Cimmco%Policies.pdf>.

INDEPENDENT AUDITOR'S REPORT

To the Members of CIMMCO LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Cimmco Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity 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 Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the Ind AS financial statements.

Basis for qualified opinion

We draw attention to note no. 6(a) regarding lease rent receivable from Indian Railways of Rs. 854.81 lacs (Rs. 759.83 lacs as at March 31, 2016), net of expected credit loss amounting to Rs. 3097.53 lacs, measured and recognized as on the date of transition based on the management's estimate of time for final outcome of the matter in Court/ Arbitration proceedings and adjusted with opening retained earnings. Pending outcome of Company's appeal against the arbitration order and final decision of the Court, we are unable to comment on recoverability of the above, and its consequential impact on these financial statements. Our audit opinion on the financial statements for the year ended March 31, 2016 was also modified on this matter.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid Ind AS 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, of its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

We draw attention to Note 40 to the financial statements in respect of Scheme of Amalgamation to merge the business of Titagarh Agrico Private Limited with the Company with effect from 1st April, 2016 subject to necessary approvals, more fully described therein. Pending completion of necessary approvals, no adjustment has been made in these financial statements. Our opinion is not qualified in respect of this matter.

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 except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive income, Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, Companies (Indian Accounting Standards) Rules, 2015, as amended ;

INDEPENDENT AUDITOR'S REPORT

- (e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
- (f) 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 Companies Act, 2013;
- (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
- (h) 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;
- (i) 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 Ind AS financial statements – Refer Note 15(b)(i) and 33 to the Ind AS 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 35 to these Ind AS 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 No. : 301003E/E300005

per **Kamal Agarwal**

Partner

Membership No. : 058652

Place : Kolkata

Date : May 18, 2017

ANNEXURE 1 TO THE AUDITOR'S REPORT

Referred to in our report of even date to the members of CIMMCO 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) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verifying the fixed assets over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) According to the information and explanations given by the management the title deeds of immovable properties included in property, plant and equipment and investment property are held in the name of the company except for 3 numbers of freehold land aggregating to gross block and net block of Rs. 5,556.07 lacs as at March 31, 2017 for which original registered sale deed / conveyance deed / transfer deed / assignment deed were not available with the Company and we have been provided with the photo copies of the same. Hence, we are unable to comment on the same. Further, above includes freehold land aggregating to Rs. 2,345.80 lacs for which a dispute was raised by a third party for the title of the land which is pending resolution in the Hon'ble Supreme Court of India as at March 31, 2017. Also refer note 3(i)(a) and 3(i)(b) of the financial statements.
- (ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable and hence not commented upon.
- (v) The Company has not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture of wagons and engineering products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, done a detailed examination of the same.

INDEPENDENT AUDITOR'S REPORT

- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues applicable to it.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added 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.
- (c) According to the records of the Company, the dues outstanding of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess on account of disputes 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 Central Excise Act, 1944	Incorrect availment of cenvat credit, non-payment of excise duty/non- maintenance of separate records for common inputs and input services used for production of exempted and non-exempted excisable products/non- inclusion of value of free supply in the assessable value/non-compliance with Rule 6(3A) etc.	2211.47	1986, 1999-2000 and 2011-15	Hon'ble CESTAT, Delhi
		126.28	1989-1994	Hon'ble High Court, Gwalior
		46.44	2010-2011 and 2011-2015	Additional Commissioner of Central Excise, Jaipur
The Customs Act, 1962	Differential Customs Duty, Penalty for non-submission of necessary documents for consumption of imported goods	32.17	2004-2005	Hon'ble CESTAT, Delhi
The Customs Act, 1962	Differential Customs Duty, Penalty for non-submission of necessary documents for consumption of imported goods.	20.00	2000-2001 1986-1987	Additional/Deputy Director of Enforcement
The Rajasthan Sales Tax Act	Differential Sales Tax	173.00	1997-1998	Rajasthan Tax Board
The Orissa Sales Tax Act	Differential Sales Tax / Entry Tax / Penalty	147.04	1999-2001 to 2000-2001	Deputy Commissioner of Commercial Taxes

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of loans or borrowings to a bank. The Company did not have any outstanding loans or borrowing dues in respect of a financial institution 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 managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (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.

INDEPENDENT AUDITOR'S REPORT

- (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, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Chartered Accountants

ICAI Firm Registration No. : 301003E/E300005

per **Kamal Agarwal**

Partner

Membership No. : 058652

Place : Kolkata

Date : May 18, 2017

ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF CIMMCO 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 CIMMCO 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 controls 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.

An 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 controls 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 qualified audit opinion on the internal financial controls 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.

INDEPENDENT AUDITOR'S REPORT

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.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2017:

Attention is drawn to Basis for qualified opinion paragraph of Auditors' Report on Standalone Financial Statements more fully described therein, regarding lease rent receivable from Indian Railways of Rs 854.81 lacs (Rs 759.83 lacs as at March 31, 2016), net of expected credit loss amounting to Rs. 3097.53 lacs, measured and recognized as on the date of transition based on the management's estimate of time for final outcome of the matter in Court/ Arbitration proceedings and adjusted with opening retained earnings. Pending outcome of Company's appeal against the arbitration order and final decision of the Court, we are unable to comment on the recoverability of the above, and its consequential impact on these financial statements. This could potentially result in misstatement of Company's other financial assets.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis. In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of 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, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2017.

We also have audited, 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, the financial statements of Cimmco Limited, which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information. Material weakness as described above was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2017 standalone financial statements of Cimmco Limited and this report does not affect our report dated May 18, 2017, which expressed a qualified opinion on those financial statements.

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

Chartered Accountants

ICAI Firm Registration No. : 301003E/E300005

per **Kamal Agarwal**

Partner

Membership No. : 058652

Place : Kolkata

Date : May 18, 2017

BALANCE SHEET as at March 31, 2017

(Rs. in lacs)

	Notes	As at March 31, 2017	As at March 31, 2016	As at March 31, 2015
I. ASSETS				
Non current assets				
a) Property, Plant and Equipment	3 (i)	26,162.77	27,266.36	27,631.36
b) Capital work-in-progress		20.30	-	-
c) Investment Property	3 (ii)	821.24	-	-
d) Other Intangible Assets	3 (i)	0.46	1.29	2.90
e) Financial assets				
(i) Investments	4	1.21	1.27	0.78
(ii) Trade Receivables	9	131.61	127.35	123.75
(iii) Loans & Deposits	5	19.32	32.21	38.60
(iv) Others Financial Assets	6	854.82	759.84	675.41
f) Other non-current tax Assets	7	11.64	160.55	199.30
g) Other non-current Assets	8	22.96	41.76	0.08
		<u>28,046.33</u>	<u>28,390.63</u>	<u>28,672.18</u>
Current assets				
a) Inventories	10	4,636.63	1,322.23	3,877.50
b) Financial assets				
(i) Trade receivables	9	1,163.69	575.72	1,063.29
(ii) Cash and cash equivalents	11.1	25.79	41.18	126.17
(iii) Bank balances other than (ii) above	11.2	91.30	86.12	155.82
(iv) Other Financial Assets	6	107.61	952.57	838.72
c) Other current assets	8	340.43	387.61	272.41
		<u>6,365.45</u>	<u>3,365.43</u>	<u>6,333.91</u>
TOTAL - ASSETS		<u>34,411.78</u>	<u>31,756.06</u>	<u>35,006.09</u>
II. EQUITY AND LIABILITIES				
Equity				
a) Equity share capital	12	2,014.85	2,014.85	2,014.85
b) Other equity	13	14,992.76	16,050.74	17,414.78
		<u>17,007.61</u>	<u>18,065.59</u>	<u>19,429.63</u>
Liabilities				
Non-current liabilities				
a) Financial Liabilities				
Borrowings	14	4,673.41	5,466.47	6,389.71
b) Provisions	15	15.62	19.28	14.11
c) Deferred tax liabilities (Net)	16	2,450.79	2,582.62	2,743.80
		<u>7,139.82</u>	<u>8,068.37</u>	<u>9,147.62</u>
Current liabilities				
a) Financial Liabilities				
(i) Borrowings	14	2,110.79	2,111.12	1,408.45
(ii) Trade payables	17	6,064.18	1,493.18	1,951.15
(iii) Others Financial Liabilities	18	1,649.40	1,394.78	1,810.35
b) Other Current liabilities	19	240.16	249.41	756.31
c) Provisions	15	199.82	373.61	502.58
		<u>10,264.35</u>	<u>5,622.10</u>	<u>6,428.84</u>
TOTAL		<u>34,411.78</u>	<u>31,756.06</u>	<u>35,006.09</u>
Summary of significant accounting policies	2			
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. 058652

Place : Kolkata

Dated : 18th May, 2017

For and on behalf of the Board of Directors of Cimmco Limited

J P Chowdhary

Executive Chairman

Umesh Chowdhary

Vice Chairman

Anil Kumar Agarwal

Wholtime Director

Lokesh Agarwal

Chief Financial Officer

Dipankar Ganguly

Company Secretary

STATEMENT OF PROFIT & LOSS for the year ended March 31, 2017

(Rs. in lacs)			
	Notes	For the period ended March 31, 2017	For the year ended March 31, 2016
Income			
Revenue from operations	20	12,281.70	6,870.66
Other income	21	414.38	620.67
Total Revenue (I)		12,696.08	7,491.33
Expenses			
Cost of raw materials & components consumed	22	9,958.89	3,752.19
Changes in inventories of finished goods, Work in progress and saleable scrap	23	(1,305.96)	1,401.67
Employee benefits expenses	24	415.23	337.34
Excise duty expense		442.89	123.88
Finance costs	26	1,149.47	946.84
Depreciation and amortization expenses	3	363.44	398.82
Other expenses	25	2,405.54	1,873.19
Total Expenses (II)		13,429.50	8,833.93
Loss before tax & exceptional items (I-II)		(733.42)	(1,342.60)
Exceptional items	27	449.91	131.54
Loss before taxes		(1,183.33)	(1,474.14)
Tax expenses			
Deferred Tax Liability reversed		(131.83)	(161.18)
Income tax relating to earlier years		3.34	51.20
Total tax expense		(128.49)	(109.98)
Loss for the year		(1,054.84)	(1,364.16)
Other Comprehensive Income			
Re-Measurement gains/(losses) on defined benefit plans		(3.13)	0.12
Other Comprehensive gain/(loss) for the year, net of taxes		(3.13)	0.12
Total Comprehensive Loss for the year		(1,057.97)	(1,364.04)
Earnings per equity share	28		
[Nominal value of share Rs. 10/- (Rs.10/-)]			
Basic & Diluted (In Rupees)		(5.24)	(6.77)
Summary of significant accounting policies	2		
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. 058652

Place : Kolkata

Dated : 18th May, 2017

For and on behalf of the Board of Directors of Cimmco Limited

J P Chowdhary

Executive Chairman

Umesh Chowdhary

Vice Chairman

Anil Kumar Agarwal

Wholtime Director

Lokesh Agarwal

Chief Financial Officer

Dipankar Ganguly

Company Secretary

STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2017

	Number	Amount Rs. in lacs
A) Equity Share Capital		
Equity Shares of INR 10 each issued, subscribed and fully paid		
At the beginning of April 1, 2015	20,148,526	2,014.85
Changes in equity share capital during the year	-	-
Balance as at the end of March 31, 2016	20,148,526	2,014.85
Changes in equity share capital during the year	-	-
Balance as at the end of March 31, 2017	20,148,526	2,014.85

	Rs. in lacs			
	Reserve & Surplus			
	Equity Component of NCNCRPS [Refer note 14(a)]	Securities Premium Account	Retained Earnings	Total
Balance at the beginning of April 1, 2015	1,918.71	3,220.32	12,275.75	17,414.78
Loss for the year ended March 31, 2016	-	-	(1,364.16)	(1,364.16)
Re-Measurement gains on defined benefit plans (Refer Note 30)	-	-	0.12	0.12
Balance at March 31, 2016	1,918.71	3,220.32	10,911.71	16,050.74
Loss for the year ended March 31, 2017	-	-	(1,054.84)	(1,054.84)
Re-Measurement gains on defined benefit plans (Refer Note 30)	-	-	(3.13)	(3.13)
Balance at March 31, 2017	1,918.71	3,220.32	9,853.73	14,992.76

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. 058652

Place : Kolkata
Dated : 18th May, 2017

For and on behalf of the Board of Directors of Cimmco Limited

J P Chowdhary
Executive Chairman

Umesh Chowdhary
Vice Chairman

Anil Kumar Agarwal
Wholtime Director

Lokesh Agarwal
Chief Financial Officer

Dipankar Ganguly
Company Secretary

CASH FLOW STATEMENT for the year ended March 31, 2017

	(Rs. in lacs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Loss before tax	(1,183.33)	(1,474.14)
Adjustments for :		
Depreciation & amortization expense	363.44	398.82
Provision for doubtful debts and advances	141.42	-
Irrecoverable debts/ advances written off	0.04	39.19
Fair Valuation of Equity Investments	0.06	(0.49)
Loss on Sale of Fixed Assets	-	5.32
Unspent liabilities / provisions no longer required written back	(280.76)	(288.18)
Interest expense	1,036.57	946.84
Interest Income	(104.35)	(272.50)
Operating loss before working capital changes	(26.91)	(645.13)
Movements in working capital:		
Increase/(Decrease) in financial liabilities, other liabilities and provisions	4,632.37	(880.00)
Decrease/(Increase) in trade receivables	(733.67)	464.38
Decrease/(Increase) in loans, other financial assets and other assets	1,026.59	(72.07)
Decrease/(Increase) in inventories	(3,314.40)	2,555.27
Cash Generated from Operations	1,583.98	1,422.45
Taxes Paid	145.57	(12.45)
Net cash generated from Operating Activities	1,729.55	1,410.00
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including Capital work in progress	(109.43)	(37.54)
Proceeds from Sale of Fixed Assets	8.88	-
Investment in Bank Fixed Deposits	(5.22)	-
Fixed Deposits encashed/matured	-	45.57
Interest received	58.53	141.05
Net cash generated/(used) from Investing Activities	(47.24)	149.08
C. CASH FLOW FROM FINANCING ACTIVITIES		
Receipt of borrowings	450.00	900.00
Repayment of borrowings	(1,299.48)	(1,749.63)
Interest paid	(848.28)	(794.43)
Net cash used in Financing Activities	(1,697.76)	(1,644.06)
Net decrease in Cash & Cash Equivalent (A+B+C)	(15.44)	(84.98)
Cash and Cash Equivalents - at the beginning of the year	48.76	133.74
Cash and Cash Equivalents - at the end of the year	33.32	48.76
Components of Cash & Cash Equivalents :		
Cash on hand	0.59	0.83
Balances with banks:		
On current accounts	25.20	40.35
On unpaid debenture account*	5.05	5.08
On unpaid fractional share entitlement*	2.48	2.49
Total Cash & Cash Equivalents (Refer note 11)	33.32	48.76

* Amount available for restricted use only.

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. 058652

Place : Kolkata

Dated : 18th May, 2017

For and on behalf of the Board of Directors of Cimmco Limited

J P Chowdhary

Executive Chairman

Umesh Chowdhary

Vice Chairman

Anil Kumar Agarwal

Wholtime Director

Lokesh Agarwal

Chief Financial Officer

Dipankar Ganguly

Company Secretary

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

1 Corporate Information

Cimmco limited (the Company) is a public company domiciled in India and incorporated under the provisions of the erstwhile Companies Act, 1956. Its shares are listed on Bombay Stock Exchange, National Stock Exchange and Calcutta Stock Exchange. The Company is engaged in the manufacturing and selling of freight wagons and engineering goods. The Company primarily caters to the domestic market. The registered office of the Company is located at 756, Anandapur, EM-Bypass, Kolkata - 700107.

These financial statements were authorised for issue in accordance with a resolution of the Directors on May 18, 2017.

2 Basis of preparation

For all periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements for the year ended March 31, 2017 have been prepared in accordance with Indian Accounting Standards ("Ind-AS") consequent to the notification of The Companies (Indian Accounting Standards) Rules, 2015 (the Rules) (as amended) issued by the Ministry of Corporate Affairs. These are the first Ind-AS financial statements of the Company, wherein the Company has prepared its Balance Sheet as at 1st April 2015 and financial statements for the year ended and as at 31st March 2016 also as per Ind-AS.

The financial statements have been prepared on a historical cost basis, except for certain items which are measured at fair value such as investment in equity shares, Preference shares issued by the Company etc. (refer accounting policy on financial instruments).

2.1 Significant accounting policies

a. Foreign Currency

Transactions in foreign currencies are initially recorded in functional currency by the Company at spot rates at the date of transaction. The Company's functional currency is Indian Rupees.

Foreign currency monetary items are reported using the closing rate. Foreign currency non-monetary items measured at historical cost are translated using the exchange rates at the dates of the initial transactions. Exchange differences arising on settlement or translation of monetary items are recognised in the statement of profit and loss.

b. Revenue Recognition

Sale of goods

Revenue is recognised to the extent that it is probable that economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment for them is made. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Excise duty is a liability of the manufacturer irrespective of whether the goods are sold or not. Hence, the recovery of excise duty flows to the Company on its own account and accordingly

revenue includes excise duty. However, Sales tax/ value added tax (VAT) are collected on behalf of the government and accordingly, it is excluded from revenue.

c. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

For items recognised in Other Comprehensive Income or equity, deferred / current tax is also recognised in Other Comprehensive Income or equity.

d. Property, plant and equipment (PPE)

PPE is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost comprises of purchase price inclusive of taxes, commissioning expenses, etc. upto the date the asset is ready for its intended use.

Expenditure directly attributable to expansion projects is capitalised. Administrative, general overheads and other indirect expenditure (including borrowing costs) incurred during the project period which are not directly related to the project nor are incidental thereto, are expensed.

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

PPE awaiting disposal are valued at the lower of written down value and net realizable value and disclosed separately. Capital work-in-progress includes machinery to be installed and construction & erection materials lying in stock. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Particular	Useful life
Factory building / Other building	30 years
Plant and equipment	15 years
Furniture and fixtures	10 years
Office equipment	5 - 10 years
Computers	3 years
Vehicles	8 years

The Company has considered the residual values of the above assets at 5% of the original cost. It believes that these estimated useful lives and residual values are realistic and reflect fair approximation of the period over which the assets are likely to be used.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

An item of PPE and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit and loss when the asset is derecognised.

e. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Intangible assets with finite useful life are amortised over the useful economic life.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

A summary of the policies applied to the Company's intangible assets is, as follows:

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Computer Softwares	Finite (5 years)	Amortised on a straight-line basis over the life	Acquired

f. Borrowing costs

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

borrowing costs are expensed in the years in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

g. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in the statement of profit and loss on a straight-line basis over the lease term.

h. Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- (i) Raw materials, Components, Stores and Spares: These are valued at lower of cost and net realisable value. However, material and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.
- (ii) Finished goods and work in progress: These are valued at lower of cost and net realisable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of finished goods also includes excise duty. Cost is determined on weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

i. Impairment of non-financial assets

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

j. Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a 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. The expense relating to a provision is recognised in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranty provisions

Provisions for warranty-related costs are recognised when the product is sold. Initial recognition is based on historical experience i.e. claims received upto the year end and the management's estimate of further liability to be incurred in this regard during the warranty period, computed on the basis of past trend of such claims. The initial estimate of warranty-related costs is revised annually.

Liquidated Damages

Liquidated damages on supply of materials are provided based on the contractual obligations or deduction made by the customers, as the case may be.

Onerous Contract

Provision is recognized for the contract, where unavoidable cost of meeting the obligation under the contract exceeds the economic benefits expected to be received. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfill it.

k. Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The Company recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation on projected unit credit method done at the end of each financial year.

Long term compensated absences are provided for based on actuarial valuation, as per projected unit credit method, done at the end of each financial year. Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the statement of profit and loss :

- (i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
 - (ii) Net interest expense or income
- In case of gratuity, current and non current bifurcation is done as per Actuarial report.

l. Financial instruments

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not measured at fair value through profit or loss, are added/deducted to the fair value on initial recognition.

Subsequent measurement

Non-derivative financial instruments

(a) Financial assets carried at amortised cost

A financial asset is subsequently measured at amortised cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

(b) Equity investments

All equity investments in scope of Ind AS 109 "Financial Instruments" are measured. For equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

Equity instruments included within the Fair Value through Profit and Loss (FVTPL) category are measured at fair value with all changes recognized in the Statement of Profit and Loss. Equity investments in Subsidiaries are carried at Cost.

(c) Financial Liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

(d) Compound Financial Instrument

Non-convertible non cumulative redeemable preference shares (NCNCRPS) are separated into liability and equity component based on the terms of the contract. On issuance of NCNCRPS, the fair value of the liability component is determined using a fair valuation principles as stated in IND AS 109. This amount is classified as financial liability measured at amortised cost until it is extinguished on redemption. The remainder of the proceeds is allocated to the benefit derived by the Company for obtaining the loan at below market rate of interest and is recognized in equity since it meets the criteria of equity as per IND AS 32 "Financial Instruments: Presentation". The carrying amount of such equity is not re-measured in subsequent years. Refer details of the NCNCRPS is note no. 14(a) of the financial statements.

Derecognition

A financial asset (or, where applicable, a part of a financial asset) is primarily derecognised when the rights to receive cash flows from the asset have expired. A financial liability is de-recognised when obligation under the liability is discharged or cancelled or expired.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss.

Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade and other receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

m. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprises cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above.

n. Earning per share

Earnings per share is calculated by dividing the net profit or loss before OCI for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI 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.

o. Segment reporting

The Company has identified only one operating segments viz, Wagons & Engineering Products. The analysis of geographical segments is based on the areas in which customers of the Company are located.

p. 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. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

q. In March 2017, the Ministry of Corporate Affairs issued the Companies (Indian Accounting Standards) (Amendments) Rules, 2017, notifying amendment to Ind AS 7, 'Statement of cash flows'. The amendment is applicable from April 1, 2017.

Amendment to Ind AS 7 :

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement. The company will adopt this amendment from its applicability date.

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

3. i) PROPERTY, PLANT & EQUIPMENT & OTHER INTANGIBLE ASSET

Rs. in Lacs

	Property, Plant & Equipment										Other Intan-gibles	Total Assets
	Land-Free-hold	Land-Lease-hold	Buildings	Plant & Equip-ment	Railway Sidings	Furni-ture & Fixtures	Office equip-ments	Comp-uters	Vehi-cles	Total	Comp-uter soft-ware	
Deemed Cost as at April 1, 2015(d)	5,556.07	19,724.09	1,484.61	776.81	38.50	10.57	4.96	1.49	34.26	27,631.36	2.90	27,634.26
Additions	-	-	-	36.78	-	0.35	0.11	0.27	-	37.51	-	37.51
Disposals	-	-	-	5.30	-	-	-	-	-	5.30	-	5.30
As At March 31, 2016	5,556.07	19,724.09	1,484.61	808.29	38.50	10.92	5.07	1.76	34.26	27,663.57	2.90	27,666.47
Additons	-	-	-	87.83	-	-	0.24	1.06	-	89.13	-	89.13
Disposals	-	-	-	9.36	-	-	-	-	-	9.36	-	9.36
Transfer to Investment Property	821.24									821.24	-	821.24
As At March 31, 2017	4,734.83	19,724.09	1,484.61	886.76	38.50	10.92	5.31	2.82	34.26	26,922.10	2.90	26,925.00
Depreciation & Amortization												
Charge for the year	-	162.36	140.00	68.15	11.26	1.89	1.26	0.06	12.23	397.22	1.60	398.82
Adjustment on Disposals	-	-	-	-	-	-	-	-	-	-	-	-
As At March 31, 2016	-	162.36	140.00	68.15	11.26	1.89	1.26	0.06	12.23	397.22	1.60	398.82
Charge for the year	-	162.36	139.96	47.93	-	1.90	1.28	0.11	9.07	362.60	0.84	363.44
Adjustment on Disposals	-	-	-	0.49	-	-	-	-	-	0.49	-	0.49
As At March 31, 2017	-	324.72	279.96	115.59	11.26	3.79	2.54	0.17	21.30	759.32	2.44	761.76
Net Block												
At March 31, 2017	4,734.83	19,399.37	1,204.66	771.17	27.24	7.14	2.77	2.65	12.96	26,162.77	0.46	26,163.23
At March 31, 2016	5,556.07	19,561.73	1,344.61	740.14	27.24	9.03	3.82	1.70	22.03	27,266.36	1.29	27,267.65
At April 01, 2015	5,556.07	19,724.09	1,484.61	776.81	38.50	10.57	4.96	1.49	34.26	27,631.36	2.90	27,634.26

- Freehold land includes land aggregating to deemed cost of Rs. 5,556.07 lacs of which original registered sale deed / conveyance deed / transfer deed / assignment deed are not traceable. However, Company has photo copy / scan of the same.
- Land includes land at Gwalior measuring 20 bighas 8 biswa valuing Rs. 2,345.81 lacs for which a dispute was raised by the third party. Refer Note No. 33(e) for further details.
- Refer Note 14 b for information on property, plant and equipment pledged as security by the Company.
- The Company has opted to fair value its property, plant and equipment as on 1st April 2015 (transition date to Ind AS) in terms of exemption given in Ind AS 101 'First-time Adoption of Indian Accounting Standards' and considered the same as deemed cost as at 1st April 2015.

3. (ii) INVESTMENT PROPERTY

During the year, the Company has decided to hold certain land for capital appreciation, consequent to which such land has been classified as investment property.

Information regarding Investment Property

The Company's Investment property consists of two parcels of land situated at Bharatpur & Malanpur, Rajasthan respectively. As at 31st March 2017, fair Valuation of the two properties is estimated to be Rs. 889.91 lacs. The same has been valued by an independent valuer. The fair value was derived using the market comparable approach based on recent market prices and the fair value measurement categorised within Level-3, as disclosed below.

The Company has no restrictions on the realisability of its investment property and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements. There is no income earned or expenditure incurred by the Company in relation to the investment property.

Significant increase/(decrease) in circle rate of land will result in significant higher/(lower) fair valuation of properties.

The fair value of the investment property as on March 31, 2017 is Rs. 889.91 lacs.

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

Description of significant unobservable inputs to valuation

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March 2017, 31 March 2016 and 1 April 2015 are as shown below:

Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
For 5% change in circle rate for land owned by the Company	31 March 2017 31 March 2016 1 April 2015	5% Increase (decrease) in the growth rate would result in increase (decrease) in fair value by Rs 41.06 lacs (31 March 2016: Rs Nil, 1 April 2015: Rs Nil)

4. NON-CURRENT INVESTMENTS

	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 01, 2015 Rs. in Lacs
Investment in Equity Shares in others (at FVTPL) (Quoted)			
Quoted			
550 (2016: 550, 2015: 550) Equity shares of Rs. 10 each fully paid-up in Orissa Sponge Iron & Steel Limited	1.21	1.27	0.78
	1.21	1.27	0.78
Aggregate Market Value of quoted investments	1.21	1.27	0.78

The cost of following investment in equity shares (fully paid up) has been written off in the past, though quantity thereof appears in the books:

Name of the Company	No of shares	Face Value per Share in Rs.
Ryam Commerce & Plantations Limited	500	10.00
The Kutch Salt & Allied Industries Limited	625	10.00
Udyog Services Limited	2	100.00
P. T. Nalin, Indonesia	4,000	10.00
Wagon India Limited	1,500	10.00

5. LOANS AND DEPOSITS (at amortised costs)

Unsecured, considered good unless stated otherwise

	Non-current			Current		
	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 01, 2015 Rs. in Lacs	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 01, 2015 Rs. in Lacs
Security Deposits	19.32	32.21	38.60	-	-	-
Total	19.32	32.21	38.60	-	-	-

Refer Note 14b for information on loans and deposits pledged as security by the Company.

6. OTHER FINANCIAL ASSETS (at amortised costs)

(Unsecured, considered good unless stated otherwise)

	Non-current			Current		
	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 01, 2015 Rs. in Lacs	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 01, 2015 Rs. in Lacs
Receivable from related party (Refer Note No. 32)	-	-	-	107.30	28.21	93.26
Interest accrued on fixed deposits and loans	-	-	-	0.31	3.07	2.45
Interest receivable on income tax refund	-	-	-	-	46.40	-
Claims Receivable (Refer Note a below)	854.82	759.84	675.41	-	874.89	743.01
Total	854.82	759.84	675.41	107.61	952.57	838.72

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

6. OTHER FINANCIAL ASSETS (at amortised costs) (Contd.)

- a) Claims receivable represents lease rent receivable from Indian Railways amounting to Rs 854.81 lacs (Rs 759.83 lacs as at March 31, 2016, Rs 675.41 lacs as at March 31, 2015), net of expected credit loss amounting to Rs. 3097.53 lacs, measured and recognized as on the date of transition based on the management's estimate of time for final outcome of the matter in Court/ Arbitration proceedings and adjusted with opening retained earnings. The said matter was under arbitration proceedings since 2004 and finally, the Arbitrators, passed an award on 03/02/2016 whereby the Company's claims were rejected. Being aggrieved by the award the Company has filed an appeal under section 34 of the Arbitration & Conciliation Act, 1996 (as amended) before the Hon'ble High Court, Delhi on 29/04/2016 and hearing in the matter is expected to take place shortly. Considering the merit of the case, the management is hopeful to recover this claim in full. The Company recognises interest on these claims to record the effect of time elapse every year.
- b) Refer Note 14b for information on other financial assets pledged as security by the Company.

7. OTHER TAX ASSETS

	Non-current			Current		
	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 01, 2015 Rs. in Lacs	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 01, 2015 Rs. in Lacs
Advance tax (Net of Provisions)	11.64	160.55	199.30	-	-	-
	11.64	160.55	199.30	-	-	-

8. OTHER ASSETS

	Non-current			Current		
	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 01, 2015 Rs. in Lacs	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 01, 2015 Rs. in Lacs
Subsidy Receivable	-	-	-	42.16	152.31	67.73
Security Deposits	10.30	4.81	0.08	10.00	3.50	10.00
Advance recoverable in cash or kind	-	-	-	-	-	-
Considered good	-	-	-	72.07	102.37	17.94
Considered doubtful	-	-	-	4.64	29.86	29.86
	-	-	-	76.71	132.23	47.80
Provision for doubtful advances	-	-	-	4.64	29.86	29.86
	-	-	-	72.07	102.37	17.94
Other advances						
Balance with statutory/ government authorities	-	-	-	148.33	125.15	155.33
Prepaid expenses	12.66	36.95	-	67.87	4.28	21.41
Total	22.96	41.76	0.08	340.43	387.61	272.41

Refer Note 14b for information on other assets pledged as security by the Company.

9. TRADE RECEIVABLES (at amortised costs)

Unsecured, considered good unless stated otherwise

	Non-current			Current		
	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 01, 2015 Rs. in Lacs	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 01, 2015 Rs. in Lacs
Considered good	131.61	127.35	123.75	1,163.69	575.72	1,063.29
Considered doubtful	-	-	-	143.17	17.74	-
	131.61	127.35	123.75	1,306.86	593.46	1,063.29
Allowance for doubtful debts	-	-	-	143.17	17.74	-
Total	131.61	127.35	123.75	1,163.69	575.72	1,063.29

- a) Refer Note 14b for information on trade receivable pledged as security by the Company.
- b) Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.
- c) For terms and conditions relating to related party receivables refer Note 32.

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

10. INVENTORIES (Valued at lower of cost and net realizable value)

	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 01, 2015 Rs. in Lacs
Raw materials and components (Includes goods in transit Rs. 129.28 lacs (Nil 31st March 2016, Nil 1st April 2015))	2,113.40	235.91	1,210.63
Work-in-progress	942.99	443.94	806.84
Finished goods	1,121.01	296.53	1,308.70
Stores and spares	251.55	120.61	299.50
Saleable Scrap	207.68	225.24	251.83
Total	4,636.63	1,322.23	3,877.50

Refer Note 14b for information on Inventory pledged as security by the Company.

11. CASH AND BANK BALANCES

11.1 Cash and cash equivalents

Cash on hand	0.59	0.83	0.22
Balances with banks in Current Account	25.20	40.35	125.95
	25.79	41.18	126.17

11.2 Other bank balances

On unpaid debenture account	5.05	5.08	5.08
On unpaid fractional share entitlement	2.48	2.49	2.49
Deposits with original maturity of more than 3 months but less than 12 months	-	-	5.60
Deposit held as Margin money @	83.77	78.55	142.65
	91.30	86.12	155.82
Total	117.09	127.30	281.99

@ Receipts lying with banks as security against guarantees/ letters of credit issued by them.

Refer Note 14b for information on cash and bank balances pledged as security by the Company.

12. SHARE CAPITAL

	As at March 31, 2017		As at March 31, 2016		As at April 01, 2015	
	No. of shares in lacs	Rs. in Lacs	No. of shares in lacs	Rs. in Lacs	No. of shares in lacs	Rs. in Lacs
Authorised Shares						
Equity shares of Rs. 10/- each	250.00	2,500.00	250.00	2,500.00	250.00	2,500.00
8% Non Convertible Non Cumulative	500.00	5,000.00	500.00	5,000.00	500.00	5,000.00
Redeemable Preference Shares of Rs 10/- each						
		7,500.00		7,500.00		7,500.00
Issued, Subscribed and fully paid-up Equity Shares						
Equity shares of Rs. 10/- each	201.49	2,014.85	201.49	2,014.85	201.49	2,014.85
		2,014.85		2,014.85		2,014.85

a) This note also covers the equity component of the issued 8% Non Convertible Non Cumulative Redeemable Preference Shares (included in Other Equity). The liability component is reflected in Borrowing.

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

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

c) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 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. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Terms of NCNCRPS

For terms and conditions refer Note 14a.

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

12. SHARE CAPITAL (Contd.)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares in lacs	Rs. in Lacs	No. of shares in lacs	Rs. in Lacs	No. of shares in lacs	Rs. in Lacs
e) Shares held by holding company and by fellow subsidiary						
Equity Shares						
Titagarh Wagons Limited, the holding Company*						
Equity shares of Rs. 10/- each fully paid up	150.65	1,506.54	150.65	1,506.54	150.65	1,506.54
Preference Shares (Refer note (a) above)						
Titagarh Wagons Limited, the holding Company						
NCNCRPS of Rs. 10/- each fully paid up	250.00	1,097.60	250.00	1,097.60	250.00	1,097.60
Titagarh Capital Private Limited, subsidiary of the Holding Company						
NCNCRPS of Rs. 10/- each fully paid up	150.00	821.11	150.00	821.11	150.00	821.11

* It includes 48,35,646 shares (31st March 2016: 1,50,65,350, 1st April 2015: 1,50,65,350) held in the name of Cimco Equity Holdings Private Limited (CEHPL). CEHPL has been merged with Titagarh Wagons Limited w.e.f. 1/4/2015 and an application for change of name has been submitted to the depository participant (ICICI Bank) which is under process.

f) Details of shares issued for consideration other than cash during the period of 5 years immediately preceding the reporting date

	As at March 31, 2017 No. of shares	As at March 31, 2016 No. of shares	As at April 1, 2015 No. of shares
Equity shares allotted as fully paid up pursuant to contracts for consideration other than cash	-	1,007,426	1,007,426

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

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares in lacs	% holding	No. of shares in lacs	% holding	No. of shares in lacs	% holding
Equity shares of Rs. 10 each fully paid*						
Titagarh Wagons Limited, the holding company	150.65	74.77%	150.65	74.77%	150.65	74.77%
8% NCNCRPS of Rs 10 each fully paid up						
Titagarh Wagons Limited	250.00	62.50%	250.00	62.50%	250.00	62.50%
Titagarh Capital Private Limited	150.00	37.50%	150.00	37.50%	150.00	37.50%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownerships of shares.

13. OTHER EQUITY

	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 1, 2015 Rs. in Lacs
A. Equity Component of 8% NCNCRPS of Rs. 10 each issued and fully paid up. [refer note no. 41(iii)d)]	1,918.71	1,918.71	1,918.71
B. Securities Premium Account Premium received on equity shares issued are recognised in the securities premium account	3,220.32	3,220.32	3,220.32

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

13. OTHER EQUITY (Contd.)

	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 1, 2015 Rs. in Lacs
C. Retained Earnings			
Retained earnings includes Surplus in Statement of Profit and Loss reclassified upon application of IND AS			
Balance as per the last financial statements	10,911.71	12,275.75	-
Add : Loss for the year	(1,054.84)	(1,364.16)	-
Less: Actuarial (losses)/gain on Defined Benefit Obligations	(3.13)	0.12	-
	9,853.73	10,911.71	12,275.75
Total Other Equity	14,992.76	16,050.74	17,414.78

14. BORROWINGS

	Non-current			Current		
	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 1, 2015 Rs. in Lacs	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 1, 2015 Rs. in Lacs
Liability Component of Compound Financial Instruments						
A Non Cumulative, non convertible redeemable preference shares (NCNCRPS)	3,058.88	2,725.06	2,427.67	-	-	-
B Secured						
Indian Rupee Loan from a bank [refer note (b) below]	1,614.53	2,741.41	3,962.04	1,506.37	1,228.65	1,666.67
Less: Amount Disclosed under Other Financial Liabilities (Refer Note no. 18)	-	-	-	(1,506.37)	(1,228.65)	(1,666.67)
	1,614.53	2,741.41	3,962.04	-	-	-
C Cash credits from banks	-	-	-	1,110.79	1,461.12	1,302.11
D Unsecured						
Loan from a related party	-	-	-	1,000.00	650.00	-
Loan from Exim Bank	-	-	-	-	-	106.34
	-	-	-	1,000.00	650.00	106.34
Total (A+B+C+D)	4,673.41	5,466.47	6,389.71	2,110.79	2,111.12	1,408.45

a) Terms of NCNCRPS

The Company had issued 400 lacs of 8% NCNCRPS of Rs. 10 each fully paid-up at par during the year ended 31 March 2015. NCNCRPS carry non cumulative dividend @ 8% p.a. Each holder of NCNCRPS is entitled to one vote per share only on the resolutions placed at general meetings which directly affect the rights attached to NCNCRPS. 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.

NCNCRPS are redeemable at par within 5 years from the date of issue i.e. Rs 2,500.00 lacs by June 27, 2019 and Rs 1,500.00 lacs by July 7, 2019. The presentation of the liability and equity portion of these shares is explained in note no. 2.1 (l) (d), summary of significant accounting policies.

b) Terms of Repayment of Secured Loans:

i) Term Loan of Rs. 3120.90 lacs (March 31, 2016: Rs. 3970.06 lacs, April 1, 2015: 3962.04 lacs) carries an interest @ 11.10% p.a (Base +spread of 1.75%) and is repayable in 14 quarterly installments of Rs. 285.71 lacs each starting from September 2016 to December 2019. Further the loan covenants stipulates mandatory repayments upto 50% of the amount collected in relation to the refunds and claims recoverable. Consequently, current portion of term loan includes Rs. 371.51 lacs being 50% payable upon realisation of claims from National Insurance Company of Rs. 743.02 lacs.

Above term loan is secured by a first pari passu charge on land admeasuring 18.75 acres situated at Gwalior and also first pari passu charge over the other fixed assets (including its land admeasuring 470 Bigha 1 Biswa at Bharatpur, Rajasthan) of the Company. The loan is further backed by a "Put Option" of Titagarh Wagons Limited (TWL, the holding company). In terms of the said put option, upon occurrence of any event of default as per the terms of the facility agreement, bank shall have the right to call upon TWL to pay the entire outstanding within such time as may be prescribed.

ii) Cash credits from banks are secured by first pari passu charge over all current assets, both present and future and also by a second pari passu charge over the entire fixed assets of the Company (excluding land at Gwalior). The cash credit is repayable on demand and carry an interest banks MCLR + Spread ranging from 3.5% to 4.5% p.a.

Terms of Repayment of Unsecured Loans:

Loan from related party carries interest rate of 15% p.a. and is repayable on demand.

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

15. PROVISIONS

	Non-current			Current		
	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 1, 2015 Rs. in Lacs	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 1, 2015 Rs. in Lacs
Provisions for employee benefits :						
Gratuity (Refer Note No. 30)	15.62	19.28	14.11	30.21	16.12	16.13
Leave benefits	-	-	-	18.10	13.95	14.28
	15.62	19.28	14.11	48.31	30.07	30.41
Other provisions :						
Warranties	-	-	-	18.19	23.85	9.99
Liquidated damages	-	-	-	38.16	224.53	23.85
Litigation, claims and contingencies	-	-	-	95.16	95.16	105.95
Onerous Contract	-	-	-	-	-	332.38
	-	-	-	151.51	343.54	472.17
Total	15.62	19.28	14.11	199.82	373.61	502.58

a) The movement in provision for warranties and liquidated damages is as follows:

	(i) Warranties		(ii) Liquidated damages	
	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs
At the beginning of the year	23.85	9.99	224.53	23.85
Made during the year	-	15.23	14.31	213.97
Utilized during the year	(4.16)	-	-	(13.29)
Unused amounts reversed	(1.50)	(1.37)	(200.68)	-
At the end of the year	18.19	23.85	38.16	224.53

b) Movement of provisions for Litigation, Claims and Contingencies and Onerous Contract is as follows:

	(i) Litigation, Claims and Contingencies		(ii) Onerous Contract	
	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs
At the beginning of the year	95.16	105.95	-	332.38
Arisen during the year	-	3.58	-	131.54
Utilized during the year	-	(14.37)	-	(463.92)
At the end of the year	95.16	95.16	-	-

Note - The management has estimated the provisions for pending litigations, claims and demands relating to indirect taxes based on its assessment of probability for these demands crystallising against the Company in due course.

16. DEFERRED TAX LIABILITIES

	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 1, 2015 Rs. in Lacs
Deferred tax liabilities on non depreciable assets to be taxed under heading Capital Gains			
Relating to origination and reversal of temporary differences in non depreciable assets (on fair valuation of land) (refer note below)	2,450.79	2,582.62	2,743.80
A	<u>2,450.79</u>	<u>2,582.62</u>	<u>2,743.80</u>
Deferred tax liability on others			
Arising out of temporary difference in depreciable assets	414.36	446.22	491.16
B	<u>414.36</u>	<u>446.22</u>	<u>491.16</u>
Deferred tax assets			
Expected credit loss on financial assets	414.36	446.22	491.16
C	<u>414.36</u>	<u>446.22</u>	<u>491.16</u>
Subtotal	-	-	-
D = B-C	<u>-</u>	<u>-</u>	<u>-</u>
Total	2,450.79	2,582.62	2,743.80

In the absence of reasonable certainty supported with convincing evidence, the Company has recognized the deferred tax asset only to the extent of deferred tax liability. Further, the Company has recognised the deferred tax liability on the impact of fair valuation of land [refer note no. 3 (i)(d)] as on the date of transition, to be taxed on sale of said land as "capital gains". Impact on account of change in tax base of said land is taken to tax expenses in statement of Profit and loss.

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

17. TRADE PAYABLES (At amortised Cost)

	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 1, 2015 Rs. in Lacs
Trade Payables	6,064.18	1,493.18	1,951.15
	6,064.18	1,493.18	1,951.15

- a) Trade payables are non-interest bearing and are normally settled on 60 days terms.
b) For terms and conditions with related parties refer to Note No 32.
c) 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 have been made by the Company to such creditors and no disclosure thereof is made in these accounts.

18. OTHER FINANCIAL LIABILITIES (At amortised Cost)

	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 1, 2015 Rs. in Lacs
Current Maturity of Secured Loan from Bank (Refer Note No. 14)	1,506.37	1,228.65	1,666.67
Interest accrued but not due on borrowings	14.21	20.03	0.25
Interest accrued and due on borrowings	-	0.09	-
Others			
Employee related liabilities	26.60	49.74	41.17
Investor education and protection fund will be credited by following amounts (as and when due)			
Unpaid Debentures	5.05	5.08	5.08
Unpaid fractional share	2.48	2.49	2.49
Other liabilities	94.69	88.70	94.69
Total Other Financial Liabilities	1,649.40	1,394.78	1,810.35

- a) Other financial liabilities are non-interest bearing and have an average term of 30-90 days

19. OTHER CURRENT LIABILITIES

Statutory Dues	143.68	88.58	123.17
Advance from customers	80.57	21.46	114.25
Other Liabilities	15.91	139.37	518.89
Total Current Liabilities	240.16	249.41	756.31

20. REVENUE FROM OPERATIONS

	For the year ended March 31, 2017 Rs. in Lacs	For the year ended March 31, 2016 Rs. in Lacs
Sale of products (including excise duty)		
Finished products	11,211.59	6,354.71
Raw materials & components	166.33	150.69
Sale of services	554.36	175.74
Other operating revenues		
Scrap sales	289.42	129.52
Other [Refer Note (b) below]	60.00	60.00
Revenue from operations (gross)	12,281.70	6,870.66

- a) Sale of Goods includes excise duty collected from customers of Rs. 428.04 lacs (Rs. 151.84 lacs)
b) Others represents facility income received from Titagarh Agrico Private Limited (TAPL) under Memorandum of Agreement dated January 29, 2014 between Cimmco Limited and TAPL.

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

21. OTHER INCOME

	For the year ended March 31, 2017 Rs. in Lacs	For the year ended March 31, 2016 Rs. in Lacs
21.1 Interest Income		
Bank deposits	4.42	8.03
Interest Accrued on Fair Value of Financial Assets	94.98	84.43
Others	4.95	180.04
	104.35	272.50
21.2 Others		
Unspent liabilities / provisions no longer required written back	280.76	288.18
Fair Value gain on Financial instrument at Fair Value through Profit & Loss	-	0.49
Other non operating income	29.27	59.50
	310.03	348.17
Total	414.38	620.67

22. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

Inventories at the beginning of the year	235.91	1,210.63
Add: Purchases	11,836.38	2,777.47
	12,072.29	3,988.10
Less: Inventories at the end of the year	2,113.40	235.91
Cost of raw materials and components consumed	9,958.89	3,752.19

23. CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND SALEABLE SCRAP

	For the year ended March 31, 2017 Rs. in Lacs	For the year ended March 31, 2016 Rs. in Lacs
Inventory at the end of the year		
Finished Goods	1,121.01	296.53
Work-in-Progress	942.99	443.94
Saleable scrap	207.67	225.24
	2,271.67	965.71
Inventory at the beginning of the year		
Finished Goods	296.53	1,308.71
Work-in-Progress	443.94	806.84
Saleable scrap	225.24	251.83
	965.71	2,367.38
(Increase)/decrease	(1,305.96)	1,401.67

24. EMPLOYEE BENEFIT EXPENSES

	For the year ended March 31, 2017 Rs. in Lacs	For the year ended March 31, 2016 Rs. in Lacs
Salaries, wages and bonus	367.39	300.80
Contribution to provident and other funds	22.22	19.10
Gratuity Expense (Note 30)	8.40	5.37
Staff Welfare Expenses	17.22	12.07
Total	415.23	337.34

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

25. OTHER EXPENSES

	For the year ended March 31, 2017 Rs. in Lacs	For the year ended March 31, 2016 Rs. in Lacs
Consumption of stores and spares	705.29	474.46
Job Processing and other Machining Charges	810.68	414.75
Power and Fuel	156.78	99.98
Design and Development Expenses	7.66	-
Repairs and maintenance		
Plant and Machinery	33.34	19.28
Buildings	71.33	44.59
Others	15.70	0.82
Rent	0.06	0.77
Rates and Taxes	2.33	92.80
Insurance	19.43	14.71
Advertising and sales promotion	11.64	9.92
Travelling and conveyance	47.53	41.25
Freight and forwarding charges	13.33	1.65
[Net of recovery Rs. 3.96 lacs (Rs 5.28 lacs)]		
Postage and Telegram	14.13	21.07
Legal and professional fees	177.80	183.22
Directors sitting fees	19.59	12.09
Payment to Auditors		
As auditor		
Audit fee	9.00	9.00
Limited reviews	6.00	6.00
Other certification fees	6.25	-
Reimbursement of expenses	1.11	0.54
Liquidated Damages	-	13.29
Less: Adjusted with provision	-	13.29
Provision for Liquidity Damages	14.31	213.97
Warranty charges	4.16	-
Less: Adjusted with provision	(4.16)	-
Provision for Warranties	-	15.23
Provision for doubtful debts and advances	141.42	-
Loss on sale/discard of fixed assets (net)	-	5.32
Fair Value loss on Financial instrument at Fair Value through Profit & Loss	0.06	-
Irrecoverable debts/ advances written off	0.04	39.19
Miscellaneous expenses	120.73	152.58
Total	2,405.54	1,873.19

26. FINANCE COSTS

	For the year ended March 31, 2017 Rs. in Lacs	For the year ended March 31, 2016 Rs. in Lacs
Interest Expense [Net of subsidy Rs. 139.61 Lacs (Rs 164.85 Lacs)]	702.75	585.43
Interest Expense on Compound Financial Instruments	333.82	297.39
Bank Charges	112.90	64.02
Total	1,149.47	946.84

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

27. EXCEPTIONAL ITEMS

	For the year ended March 31, 2017 Rs. in Lacs	For the year ended March 31, 2016 Rs. in Lacs
Settlement of Claim (Refer Note a)	325.00	-
Sales tax (Refer Note b)	124.91	-
Onerous Contract	-	131.54
Total	449.91	131.54

(a) Represents pending legal dispute with a subcontractor relating to their dues amounting to Rs 2,525.85 lacs (including interest of Rs 1,721.63 lacs) on which an arbitration award has been passed against the company and was appealed against by the company. During the year, a settlement agreement has been entered into with the said party pursuant to which an amount of Rs 325 lacs has been paid as full and final settlement of all their dues.

(b) Represents Sales Tax liability paid under the amnesty scheme of Government of Rajasthan for the years relating to pre lock out period i.e. prior to take over of the Company by the present promoter group.

28. EARNING PER SHARE (EPS)

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year. Diluted EPS amounts are calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

	For the year ended March 31, 2017 Rs. in Lacs	For the year ended March 31, 2016 Rs. in Lacs
Weighted average number of equity shares	20,148,526	20,148,526
Loss after taxes (Rs in lacs)	(1,054.84)	(1,364.16)
Nominal value of shares (Rs)	10.00	10.00
Earning per share - Basic & Diluted (Rs.)	(5.24)	(6.77)

29. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions, as described below, that affect the reported amounts and the disclosures.

There are no significant area involving high degree of judgement or complexity.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Employee benefit plans

The cost of the employment benefit plans and their present value are determined using actuarial valuations which involves making various assumptions that may differ from actual developments in the future. For further details refer to Note 30.

(b) Warranty

The Company estimates the provision for warranty based on past trend of sales. As at 31 March 2017, the estimated liability towards warranty amounted to approximately Rs. 18.19 lacs (March 31, 2016: Rs 23.85 lacs, April 1, 2015: Rs 9.99 lacs).

The provision towards warranty is not discounted as the management, based on past trend, expects to use the provision within twelve months after the Balance Sheet date.

(c) Expected Credit loss on lease rental receivable from Indian railways

The Company has measured and recognised expected credit loss (ECL) on lease rental receivable from Indian Railways as the management believes that such receivables being subject matter of arbitration would be collected over a longer period than the usual time required. The number of years that been considered for the purpose of discounting the cash flows is based on the past trend of other legal cases which were also subject matter of arbitration and was finally concluded at the Supreme Court's level.

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

30. GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLANS

The Company has a defined benefit gratuity plan which is unfunded. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favorable than the provisions of the Payment of Gratuity Act, 1972.

The Company also extends benefit of compensated absences to the employees, whereby they are eligible to carry forward their entitlement of earned leave for encashment. This is also an unfunded plan.

The following tables summaries the components of net benefit/ expense recognised in the statement of profit and loss and the balance sheet for the respective plans.

	Gratuity (Rs. in lacs)		
	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015
Statement of profit and loss			
Net employee benefit expenses recognized in the employee cost			
Current service cost	5.68	3.02	
Interest cost on benefit obligation	2.72	2.35	
Net benefit expenses	8.40	5.37	
Expenses recognised in OCI			
Net actuarial (gain)/ loss recognised in OCI during the year	3.13	0.12	
Total	11.53	5.49	
Net Liability recognised in Balance Sheet			
Benefit liability			
Present value of defined benefit obligations	45.83	35.40	
Changes in the present value of the defined benefit obligations are as follows:			
Opening defined benefit obligations	35.40	30.24	
Current service cost	5.68	3.02	
Interest cost	2.72	2.35	
Benefits paid	(1.10)	(0.32)	
Actuarial (gains)/ losses on obligations			
Financial assumption changes	1.17	0.10	
Experience variance	1.96	0.02	
Closing defined benefit obligations	45.83	35.40	30.24
Maturity profile of the defined benefit obligation			
Weighted average duration of the defined benefit obligation	3 years	3 years	
Expected benefit payments for the year ending			
Not later than 1 year	30.21	20.43	
Later than 1 year and not later than 5 years	7.11	4.13	
Later than 5 year and not later than 10 years	13.20	7.40	
More than 10 years	15.79	13.54	
The principal assumptions used in determining gratuity and leave liability are shown below:			
Discount rate	7.00%	7.70%	
Rate of increase in salary	5.00%	5.00%	
Expected average working life of the employees	13.60	12.17	
Mortality rate (% of IALM 06-08)	100%	100%	

Amounts for the current and previous years are as follows :

	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended March 31, 2015
Gratuity			
Defined benefit obligations	45.83	30.24	24.88
Experience adjustments on plan liabilities	3.13	0.12	0.23

The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employee market.

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

30. GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLANS (Contd.)

A quantitative sensitivity analysis for significant assumption on the gratuity plan is as shown below:

	March 31, 2017		March 31, 2016	
	Increase (Rs. in lacs)	Decrease (Rs. in lacs)	Increase (Rs. in lacs)	Decrease (Rs. in lacs)
Sensitivity level				
Variable Factors				
Discount Rate (+/- 1%)	44.21	47.65	34.43	36.51
Future salary increases (+/- 1%)	47.67	44.16	36.53	34.39
Life expectancy (+/- 50%)	46.18	45.30	35.52	35.08
Mortality (+/- 10%)	45.84	45.82	35.41	35.39
	For the year ended March 31, 2017		For the year ended March 31, 2016	
The amount paid for defined contribution plan are as follows:				
Provident fund		17.05		14.01

31. SEGMENT INFORMATION

Business Segments: The Company has only one business segment, i.e., Wagon & Engineering Products and thus no further disclosures are required in accordance with IND AS 108, Operating segment.

Total revenue includes sale to Indian Railways of Rs 10,991.04 lacs (Rs 4883.93 lacs).

Geographical Segments: The Company primarily operates in India and therefore the analysis of geographical segments is demarcated into its Indian and Overseas Operations. The revenue from operations in the current and previous year is entirely from sale of goods and services within India.

32. RELATED PARTY DISCLOSURES

(A) Names of related parties

Related parties where control exists:

Holding Company : Titagarh Wagons Limited

Related Parties under Ind AS-24 with whom transactions have taken place during the year

Fellow Subsidiaries : Titagarh Capital Private Limited
Titagarh AgriCo Private Limited

Key Management Personnel (KMPs) : Mr. J P Chowdhary – Executive Chairman
Mr. Umesh Chowdhary – Vice Chairman
Mr. R N Tiwari, Director (Works)
Mr. Anil Agarwal - Whole time Director
(w.e.f. 1st Jan 2017), Non-Executive Director (till 31st December 2016)
Dr G.B. Rao - Independent Director
Mr. J.K.Shukla - Independent Director
Mr. Kanwar Satya Brata Sanyal - Independent Director
Mr. Matblubul Jamil Zillay Mowla - Independent Director
Mr. Nandan Bhattacharyan - Independent Director
Mrs. Vinita Bajoria - Non-Executive Director

Chief Financial Officer : Mr. Lokesh Agarwal (w.e.f August 12, 2015),
Mr. Rajkumar Agarwal (till 18th April 2015)

Company Secretary : Mr. Dipankar Ganguly

Enterprise over which KMP/Shareholders/
Close family members of KMP's have
significant influence

: Kanishk Fabricators Private Limited

KMP of Holding Company
(Titagarh Wagons Limited)

: Mr. D.N.Davar

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

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

Rs in Lacs

Nature of transactions	Year	Holding Company	Fellow Subsidiaries	KMP	Enterprise over which KMP/shareholders/relatives have significant influence	Total
In relation to the Statement of Profit and Loss						
Revenue from Operations (Gross)						
Titagarh Wagons Limited	2016-17	126.76				126.76
	2015-16	(153.71)				(153.71)
Job Processing and other machining income (including contract labour income)						
Titagarh Wagons Limited	2016-17	475.10				475.10
	2015-16	(96.32)				(96.32)
Kanishk fabricators	2016-17				-	-
	2015-16				(4.05)	(4.05)
Facility Income						
Titagarh AgriCo Private Limited	2016-17		60.00			60.00
	2015-16		(60.00)			(60.00)
Reimbursement of Salary						
Titagarh AgriCo Private Limited	2016-17		1.12			1.12
	2015-16		-			-
Reimbursement of Electricity Expenses						
Titagarh AgriCo Private Limited	2016-17		15.03			15.03
	2015-16		(20.20)			(20.20)
Purchase of raw materials and components						
Titagarh Wagons Limited	2016-17	1,789.64				1,789.64
	2015-16	(543.00)				(543.00)
Interest expense on loans taken						
Titagarh Capital Private Limited	2016-17		144.58			144.58
	2015-16		(21.54)			(21.54)
Directors Remuneration						
Anil Agarwal	2016-17			3.00		3.00
	2015-16			-		-
R.N. Tiwari	2016-17			22.21		22.21
	2015-16			(18.05)		(18.05)
Chief Financial Officer Remuneration						
Lokesh Agarwal	2016-17			9.93		9.93
	2015-16			(5.10)		(5.10)
Company Secretary Remuneration						
Dipankar Ganguly	2016-17			15.41		15.41
	2015-16			(12.94)		(12.94)
Profession & Consultancy Fee						
D.N.Davar	2016-17			3.50		3.50
	2015-16			(2.60)		(2.60)
Sitting Fees to Director						
Anil Agarwal	2016-17			2.60		2.60
	2015-16			(1.80)		(1.80)
G.B. Rao	2016-17			1.20		1.20
	2015-16			(0.60)		(0.60)
J. K.Shukla	2016-17			4.20		4.20
	2015-16			(2.80)		(2.80)
Kanwar Satya Brata Sanyal	2016-17			2.60		2.60
	2015-16			(2.40)		(2.40)

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

(B) Details of transactions between the Company and related parties and outstanding balances as at the year end are given below (Contd.):

Rs in Lacs						
Nature of transactions	Year	Holding Company	Fellow Subsidiaries	KMP	Enterprise over which KMP/shareholders/relatives have significant influence	Total
Matlubul Jamil Zillay Mowla	2016-17			2.50		2.50
	2015-16			(1.10)		(1.10)
Nandan Bhattacharya	2016-17			2.40		2.40
	2015-16			(1.20)		(1.20)
Vinita Bajoria	2016-17			1.40		1.40
	2015-16			(1.00)		(1.00)
Reimbursement of expenses from						
Titagarh Wagons Limited	2016-17	1.86				1.86
	2015-16	(20.15)				(20.15)
In relation to the Balance Sheet						
Sale of Fixed Assets						
Titagarh Wagons Limited	2016-17	15.15				15.15
	2015-16	-				-
Purchase of Fixed Assets						
Titagarh Wagons Limited	2016-17	3.06				3.06
	2015-16	-				-
Loans Repaid						
Titagarh Capital Private Limited	2016-17		100.00			100.00
	2015-16		(250.00)			(250.00)
Loans Taken						
Titagarh Capital Private Limited	2016-17		450.00			450.00
	2015-16		(900.00)			(900.00)
Balance outstanding as at the year end - Debit						
Titagarh AgriCo Private Limited	March 31, 2017		107.30			107.30
	March 31, 2016		(28.21)			(28.21)
	April 1, 2015		(93.25)			(93.25)
Balance outstanding as at the year end - Credit*						
Titagarh Capital Private Limited	March 31, 2017		2,126.98			2,126.98
	March 31, 2016		(1,673.38)			(1,673.38)
	April 1, 2015		(894.68)			(894.68)
Titagarh Wagons Limited	March 31, 2017	3,595.92				3,595.92
	March 31, 2016	(2,497.66)				(2,497.66)
	April 1, 2015	(2,721.09)				(2,721.09)

* Includes liability component of compound financial instrument (Refer note No 14 a)

(C) The Company has obtained a loan from ICICI Bank for Rs. 4000 lacs which is backed by a "Put Option" of Titagarh Wagons Limited (TWL). In terms of the said put option, upon occurrence of any event of default as per the terms of the facility agreement, ICICI bank shall have the right to call upon TWL to pay the entire outstanding within such time as may be prescribed. The outstanding balance of the above loan as on March 31, 2017 is Rs. 3120.90 lacs (March 31, 2016 Rs. 3970.06 lacs, April 1, 2015 Rs. 3962.04 lacs)

Notes:

a) Terms and conditions of transactions with related parties

The sales / services to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free (except loan given to subsidiaries) and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 2017, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 2016: Nil, 1 April 2015: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

b) The remuneration to key managerial personnel does not include provisions made for gratuity and leave benefits as they are determined on an actuarial basis for company as a whole.

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

33. CONTINGENT LIABILITIES

	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at March 31, 2015 Rs. in Lacs
(A) Disputed claims contested by the Company / pending at various courts.*	2,214.41	5,309.08	5,135.91
Matters under appeal with:			
Excise, Customs and Sales Tax Authorities	2,482.94	2,341.23	2,303.96
Income Tax authorities	45.91	-	-
Letters of Credit and Bank Guarantees outstanding	3,389.10	2,834.72	2,923.77

* Includes Rs 1292.95 Lacs (Rs 1292.95 Lacs) which in terms of BIFR order, even if decided against the Company, would stand at Rs 129.29 Lacs (Rs 129.29 Lacs) only.

In respect of above cases, based on favourable decisions in similar cases/legal opinions taken by the Company/discussions with the solicitors etc., the management is of the opinion that it is possible, but not probable, that the action will succeed and accordingly no provision for any liability thereagainst has been made in the financial statements.

- (B) The Company had in earlier years (prior to lockout and take-over of the Company), obtained certain advance licenses for making duty free import of inputs subject to fulfilment of export obligation (EO) within the specified time limit from the date of issuance of such licences. Due to the closure of the factory and cancellation of the export orders, the Company could not fulfil the entire export obligation within the permitted time limit. Subsequently, the Company was referred to the Board for Industrial and Financial Reconstruction ("BIFR") vide case No. 372/2000 dated 27th November 2000 wherein a rehabilitation package was sanctioned by the BIFR on 11th March 2010. Pursuant to the rehabilitation scheme, the Company made an application to the Policy Relaxation Committee (PRC) of the Department of Foreign Trade for extension of the EO by further 8 years. The Zonal Director General of Foreign Trade (DGFT) vide its letter dated 21st December 2010 had extended the EO period upto 31st March 2016. Based on the details available with the Company regarding the imports made prior to the lock out and as per its best estimates, the Company had made necessary payments to the tune of Rs 85.00 lacs for the unfulfilled export obligation and for the balance licenses a liability of Rs 11.00 lacs has been made in the books in the previous year. However, in absence of complete list of licenses alongwith the imports made against each license the amount of contingent liability towards custom duty saved on unfulfilled export obligations and penal interest if any, is presently unascertainable.

- (C) The Company had given 687 wagons to Indian Railways on sub-lease till October 2007 and as per the agreement the sub-lease was renewable at the consent of the Indian Railway on an annual basis. Post the expiry of the original sub-lease term, Indian Railways continued to use the wagons without renewing the sub-lease arrangement. In year ended March 31, 2015 the Company had received a demand of Rs. 2582.32 Lakhs from Titagarh Capital Pvt. Ltd., the lessor of these wagons for the period October 2007 to March 2014. Titagarh Capital Pvt. Ltd. has pursued the matter in the Honourable High Court of Calcutta and the Honourable Court in an interim measure directed the Indian Railway to set apart the lease rentals for the above period, at the last paid rate of rent, in a fixed deposit account till the matter is finally decided. The Company has not provided for this claim since it has a back-to-back claim for the sub-lease on Indian Railways.

- (D) SBI Capital market Limited ("SBI Caps") has raised a claim of Rs 1,128.95 lacs on the Company on account of disallowance of depreciation by the income tax authorities on the wagons leased by SBI Caps to Cimmco which in turn has been sub leased by the Company to Indian Railways. The same pertains to the assessment year 1998-99 to 2004-05 (period prior to change of management in terms of the BIFR order) and the matter is pending with ITAT Mumbai. As per the separate lease agreements entered between SBI Caps, Cimmco Limited and Indian Railways, any claims, charges, duties taxes and penalties as may be levied by the Government or any other authority pertaining to leased wagons shall be borne by the Indian Railways. Considering the terms contained in the above agreements the Company believes that there would not be any liability that would crystallise on account of the above.

- (E) A dispute has been raised by a third party (MITS) for the possession of Leasehold / Freehold land of the Company at Gwalior measuring 20 bighas 8 biswa, which is valued at Rs 2,345.81 lacs. In the said dispute, the Single Bench of the Hon'ble High Court of Madhya Pradesh (Gwalior Bench) held that the land in question belonged to the Company and possession was not to be parted with in favour of any third party. The Division Bench also upheld such order of the Single Bench. Aggrieved by the above order, the third party has filed an appeal before the Hon'ble Supreme Court, which is pending adjudication. The management is confident that the above appeal would be dismissed at the time of final hearing.

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

34. CAPITAL COMMITMENT

	As at March 31, 2017 Rs. in Lacs	As at March 31, 2016 Rs. in Lacs	As at April 1, 2015 Rs. in Lacs
Estimated amount of Capital commitment	19.70	-	-

35. 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:

Particulars	SBNs	Other denomination notes	Amount in Rs. Total
Closing cash in hand as on 08.11.2016	28,500	96,210	124,710
(+) Permitted receipts*	-	535,447	535,447
(-) Permitted payments	-	623,740	623,740
(-) Amount deposited in Banks	28,500	-	28,500
Closing cash in hand as on 30.12.2016	-	7,917	7,917

* Represents cash withdrawals from bank accounts across various locations for petty cash purposes.

36. The financial performance of the Company has been severely impacted by the overall industry scenario and lower wagon procurement by the Indian Railways. Titagarh Wagons Limited, the parent company is committed to provide suitable financial support to the Company for the near future. The Company is also confident of improvement in the industry scenario. In view of the above, these financial statements have been prepared on a going concern basis.

37. FAIR VALUES

(i) Class wise fair value of the Company's financial instruments:

	March 31, 2017 (Rs. in Lacs)	March 31, 2016 (Rs. in Lacs)	April 1, 2015 (Rs. in Lacs)
Investments in equity shares (Quoted)	1.21	1.27	0.78
	1.21	1.27	0.78

(ii) Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Company's assets :

Quantitative disclosures fair value measurement hierarchy for assets:	Date of valuation	Fair value measurement using Significant inputs (Level 1) (Rs. in Lacs)
Assets measured at fair value:		
Investments	March 31, 2017	1.21
	March 31, 2016	1.27
	April 01, 2015	0.78

(iii) The fair value of financial assets and liabilities approximates their carrying value as at balance sheet date.

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents and deposits.

The Company has a Risk Management Committee that ensures that risks are identified, measured and managed in accordance with Risk Management Policy of the Company. The Board of Directors also review these risks and related risk management policy, which are summarised below.

I) Credit risks

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables).

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

38. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Contd.)

Trade receivables

Customer credit risk is managed by the respective department subject to Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on credibility of the customers. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis. The calculation is based on historical data of credit losses. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 9 as the Company does not hold any collateral security. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions and industries.

II) Liquidity risks

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations or at a reasonable price. The Company's treasury department is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credits, bank loans among others.

Maturity profile of Financial liabilities

Maturity profile of all financial liabilities is within one year from the end of balance sheet date

2017	1 Year	1-3 years	3-5 Years
Borrowings	2,591.43	6,220.02	-
Trade Payable	6,064.16	-	-
Other Financial liabilities	1,649.40	-	-
2016			
Borrowings	2,537.14	3,907.15	4,904.30
Trade Payable	1,493.18	-	-
Other Financial liabilities	1,394.78	-	-
2015			
Borrowings	3,793.51	5,128.57	6,220.02
Trade Payable	1,951.15	-	-
Other Financial liabilities	1,810.35	-	-

39. CAPITAL MANAGEMENT

The Company's objective when managing capital (defined as net debt and equity) is to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefit for other stakeholders, while protecting and strengthening the balance sheet through the appropriate balance of debt and equity funding. The Company manages its capital structure and makes adjustments to it, in light of changes to economic conditions and strategic objectives of the Company.

40. The Board of Directors of the Company at its meeting held on September 9, 2016 has approved a Scheme of Amalgamation of its fellow subsidiary Titagarh Agrico Private Limited with it in terms of the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act 1956 and Companies Act 2013 to the extent applicable, subject to necessary approvals. The Company is in the process of obtaining necessary approval from various concerned authorities and pending such approvals no adjustment has been made in these financial statements.

41. FIRST TIME ADOPTION OF IND AS

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

41. FIRST TIME ADOPTION OF IND AS (Contd.)

		As at 31st March, 2016 (End of Last Period presented under previous GAAP)			As at 1st April,2015 (Date of Transition)			
(i) Reconciliation of Balance Sheet		Foot Notes Reference No.	Previous GAAP	Effect of Transition to IND AS Rs. in Lacs	Ind AS	Previous GAAP	Effect of Transition to IND AS Rs. in Lacs	Ind AS
I. ASSETS								
Non current assets								
a)	Property, Plant and Equipment	a	16,562.97	10,703.39	27,266.36	16,798.32	10,833.04	27,631.36
b)	Other Intangible assets		1.29	-	1.29	2.90	-	2.90
c) Financial assets								
	(i) Investments	c	0.05	1.22	1.27	0.05	0.73	0.78
	(ii) Trade Receivables		127.35	-	127.35	123.75	-	123.75
	(iii) Loans & Deposits	f,g(i)	95.91	(63.70)	32.21	265.88	(227.28)	38.60
	(iv) Others Financial Assets	b, g(i)	-	759.84	759.84	-	675.41	675.41
d)	Other non-current tax assets	g(i)	-	160.55	160.55	-	199.30	199.30
e)	Other non-current assets	g(i)	3,952.35	(3,910.59)	41.76	3,952.35	(3,952.27)	0.08
			20,739.92	7,650.71	28,390.63	21,143.25	7,528.93	28,672.18
Current assets								
a)	Inventories		1,322.23	-	1,322.23	3,877.50	-	3,877.50
b) Financial assets								
	(i) Trade receivables		575.72	-	575.72	1,063.29	-	1,063.29
	(ii) Cash and cash equivalents	g(iv)(c)	151.43	(110.25)	41.18	281.99	(155.82)	126.17
	(iii) Bank balances other than (ii) above	g(iv)(c)	-	86.12	86.12	-	155.82	155.82
	(iv) Loans	g(i)	403.85	(403.85)	-	214.74	(214.74)	-
	(iv) Other Financial Assets	g(i)	-	952.57	952.57	-	838.72	838.72
c)	Other current assets	g(i)	1,104.88	(717.27)	387.61	906.46	(634.05)	272.41
			3,558.11	(192.68)	3,365.43	6,343.98	(10.07)	6,333.91
TOTAL - ASSETS			24,298.03	7,458.03	31,756.06	27,487.23	7,518.86	35,006.09
II. EQUITY AND LIABILITIES								
Equity								
a)	Equity share capital	Equity Reconciliation	6,014.85	(4,000.00)	2,014.85	6,014.85	(4,000.00)	2,014.85
b)	Other equity	Equity Reconciliation	9,846.35	6,204.39	16,050.74	11,029.44	6,385.34	17,414.78
			15,861.20	2,204.39	18,065.59	17,044.29	2,385.34	19,429.63
Liabilities								
Non-current liabilities								
a)	Financial Liabilities							
	Borrowing	d,f	2,771.35	2,695.12	5,466.47	4,000.00	2,389.71	6,389.71
b)	Provisions		19.28	-	19.28	14.11	0.00	14.11
c)	Deferred tax liabilities (Net)	(e)	-	2,582.62	2,582.62	-	2,743.80	2,743.80
			2,790.63	5,277.74	8,068.37	4,014.11	5,133.51	9,147.62
Current liabilities								
a)	Financial Liabilities							
	(i) Borrowing		2,111.12	-	2,111.12	1,408.45	-	1,408.45
	(ii) Trade payables	g(i),g(iv)(c)	1,443.67	49.51	1,493.18	1,873.04	78.11	1,951.15
	(iii) Others Financial Liabilities	g(i)	-	1,394.78	1,394.78	-	1,810.35	1,810.35
b)	Other Current liabilities	g(i)	1,717.80	(1,468.39)	249.41	2,644.76	(1,888.45)	756.31
c)	Provisions		373.61	-	373.61	502.58	-	502.58
			5,646.20	(24.10)	5,622.10	6,428.83	0.01	6,428.84
TOTAL			24,298.03	7,458.03	31,756.06	27,487.23	7,518.86	35,006.09

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

42. FIRST TIME ADOPTION OF IND AS (Contd.)

(ii) Reconciliation of Total Equity as on 31st March, 2016 and 1st April, 2015

Particulars	Foot Note Reference	Rs Lacs As at 31st March, 2016 (End of Last Period presented under previous GAAP)	Rs Lacs As at 1st April, 2015 (Date of Transition)
Total Equity (Shareholders' funds) under previous GAAP		15,861.20	17,044.29
Add / (Less) : Adjustments on account of :			
(i) Impact of Fair Value of Equity Investments (Quoted)	(c)	1.22	0.73
(ii) Impact of Fair Valuation of Property, Plant and Equipments as on the date of transition	(a)	10,833.02	10,833.02
(iii) Liability portion arising due to split of preference shares issued by the company regrouped to financial liabilities including interest accrued thereon	(d)	(2,725.06)	(2,427.67)
(iv) Impact of expected credit loss on financial assets net of interest accrued thereon.	(b)	(3,192.51)	(3,276.94)
(v) Incremental Depreciation on Fair valuation of Property, plant and equipment	(a)	(129.66)	
(vi) Impact of Deferred tax on fair valuation of property, plant and equipment	(e)	(2,582.62)	(2,743.80)
Net Adjustments		2,204.39	2,385.34
Total Equity under IND AS		18,065.59	19,429.63

(iii) Effect of IND AS adoption on the Statement of Profit and Loss for the year ended 31st March 2016

	Foot Notes Reference No.	Indian GAAP	Effect of Transition to IND AS Rs. in Lacs	IND AS
Income				
Revenue from operations	g(iii)	6,718.82	151.84	6,870.66
Other income	b,c,g(iv)(b)	541.42	79.25	620.67
Total Revenue (I)		<u>7,260.24</u>	<u>231.09</u>	<u>7,491.33</u>
Expenses				
Cost of raw materials & components consumed	g(iv)(a) & (b)	3,639.85	112.34	3,752.19
(Increase)/decrease in inventories of finished goods, Work in progress and saleable scrap		1,401.67	-	1,401.67
Employee benefits expenses	g(ii)	337.22	0.12	337.34
Excise duty Expense	g(iii)	-	123.88	123.88
Finance costs	d	649.45	297.39	946.84
Depreciation and amortization expenses	a	269.16	129.66	398.82
Other expenses	g(iii),(iv)(a)	1,963.25	(90.06)	1,873.19
Total Expenses (II)		<u>8,260.60</u>	<u>573.33</u>	<u>8,833.93</u>
Profit before tax & exceptional items		(1,000.36)	(342.24)	(1,342.60)
Exceptional items		131.54	-	131.54
Loss before taxes		<u>(1,131.90)</u>	<u>(342.24)</u>	<u>(1,474.14)</u>
Tax expenses				
Deferred tax Liability reversed	e	-	(161.18)	(161.18)
Income tax relating to earlier years [Refer Note 11.1]		51.20	-	51.20
Total tax expense		<u>51.20</u>	<u>(161.18)</u>	<u>(109.98)</u>
Loss for the year		<u>(1,183.10)</u>	<u>(181.06)</u>	<u>(1,364.16)</u>
Other Comprehensive Income				
a) Re-Measurement gains/(losses) on defined benefit plans	g(ii)	-	0.12	0.12
Other Comprehensive Income for the year, net of taxes		-	0.12	0.12
Total Comprehensive Loss for the year		(1,183.10)	(180.94)	(1,364.04)

Footnotes to the reconciliation of Balance Sheet as at 1st April 2015 and 31st March 2016, reconciliation to equity as at 1st April 2015 and 31st March 2016 and Profit or Loss for the year ended 31 March 2016.

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2017

a) Fair value of Property, Plant and Equipment (PPE)

The Company has opted to fair value its property, plant and equipment as on 1st April 2015 (transition date to Ind AS) in terms of exemption given in Ind AS 101 'First-time Adoption of Indian Accounting Standards'. Consequently the impact in fair valuation of the assets and incremental depreciation thereon has been accounted for.

b) Provision for expected credit loss (ECL)

The Company has measured and recognised expected credit loss (ECL) on lease rental receivable from Indian Railways as on the date of transition as the management believes that such receivables being subject matter of arbitration would be collected over a longer period than the usual time required. The Company has discounted the cash flows that it expects to receive at the effective interest rate determined at the date of transition, or an approximation thereof in order to calculate ECL.

c) Investments in equity shares

Under Indian GAAP, all investments in equity shares were measured at cost less provision for other than temporary diminution in the value of investments. As explained in accounting policy in Note 2.1(1)(b) under Ind AS, investment in equity shares (other than investment in subsidiaries) are accounted for at fair value. These estimates are based on conditions existing on the respective Balance Sheet date.

d) Financial Instruments

The Company has issued Non-cumulative non-convertible redeemable preference shares (NCNCRPS) to its Holding company and a fellow subsidiary company. These NCNCRPS are Compound Financial Instruments with both Equity and a Liability component and hence as per IND AS 109 "Financial Instruments", have been fair valued as on the date of issue. The difference between the fair value and the transaction value has been considered in other equity. The liability component i.e. fair value on the date of investment is amortized using the effective interest rate method and interest till the date of transition has been adjusted with Retained Earnings and subsequently debited to Statement of Profit and Loss.

e) Deferred tax

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences.

f) Borrowings

Under Indian GAAP, transaction costs incurred in connection with borrowings are amortised upfront and charged to profit or loss for the period. Under Ind AS, transaction costs are included in the initial recognition amount of financial liability and charged to profit or loss using the effective interest method.

g) Re-classifications

The Company has made following reclassification as per the requirements of Ind-AS:

- i) Assets / liabilities which do not meet the definition of financial asset / financial liability have been reclassified to other asset / liability.
- ii) Re-measurement gain/loss on defined benefit plans are re-classified from statement of profit and loss to OCI.
- iii) Excise duty on sale of goods earlier netted off with Sales has been disclosed as a separate item in expenses, further increase/decrease of excise duty on closing finished goods inventory has been reclassified from other expenses to excise duty.
- iv) Other reclassifications.
 - a) Cost of raw material and components sold has been regrouped from other expenses to cost of raw material and components consumed.
 - b) Discount received on purchase of raw-materials and stores has been adjusted with raw-material consumption.
 - c) Reclassification done wherever necessary to meet the disclosure requirement of Schedule III of Companies Act 2013.

h) Other comprehensive income

IND-AS requires preparation of Statement of Other Comprehensive Income in addition to Statement of Profit and Loss.

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 : 18th May, 2017

For and on behalf of the Board of Directors of Cimmco Limited

J P Chowdhary

Executive Chairman

Umesh Chowdhary

Vice Chairman

Anil Kumar Agarwal

Wholetime Director

Lokesh Agarwal

Chief Financial Officer

Dipankar Ganguly

Company Secretary

Cimmco Limited

CIN : L28910WB1943PLC168801

Registered Office : 756 Anandapur, E M Bypass, Kolkata-700107

Phone : +91 33 40190800; Fax : +91 33 40190823; E Mail: corp@cimmco.in; Website : www.cimmco.in

PROXY FORM

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014

Name of the Member(s):.....

Registered Address :

E Mail ID :

Folio No/Client ID :

DP ID :

I/We being the member(s) holding..... shares of the above named Company, hereby appoint :

(1) Name :Address :

E Mail ID : Signature : or failing him

(2) Name :Address :

E Mail ID : Signature : or failing him

(3) Name :Address :

E Mail ID : Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 72nd Annual General Meeting of the Company to be held on Monday, the 31st July, 2017 at 12:30 P.M. at "Manovikas Kendra", 482, Madudah, Plot I-24, Sector-J, E M Bypass, Kolkata-700107 and at any adjournment thereof in respect of such Resolutions as are indicated below :

Resolution No.	Resolutions Proposed
	Ordinary Businesses
1.	Adoption of Annual Financial Statements, Reports of the Board of Directors and Auditors for the Financial Year ended 31st March, 2017.
2.	Re-appointment of Shri R N Tiwari (DIN : 06510376) as Director (Works), retiring by rotation.
3.	Appointment of new auditors (Price Waterhouse & Co. Chartered Accountants LLP) on rotation basis in place of S.R. Batliboi & Co. LLP, Chartered Accountants and to fix their remuneration.
	Special Businesses
4.	Appointment of Shri Anil Kumar Agarwal (DIN : 01501767) as Wholetime Director for a term of five years w.e.f. 01/01/2017.
5.	Re-appointment of Shri R N Tiwari (DIN : 06510376) as Director (Works) for a term of two years w.e.f. 25/02/2017.
6.	Renewal of continuing contract with Titagarh Wagons Limited for sale/purchase of goods/materials and/or provision of services for three financial years upto 24th May, 2020.
7.	Ratification of remuneration of Cost Auditor.

Signed this.....day of.....2017

Signature of Shareholder.....Signature of Proxy holder(s)

Affix
Revenue
Stamp

NOTE : 1. **This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.**

2. For the text of the Resolutions, Explanatory Statement & Notes, please refer to the Notice Convening the Annual General Meeting dated 18th May, 2017.