



Cimmco Limited

Annual Report 2018-19

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CORPORATE INFORMATION*



Board of Directors

Shri J P Chowdhary	<i>Chairman</i>
Shri Umesh Chowdhary	<i>Vice Chairman</i>
Shri K S B Sanyal	<i>Independent Director</i>
Shri Jagdish Kumar Shukla	<i>Independent Director</i>
Dr. G B Rao	<i>Independent Director</i>
Shri MJ Z Mowla	<i>Independent Director</i>
Smt. Vinita Bajoria	<i>Non-Executive Director</i>
Shri Anil Kumar Agarwal	<i>Managing Director & CEO</i>

Chief Financial Officer

Shri Sudershan Bajaj

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 M J Z Mowla	<i>Member</i>

Nomination and 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

Price Waterhouse & Co. Chartered Accountants LLP

Bankers

Syndicate Bank
IndusInd Bank

Works

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

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

Registrar and Transfer Agent (RTA)

Karvy Fintech Private limited
(Formerly KCPL Advisory Services Pvt Ltd)
Karvy Selenium Tower-B, Plot 31-32, Gachibowli
Financial District, Nanakramguda, Hyderabad- 500032
Phone: +914067162222, Fax: +91402300 1153
Email for investors: einward.ris@karvy.com

*as on 14th August, 2019

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the **Seventy-Fourth Annual General Meeting (AGM)** of the members of **CIMMCO LIMITED** ("the Company") will be held at "Bharatiya Bhasha Parishad", 36A Shakespeare Sarani, Kolkata-700017 (Landmark: Near Shakespeare Sarani Police Station) on Friday, the 20th September, 2019 at 2:00 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, 2019, the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Anil Kumar Agarwal (DIN: 01501767) who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
3. To declare a dividend on Preference Shares.

SPECIAL BUSINESS:

4. To consider the redesignation of Shri Anil Kumar Agarwal (DIN: 01501767) as Managing Director & CEO 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) and pursuant to Article 160 of Articles of Association of the Company and the recommendation of the Nomination and Remuneration Committee ('NRC'), the Audit Committee and as decided by the Board at their respective meetings held on 10th November, 2018, the approval of the shareholders be and is hereby accorded to re-designate Shri Anil Kumar Agarwal (DIN NO: 01501767), Wholtime Director as the Managing Director & CEO of the Company for a period of five years w.e.f. 10/11/2018 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 NRC 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 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. 1,00,000 (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.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 2019-20 be and is hereby ratified."

Registered Office:
756 Anandapur,
E M Bypass, Kolkata -700107
Place: Kolkata
Date: 14th August, 2019

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 Representative 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 Annual General Meeting (AGM).
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, the 13th September, 2019 to Friday, the 20th September, 2019 (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 and physical copies of such communications/ documents/ Annual Reports will be made available at the Registered Office of the Company for inspection by the shareholders during the office hours on working days.
5. 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.

NOTICE OF ANNUAL GENERAL MEETING

6. 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.
7. Details under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange in respect of the Director seeking appointment/re-appointment at the Annual General Meeting, form integral part of the notice. The Director has furnished the requisite declarations for his appointment/re-appointment.
8. Electronic copy of the Annual Report for FY 2018-19 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 2018-19 is being sent in the permitted mode.
9. Electronic copy of the Notice of the 74th Annual General Meeting ('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 74th 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 74th AGM and the Annual Report for FY 2018-19 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 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 SEBI (LODR) Regulations, 2015, the Company is pleased to provide members facility to exercise their right to vote at the 74th AGM by electronic means and the business may be transacted through e-Voting Services provided by Karvy Fintech Private Limited ('Karvy').
 - B. **The remote e-voting period commences at 9:00 a.m. on Monday, the 16th September, 2019 and ends at 5:00 p.m. on Thursday, the 19th September, 2019. 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. Friday, the 13th September, 2019 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. Friday, the 13th September, 2019.**
 - 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. Friday, the 13th September, 2019 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 14th August, 2019 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>.

NOTICE OF ANNUAL GENERAL MEETING

- 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 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: csmkgoyal@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. Friday, the 13th day of September, 2019, he may write to the Karvy on the email: evoting@karvy.com or to Mr. Shyam Kumar, Contact No: 040-67162222, at [Unit: Cimmco Limited] Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032, , requesting for the UserID 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 Monday, the 16th September, 2019 and ends at 5:00 p.m. on Thursday, the 19th September, 2019. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date being Friday, the 13th day of September, 2019 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.

NOTICE OF ANNUAL GENERAL 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 Friday, the 13th day of September, 2019.

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 two 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](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 Annual General Meeting. The results shall also be forwarded to the BSE Limited and 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 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 Companies Act, 2013 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

Pursuant to recommendation of the Nomination & Remuneration Committee ('NRC'), the Board of the Company had appointed Shri Anil Kumar Agarwal as Whole-time Director of the Company w.e.f. 01/01/2017 at its meeting held on 14/12/2016. The shareholders of the Company by passing a resolution in their 72nd Annual General Meeting held on 31st July, 2017 had approved the appointment of Shri Anil Kumar Agarwal as Whole-time Director of the Company for a period of 5 years w.e.f. 01/01/2017.

The Board at its meeting held on 10/11/2018 has re-designated Shri Anil Kumar Agarwal as Managing Director & CEO of the Company w.e.f. 10/11/2018 for a term of five years, pursuant to the recommendation/approval of the NRC and the Audit Committee.

Shri Anil Kumar Agarwal at 44 years has rich experience of over twenty years in finance, accounts, and other corporate functions and been awarded the best CFO award by the then Finance Minister – Shri Pranab Mukherjee.

The Board and the Nomination and Remuneration Committee has approved Shri Agarwal's appointment on the same terms and conditions and payment to him of consolidated remuneration aggregating Rs. 12,00,000/- per annum as existing. He does not hold any shares in the Company. In the event of inadequacy or loss during the tenure of Shri Agarwal as Managing Director & CEO, 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. The other terms and conditions in detail are contained in his Service Agreement dated 12/11/2018 which will be available for inspection at the registered office of the Company during office hours, for the members of the Company upto the date of the ensuing 74th Annual General Meeting.

Shri Anil Kumar Agarwal is also the Director (Finance) & Chief Financial Officer of the Holding Company: Titagarh Wagons Limited (TWL), where he is drawing a remuneration of about Rs. 53.81 lakhs p.a.

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

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.

NOTICE OF ANNUAL GENERAL MEETING

Details pursuant to Schedule V of the Companies Act, 2013:

I. GENERAL INFORMATION				
Name	Shri Anil Kumar Agarwal			
Nature of industry	Rolling stock manufacturing, heavy engineering products and special products for defence.			
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 already commended on 08/09/1943.			
Financial performance based on given indicators		2018-19	2017-18	Rs. In lakhs 2016-17
	Sales	25718.56	13462.01	12795.63
	Net Profit/(Loss)	2780.68	(2331.82)	(1916.84)
II. INFORMATION ABOUT MANAGERIAL PERSONNEL				
Background Details	Shri Anil Kumar Agarwal aged 44 years has more than 20 years of experience in finance, accounts and other corporate functions.			
Past Remuneration	As Wholetime Director, he was being paid remuneration of Rs. 12,00,000/- per annum.			
Recognitions or awards	He has been awarded the best CFO award by the then Finance Minister – Shri Pranab Mukherjee			
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.			
Remuneration proposed	Rs. 12,00,000/- 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	Except receiving remuneration as a Director, Shri Anil Kumar Agarwal does not have any pecuniary relationship with the Company or with managerial personnel.			
Minimum remuneration	In the event of inadequacy or loss during the tenure of Shri Anil Kumar Agarwal as Managing Director & CEO, 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	Higher input cost affected the past performance, though the FYE 31/03/2019 witnessed improvement, due to uncertainty involved in procurement of wagons by Indian Railway, the Company might experience loss or inadequacy of profit even though all efforts are made for achieving profit.			
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 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.			

NOTICE OF ANNUAL GENERAL MEETING

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 2018-19:

- (i) All elements of remuneration package such as salary, benefits, 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 exercisable.

ITEM NO.5

The Company with the recommendation of the Audit Committee and approval of the Board at its meeting held on 30th May, 2019 has appointed M.R. Vyas and Associates; Cost Accountants as Cost Auditor of the Company for the Financial Year 2019-20 at a remuneration of Rs. 1,00,000/- (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 Key Managerial Personnel (KMP) or their relatives are concerned or interested in the aforesaid Resolution.

Registered Office:
756 Anandapur,
E M Bypass, Kolkata -700107
Place: Kolkata
Date: 14th August, 2019

By Order of the Board of Directors

Dipankar Ganguly
Company Secretary

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

Particulars	Shri Anil Kumar Agarwal
Date of Birth	05/07/1975
Date of Appointment as director	14/03/2010
Qualifications	Chartered Accountant and Cost Accountant
Expertise in Specific Functional Areas	Shri Anil Kumar Agarwal at 44 years has rich experience of over 20 years in finance, accounts and other corporate functions and been awarded the best CFO award by the then Finance Minister- Shri Pranab Mukherjee.
Remuneration last drawn (Rs.) for FYE 2018-19	Rs. 12,00,000/- per annum
Number of Board Meetings attended during the FY 2018-19	6 out of 6
Directorship held in other companies (excluding foreign Companies)	Titagarh Capital Private Limited Titagarh Wagons 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
No. of shares held in the Company	NIL

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the 74th Annual Report, together with the audited accounts of the Company for the financial year ended March 31, 2019.

Financial Results

The performance of your Company during the financial year ended the 31st March, 2019 was as follows.

Particulars	(Rs. in lacs)	
	Year ended 31.03.2019	Year ended 31.03.2018
Turnover	25,718.56	13,462.01
EBIDTA	2652.70	294.29
Less: Depreciation	374.22	615.79
Less: Finance Cost	2,174.50	1,434.54
Profit/(Loss) before Extra-ordinary Items & Tax	103.98	(1,756.05)
Less/Add: Exceptional Items	-	614.12
Profit/(Loss) before Taxation	103.98	(2,370.17)
Add/Less: Deferred Tax Credit	2,677.04	38.35
Profit/(Loss) after Taxation	2,781.02	(2331.82)
Remeasurement Gains/(Losses) (net of tax)	6.24	(0.62)
Profit brought forward from previous year	5,404.95	7737.39
Add: Change in Accounting Policy	72.49	-
Balance carried to Balance Sheet	8,264.70	5,404.95

Company's Performance and outlook

EBIDTA for the financial year ended March 31, 2019 increased by about 9 times mainly due to improvement in sales realization from higher sales.

During the year under review, the Company executed about 72% of the order for 1191 Wagons placed by the Indian Railways (IR) and the supply of the remaining quantity is expected to be completed as per schedule. Your Company has a reasonably healthy order book and the efforts are focused on ensuring more efficient supply chain and optimum utilization of resources and cost control for bringing about improvement in all key areas of operational performance.

The demand for Wagons from Indian Railway as well as private sector customers is expected to improve in the current financial year and overall the outlook for the financial year ending on March 31, 2020 is reasonably encouraging.

Post applicability of Goods and Service Tax (GST) w.e.f July 1, 2017, revenue from operations is disclosed net of GST. However, revenue

for the period April 1, 2017 to June 30, 2017 is inclusive of excise duty, accordingly, revenue from operations and total expenses for year ended March 31, 2019 are not comparable with the corresponding year and period presented in the financial statement.

Your Directors had at their meeting held on May 30, 2019 approved a draft Scheme of Amalgamation for merger of your Company with Titagarh Wagons Limited, Holding Company (the Scheme) to leverage the synergistic advantages, rationalization, operational and cost optimization etc. subject to necessary approvals including from the Stock Exchanges and the Hon'ble National Company Law Tribunal. However, the Board at its meeting held on August 14, 2019 decided to review the Scheme and decided to proceed with filing the same with the Stock Exchanges/Authorities concerned. As per the Scheme, the shareholders of the Company on a Record Date to be determined, shall be entitled to 13 (Thirteen) Equity Shares of Rs.2/- each fully paid for every 24 (Twenty Four) Equity Shares of Rs.10/- each fully paid up and held by them in the Company.

Dividend

Your Company had issued 8% Non-Convertible Non-Cumulative Redeemable Preference in 2014 aggregating Rs. 4000 Lakhs subscribed to by the promoters/promoter group entity to be redeemed in June/July, 2019, however the requisite Capital Redemption Reserve could not be created due to inadequacy profits available for appropriation. Pursuant to consent of the preference shareholders and your approval on March 28, 2019, the terms of issue of Preference Shares have been varied to extend the date of redemption by another five year from the due date(s) of redemption and from 8% Non-Cumulative to 11% Cumulative.

The Directors recommend dividend of Rs.1.10 per share for the year under review to the preference shareholders of the Company for the period March 28 to March 31, 2019. The preference shareholders have consented to waiver of the dividend @8% for the period prior to the date from which the aforesaid variation in the terms was approved i.e. till March 27, 2019.

With a view to conserving resources, the Directors do not recommend any dividend on equity shares.

Reserves

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

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL REVIEW

The overall performance of the Company during the financial year ended March 31, 2019 improved substantially owing to the orders for Wagons received from both the private sector customers and Indian Railway.

DIRECTORS' REPORT

BUSINESS SEGMENTS

Wagons & Engineering Products

a) Segment Review and Analysis:

	Unit	March 31, 2019	March 31, 2018	% Change
Sales	No.	860	717	19.95%
Segment Revenue	Rs in lacs	25,691.35	13,197.51	94.67%
Segment Results	Rs in lacs	2,707.66	243.75	1010.83%

The Wagons & Engineering Products segment recorded a commendable increase of 94.67% in turnover for FY 2018-19 as compared to the previous year basically due to increase in sale of wagons to the private customers and sale of Locomotive. The sale of wagons to the Indian Railways (IR) saw an increase of 12.92% as compared to previous year.

The segment saw a substantial increase in the order book. The year under review ended with an order book of Rs. 475 crores, an increase of 20% as compared to the order book as at 31st March 2018. The above increase in the order book is attributed to overall improvement in the wagon procurement from the Indian Railways (IR). Further, the demand from the private sector showed a favourable movement with some orders flowing from the private customers.

- b) Industry Outlook: Wagons industry had during the past few years prior to the previous financial year witnessed irregular and decremental Wagons procurement orders by Indian Railways. However, the placement by the Government of India for procurement of bulk quantity of 22000 Wagons and commitment to expedite completion of dedicated freight corridors augurs well for the industry.
- c) 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.
- d) Challenges: Uncertainty in timely placement of wagons procurement orders by Indian Railways, availability of large working capital and challenging supply chain management coupled with the stressed margins due to unhealthy competition in the industry besides rising cost of inputs are major challenges for Wagons 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.

The comparison of various key financial ratios of the performance of the Company vis-à-vis the previous year is given hereunder:

Sl. No.	PARTICULARS	March 31, 2019	March 31, 2018	Change %
PROFIT AND LOSS RATIOS				
1.	EBIDTA % (including other income)	9.7%	2.2%	340.91%
2.	Return on Equity %	0.5%	-14.7%	103.40%
3.	Return on Net Worth %	0.5%	-14.7%	103.40%
4.	Return on Capital Employed %	0.5%	-14.7%	103.40%
5.	Return on Fixed Asset %	0.4%	-9.0%	104.44%
6.	Debt Service Coverage Ratio	1.22	0.21	494.70%
7.	Interest Coverage ratio	1.22	0.21	494.70%
BALANCE SHEET RATIOS				
1.	Current Ratio	1.10	0.99	24.80%
2.	Debt Equity Ratio	0.80	0.68	23.70%
3.	Inventory Turnover (No. of days)	139.12	111.53	21.80%
4.	Debtors Turnover (No. of days)	49.33	46.79	3.60%
5.	Sales / Capital (times)	1.33	0.85	70.30%
6.	Sales / Fixed Assets (times)	1.01	0.52	100.00%
7.	Debt / Tangible Net Worth	0.80	0.68	23.70%

Notes on significant changes on the aforesaid Profit and Loss ratios where change is > 25% (S. No. 1 to 7): The ratios have improved on account of better profitability of the Company during the financial year 2018-19.

Notes on significant changes on the aforesaid Balance Sheet ratios where change is > 25% (S. No. 5 and 6): The ratios have improved due to increase in Sales during the financial year 2018-19.

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.

Internal Financial Controls

Appropriate policies and procedures have been adopted by the Board to ensure effective financial controls, accuracy and completeness of the accounting records risk assessment and mitigation measures, 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.

The Audit Committee periodically reviews the internal control system to ensure that it remains effective and aligned with the business requirements.

Based on the aforesaid, the Board has concluded that during the year IFC were operating effectively.

DIRECTORS' REPORT

Risks and Concerns/Mitigation Measures

The Company has laid down a risk management mechanism which is reviewed periodically. A Risk Management Policy to identify and assess the key risk areas, monitor mitigation measures and report compliance has been adopted. Based on the review, the following key risks have been identified:

Dependence on the Indian Railways

The Company is engaged in the business of manufacturing wagons which is entirely dependent upon the policies of Indian Railways and any change in the policies whether positive or negative directly impacts the business of the Company.

Increase in the cost of raw materials and other inputs

The major raw materials required by the Company include steel, specialized components including bogies, coupler sets, air brakes etc. which are exposed to volatility in prices and availability in required specifications.

Risk of performance guarantee, product warranty and liquidated damages

The contracts involve performance guarantee based on contract value and warranty periods within which if any defect is detected in the products, the Company may have to incur expenditure for correcting the defects or even replacing the products. Delay in scheduled delivery may attract liquidated damages in the range of 5-10%.

Subsidiary Companies / Joint Venture / Associate Company

The Company does not have any Subsidiary or Joint Venture or Associate Company.

Extract of Annual Return

The details forming part of the extract of the annual return in the Form MGT-9 are annexed as **Annexure DR-1** and also available on the website of the Company at www.cimmco.in.

Number of Board Meetings

The Board of Directors met six (6) times during the financial year ended 31st March, 2019 as per the details provided in the Corporate Governance Report forming part of the Annual Report.

Loans, Guarantees and Investments

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

Significant and material orders

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

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 MJZ Mowla as the members and the details are provided in the Corporate Governance Report annexed hereto. Shri MJZ Mowla was inducted as a member on 14/08/2019. Shri Nandan Bhattacharya ceased to be a member upon sad demise on 9th June, 2019. During the year under review, all recommendations of the Audit Committee were accepted by the Board.

Pursuant to various requirements of the Act and the Listing Regulations, the Board of Directors has also constituted Nomination & Remuneration Committee and the Stakeholders Relationship Committee. The details of composition, terms of reference, etc., pertaining to these committees are mentioned in the Corporate Governance Report.

Related Party Transactions

All Related Party Transactions (RPTs) are entered 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. All such contracts or arrangements were on arm's length basis and in the ordinary course of business. Audit Committee reviews and approves all the RPTs as stipulated by the Listing Regulations and based thereon final approval of the Board is obtained. All the RPTs as approved by the Board during the financial year 2019 are furnished in the form AOC-2 annexed hereto and marked as **Annexure DR-2**.

Changes in share Capital

There was no change in the share capital of the Company during the year under review.

Corporate Governance Report

The Company has complied with the corporate governance requirements under the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. A separate section on corporate governance under Listing Regulations 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 SEBI (LODR) Regulations, 2015.

Internal Control System

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

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

DIRECTORS' REPORT

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

Redesignation

Shri Anil Kumar Agarwal was redesignated from Whole-time Director to Managing Director & CEO by the Board in its meeting held on November 10, 2018. The Board has recommended to the members to pass the necessary resolution at the ensuing 74th Annual General Meeting for the redesignation of Shri Anil Kumar Agarwal as Managing Director & CEO.

Demise of a Director

Your Directors are saddened to report that Shri Nandan Bhattacharya, Independent Director on the Board of your Company since February 28, 2015 breathed his last on June 9, 2019. The loss caused by his sad demise is irreparable and it is prayed that the almighty would extend the strength to his family members to bear the same.

Retirement by rotation

Shri Anil Kumar Agarwal, Managing Director & CEO (DIN: 01501767) retires by rotation pursuant to the provisions of Section 152 of the Act and is eligible for re-appointment.

Re-Appointment

Shri J K Shukla, Shri G B Rao, Shri K S B Sanyal and Shri M J Z Mowla were re-appointed as Independent Directors of the Company w.e.f. 1st April, 2019 for a term of five years upto 31st March, 2024 pursuant to the decision of Nomination & Remuneration Committee and the Board at its meeting held on 10th August, 2018 followed by approval of the shareholders obtained at the 73rd Annual General Meeting held on 29th September, 2018.

Cessation

Shri Ram Narayan Tiwari ceased to be a Director and Key Managerial Personnel of the Company w.e.f. 25th February, 2019 upon termination of his Service Agreement.

The composition of the Board of the Company after the resignation of Shri R.N. Tiwari and sad demise of Shri Nandan Bhattacharya on June 9, 2019, is in compliance with the applicable requirements of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

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

In compliance with the Act and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, 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 Listing Regulations 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.

Separate Meeting of Independent Directors

Details of the separate meeting of Independent Directors held in terms

of Schedule IV of the Act and Regulation 25(3) of the Listing Regulations are given in the Corporate Governance Report.

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

The disclosure stipulated by Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed.

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 is annexed and marked as **Annexure DR-3**.

Directors' Responsibility Statement u/s 134(5) of the Companies Act, 2013

The Directors state that:

- Appropriate Accounting Standards as are applicable to the Annual Statement of Accounts for the financial year ended March 31, 2019 have been followed in preparation of the said accounts and there were no material departures therefrom requiring any explanation;
- The Directors have 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;
- Proper and sufficient care has been taken for maintaining 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 Annual Accounts have been prepared on a going concern basis; and
- The Directors have 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

Price Waterhouse & Co, Chartered Accountants, LLP, Statutory Auditors of the Company were appointed at the 72nd Annual General Meeting (AGM) to hold office for a period of five years until the conclusion of 77th AGM.

Pursuant to Section 40 of the Companies (Amendment Act), 2017 notified w.e.f. the 7th May, 2018 the Company has dispensed with the requirement of ratification of appointment of Price Waterhouse & Co, Chartered Accountants LLP as the Statutory Auditors of the Company pursuant to the resolution passed by the members at its 73rd Annual General Meeting held on 29th September, 2018.

DIRECTORS' REPORT

As regards the qualified opinion expressed by the Statutory Auditors, the Minimum Public Shareholding (MPS) has been achieved on June 7, 2019 upon the conclusion of the third Offer for Sale (OFS) made by the Promoter and the said qualified opinion stands addressed. The Note No. 45 to the Financial Statements has dealt with the matter in detail and MPS having been achieved, no further clarification is required from your Directors.

Change in Accounting Policy

Rs. 72.49 (Net of Tax) has been credited to Retained Earnings during the year under review on account of adjustment arising out of implementation of IND AS 115.

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 2019-20 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, 2019 has been filed as stipulated by the applicable provisions of law.

Secretarial Auditor

Pursuant to the provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, 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**.

Deposits

The Company did not accept any deposits during the financial year ended March 31, 2019 in terms of the Companies (Acceptance of Deposits) Rules, 2014.

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, 2019 was 136.

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, 2020 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 voluntarily 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.

Compliance with Secretarial Standards

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118(10) of the Act.

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 local and central Governments and administration/other Government Departments; and appreciation for the contribution of other stakeholders and employees.

For and on behalf of the Board

J P Chowdhary
Chairman

DIN: 00313685

Kolkata, the 14th day of August, 2019

ANNEXURE TO DIRECTOR'S REPORT

ANNEXURE DR-1

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended on 31st March, 2019

[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.	Name of the Company	Public Company Limited by Shares
5.	Address of the Registered office and contact details	756, Anandapur, E M Bypass, Kolkata -700107 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 Fintech Private Limited (Formerly KCPL Advisory Services Pvt Ltd) Karvy Selenium Tower B, Plot No.31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032, Telephone: +91 040 6716 1563

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 2018-19:

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%

Note: Others segmental revenue consists of Heavy Earth Moving Machineries, Bailey Bridges etc. which comprises of less than 10% revenue on individual basis

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Names and Address of Co	CIN	Holding/Subsidiary/As sociate	Percentage of Shares held	Applicable Section
1.	Titagarh Wagons Limited 756, Anandapur, E M Bypass, Kolkata-700 107	L27320WB1997PLC084819	Holding	79.37%	2(46)

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2018				No. of Shares held at the end of the year 31.03.2019				% 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	0.12	31424	Nil	31424	0.12	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	Nil	N.A.	N.A.
d. Bodies Corp.	22265350	Nil	22265350	81.41	21707382	Nil	21707382	79.37	(2.04)
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)	22296774	Nil	22296774	81.53	21738806	Nil	21738806	79.49	(2.04)

ANNEXURE TO DIRECTOR'S REPORT

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2018				No. of Shares held at the end of the year 31.03.2019				% 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/Fl	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
e. Any Other	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
Sub-Total-A(2)	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
Total Shareholders of Promoters (1+2)	22296774	Nil	22296774	81.53	21738806	Nil	21738806	79.49	(2.04)
B. Public Shareholding									
1. Institution									
a. Mutual Funds	784	840	1624	0.00	784	840	1624	0.00	Nil
b. Bank/Fl	166089	522	166611	0.61	136339	522	136861	0.50	(0.11)
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)	166873	1362	168235	0.61	137123	1362	138485	0.50	(0.11)
2. Non-Institution									
a. Body Corp									
(i) Indian	994825	11208	1006033	3.68	1036757	11061	1047818	3.83	0.15
(ii) Overseas	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
b. Individual									
i. Individual Shareholders holding nominal share capital up to Rs. 2 Lakh.	2483532	284162	2767694	10.12	2913450	260821	3174271	11.61	1.49
ii. Individual Shareholders holding nominal share capital in excess of Rs. 2 Lakh.	717751	70780	788531	2.88	929198	Nil	929198	3.40	0.52
C. Others									
(i) NBFCs registered with RBI	470	Nil	470	0.00	539	Nil	539	0.00	0.00
(ii) Clearing Members	40990	Nil	40990	0.15	13068	Nil	13068	0.05	(0.10)
(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	279372	377	279749	1.03	305912	371	306283	1.12	0.09
(vi) Trust	50	Nil	50	0.00	58	Nil	58	0.00	0.00
Sub-Total-B(2)	4516990	366527	4883517	17.86	5198982	272253	5471235	20.01	2.15
Net Total (1+2)	4683863	367889	5051752	18.47	5336105	273615	5609720	20.51	2.04
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)	26980637	367889	27348526	100.00	27074911	273615	27348526	100.00	Nil

ANNEXURE TO DIRECTOR'S REPORT

(ii) Shareholding of Promoters

Sl. No.	Share Holders' Names	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Titagarh Wagons Limited	22265350	81.41	Nil	21707382	79.37	Nil	(2.04)
2.	Gaurav Kajaria	14000	0.06	Nil	14000	0.06	Nil	Nil
3.	Vinita Bajoria	13424	0.05	Nil	13424	0.05	Nil	Nil
4.	Sumita Kandoi	4000	0.01	Nil	4000	0.01	Nil	Nil
	Total	22296774	81.53	Nil	21738806	79.49	Nil	(2.04)

(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 shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	22296774	81.53	22296774	81.53
2.	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease(e.g. allotment/ transfer/bonus/ sweat equity etc)	Nil	Nil	The Promoter has made two offer for sale (OFS): 1. First OFS was made on 14/11/2018 for 1785400 shares to achieve MPS of 25%. However, 242294 shares only were subscribed. 2. The second OFS was made on 26/12/2018 for 1543090 shares. Once again 315674 shares only were subscribed.	2.04
3.	At the End of the year	22296774	81.53	21738806	79.49

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

Sl. No.	Top Ten Shareholders	Shareholding at the beginning of the year 1.4.18		Shareholding at the end of the year 31.3.19	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Equity Intelligence India Private Limited	211511	1.05	211511	1.05
2.	Aventus Phoenix Fund	152834	0.76	152834	0.76
3.	Life Insurance Corporation of India	135050	0.67	135050	0.67
4.	Edelwiss Broking Limited	-	-	17651	0.09
5.	Vikas Khemani HUF	119590	0.59	119590	0.59
6.	Vikas Vijaykumar Khemani	100000	0.50	100000	0.50
7.	Sushila Devi Khemani	100000	0.50	100000	0.50
8.	West Bengal Industrial Development Corporation Ltd	95278	0.47	95278	0.47
9.	Cimmco Limited-Unclaimed Suspense Account	90978	0.45	90978	0.45
10.	PIC Realcon Ltd	70780	0.35	70780	0.35

ANNEXURE TO DIRECTOR'S REPORT

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year 1.4.18		Shareholding at the end of the year 31.3.19	
		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%

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	9,138.12	500.00	Nil	9,638.12
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total of (1+2+3)	9,138.12	500.00	Nil	9,638.12
Change in Indebtedness during the financial year				
+Addition	6,000.00	1,900.00	Nil	7,900.00
-Reduction	2,786.23	1,975.00	Nil	4,761.23
Net Change	3,213.77	(75.00)	Nil	3,138.77
Indebtedness at the end of the financial year				
i) Principal Amount	12,351.89	425.00	Nil	12,776.89
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total of (1+2+3)	12,351.89	425.00	Nil	12,776.89

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director/ Wholetime Director:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager		Total Amount
		Shri R.N. Tiwari from 01.04.2018 to 25.02.2019)	Shri Anil Kumar Agarwal (WTD till 09.11.2018 and Managing Director & CEO from 10.11.2018 till present)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs. 19,66,011/-	Rs. 12,00,000/-	Rs. 31,66,011/-
	(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 (A)	Rs. 19,66,011/-	Rs. 12,00,000/-	Rs. 31,66,011/-
	Ceiling as per the Act			

ANNEXURE TO DIRECTOR'S REPORT

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors					Total Amount (Rs.)
	Independent Directors					
Name of 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 committee meetings:	3,20,000/-	2,00,000/-	1,20,000/-	2,20,000/-	1,20,000/-	9,80,000/-
Commission	Nil	Nil	Nil	Nil	Nil	Nil
Others	Nil	Nil	Nil	Nil	Nil	Nil
Total (1)	3,20,000/-	2,00,000/-	1,20,000/-	2,20,000/-	1,20,000/-	9,80,000/-
	Non-Executive Directors					
Name of Directors	Smt. Vinita Bajoria					Total Amount
Fee for attending board/committee meetings:	1,20,000/-					1,20,000/-
Commission	Nil					Nil
Others	Nil					Nil
Total (2)	1,20,000/-					1,20,000/-
Total (B)=(1+2)						11,00,000/-
Total Managerial Remuneration (A+B)						42,66,011/-
Overall Ceiling as per the Act						

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

Sl. No.	Particulars of Remuneration	Shri Dipankar Ganguly (C.S.)	Shri Vineet Mohta (CFO)	Total Amount
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Rs.15,65,112/-	Rs 12,57,912/-	Rs 28,23,024/-
	(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 (A)	Rs. 15,65,112/-	Rs. 12,57,912/-	Rs. 28,23,024/-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE

For and on behalf of the Board

Kolkata
August 14th, 2019

J P Chowdhary
Chairman
DIN: 00313685

ANNEXURE TO DIRECTOR'S REPORT

Form No. AOC-2**ANNEXURE DR-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, 2019**

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 in the ordinary course of business with a ceiling of supply value of Rs. 150 crore per financial year effective from FY 2018-19.	3 years w.e.f. 10 th November, 2018 to 9 th November, 2021	Upto Rs. 150 crores 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.	10.11.2018	Nil

On behalf of the Board

Place: Kolkata

Date: 14th August, 2019
J. P.Chowdhary
Chairman

ANNEXURE TO DIRECTOR'S 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, Chairman	N.A.*
		b.	Shri Umesh Chowdhary, Vice Chairman	N.A.*
		c.	Shri R N Tiwari, Director (Works)**	9.43
(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, Chairman	N.A.
		b.	Shri Umesh Chowdhary, Vice Chairman	N.A.
		c.	Shri R N Tiwari, Director (Works)**	Nil
		d.	Shri Vineet Mohta, Chief Financial Officer	Nil
		e.	Shri Dipankar Ganguly, Company Secretary	Nil
(iii)	The percentage increase in the median remuneration of employees in the financial year.			0.83%
(iv)	The number of permanent employees on the rolls of the Company.			136
(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 NIL. The average percentile increase in the managerial remuneration is NIL. 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.

** Shri R N Tiwari ceased to be Director (Works) of the Company w.e.f. 25/02/2019.

Place : Kolkata

Date : 14th August, 2019

On behalf of the Board

J. P. Chowdhary

Chairman

ANNEXURE TO DIRECTOR'S REPORT

SECRETARIAL AUDIT REPORT

ANNEXURE DR-4

FOR THE FINANCIAL YEAR ENDED 31.03.2019

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

To

The Members,

Cimmco Ltd.

756 Anandapur,

E. M. Bypass,

Kolkata 700107

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Cimmco Limited (CIN: L28910WB1943PLC168801)** 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 me a reasonable basis for evaluating the corporate conducts/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 31.03.2019, 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.

Auditor's 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 31.03.2019 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;

ANNEXURE TO DIRECTOR'S REPORT

- (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.

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. During the course of Audit, it was noted that the public shareholding in the Company as at March 31, 2019 was 20.512%, which was below the Minimum Public Shareholding ('MPS') of 25% as stipulated by Rule 19A(2) of the Securities Contracts (Regulation) Rules, 1957 ('SCRR'). It was informed by the Management that suitable clarification has been made in this regard by the Company in the notes to the Financial Statement/ Directors' Report for the year ended March 31, 2019, which inter alia includes announcement of their plan for Offer for Sale in June, 2019.
- (b) The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. 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 during the period under review were carried out in compliance with the provisions of the Act.
- (c) As informed to me, 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

Date: 30th May, 2019

(CS Sumantra Sinha)

Practising Company Secretary
ACS-11247 / CP-15245

ANNEXURE TO DIRECTOR'S REPORT

Certificate on Corporate Governance

**To the Members of
Cimmco Limited**

I have examined the compliance of conditions of Corporate Governance by Cimmco Limited ('the Company') for the year ended on 31st March, 2019, 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, as adopted by the Company for ensuring 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 for the year ended 31st March, 2019.

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: 30th May, 2019

(CS Sumantra Sinha)

Practising Company Secretary

ACS-11247 / CP-15245

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

*(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)*

**To
The Members,
Cimmco Ltd.**

756 Anandapur, E. M. Bypass, Kolkata 700107

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **CIMMCO Limited** having CIN: L28910WB1943PLC168801 and having registered office at 756 Anandapur, E. M. Bypass, Kolkata 700107 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of Appointment in Company
1	Shri J P Chowdhary	00313685	10.05.2011
2	Shri Anil Kumar Agarwal	01501767	14.03.2010
3	Shri G B Rao	00493992	31.03.2011
4	Shri J K Shukla	01780212	31.03.2009
5	Shri M J Z Mowla	01004409	08.11.2011
6	Smt. Vinita Bajoria	02412990	11.09.2014
7	Shri Umesh Chowdhary	00313652	14.03.2010
8	Shri Nandan Bhattacharya	00313590	28.02.2015
9	Shri K S B Sanyal	00009497	24.03.2012

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

Place: Kolkata

Date: 30th May, 2019

(CS Sumantra Sinha)

Practising Company Secretary

ACS-11247 / CP-15245

ANNEXURE TO DIRECTOR'S 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. Use of transparent sheets in sheds to utilize sunlight for illumination and thus reducing electrical energy input for illumination.
2. Installation of power saver compressor units replacing old and inefficient compressors.
3. Welding machines with power savers (Thyrister based) installed to save power.

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

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

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

The measures taken as above have resulted in saving of 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.

iii) Capital investment on energy conservation equipments:

As per the Note 3 of the Financial Statements for the year ended 31st March, 2019.

B. TECHNOLOGY ABSORPTION

i) Efforts made towards technology absorption

The Company is in the process of completing in house design for special type of wagons as a part of its R & D activities.

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

The benefits from the above are expected to be significant, however, the same can only be ascertained in tangible terms in future.

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) 2018-19
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

On behalf of the Board

Place: Kolkata
Date: August 14th, 2019

J. P. Chowdhary
Chairman

CORPORATE GOVERNANCE REPORT

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.

Board of Directors

Cimmco's Board as at March 31, 2019 comprised nine directors including -Executive Chairman, Vice Chairman and Managing Director & CEO 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 Executive Director(s) and the Non-Executive 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 Listing Regulations. The Independent Directors of the Company fulfil the criteria for "independence" and/or "eligibility" as prescribed under the Listing Regulations 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 Listing Regulations. 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 Listing Regulations.

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 29.09.2018	No. of Shares held (Face Value Rs. 10 each)	No. of other Directorships		Chairmanship in other Committees	Membership in other Committees
						Total	Listed#		
1.	Shri J P Chowdhary DIN: 00313685	Promoter & Executive Chairman	6	Present	Nil	3	1	Nil	Nil
2.	Shri Umesh Chowdhary DIN: 00313652	Promoter & Vice Chairman	2	Absent	Nil	4	1	Nil	1
3.	Shri Anil Kumar Agarwal DIN: 01501767	Managing Director & CEO*	6	Present	Nil	1	Nil	Nil	1
4.	Shri J K Shukla DIN: 01780212	Independent & Non-Executive	6	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	5	Present	Nil	1	1	Nil	1
7.	Shri K S B Sanyal DIN: 00009497	Independent & Non-Executive	3	Absent	Nil	3	2	Nil	Nil
8.	Smt. Vinita Bajoria DIN: 02412990	Director (Non-Executive Director)	6	Present	13,424	3	Nil	Nil	Nil
9.	Shri R N Tiwari DIN: 06510376	Director (Works)**	5	Absent	Nil	Nil	Nil	Nil	Nil
10.	Shri Nandan Bhattacharya DIN: 00313590	Independent & Non-Executive	5	Absent	Nil	9	3	5	4

* Nominee Director of Cimmco 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, Whole Time Director of the Company from 1st January, 2017 till 9th November, 2018 and Managing Director & CEO from 10th November, 2018 till present.

** Shri R N Tiwari ceased to be Director (Works) of the Company w.e.f. 25th February, 2019 upon termination of his agreement by efflux of time.

Included in total.

CORPORATE GOVERNANCE REPORT

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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
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 of listed and public entities.

Names of other listed entities where the Director is a Director and the category of Directorship as at March 31, 2019:

NAME OF THE DIRECTOR	NAME OF THE LISTED ENTITY	CATEGORY OF DIRECTORSHIP
Shri J P Chowdhary	Titagarh Wagons Limited	Executive Chairman
Shri Umesh Chowdhary	Titagarh Wagons Limited	Vice Chairman and Managing Director
Shri Anil Kumar Agarwal*	-	-
Shri J K Shukla*	-	-
Dr. G B Rao	Landmark Property Development Company Limited	Director
Shri M J Z Mowla	Apex Traders & Exporters Limited	Additional Director
Shri K S B Sanyal	Phillips Carbon Black Limited	Director
	IFGL Refractories Limited	Director
Shri Nandan Bhattacharya	IFB Agro Industries Ltd	Director
	Continental Valves Limited	Director
	Apex Traders & Exporters Limited	Director
Smt. Vinita Bajoria*	-	-

*Shri Anil Kumar Agarwal, Shri J K Shukla and Smt Vinita Bajoria do not hold Directorship in any Listed Company other than Cimmco Limited, as on 31st March, 2019.

Separate Meeting of Independent Directors

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 4th February, 2019 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.

Skills, Expertise and Competencies of the Board

Pursuant to Para C(2) of Schedule V to the Listing Regulations, the Board has identified the following core skills/expertise/competencies required in the context of business of the Company for its effective functioning:

Sl. No.	Core skills/ expertise/ competencies	Whether such Core skills/ expertise/ competencies are available with the Company's Board
1	Expertise in Freight Rolling Stock, Special Projects/Products for Defence, other engineering equipment/products, including respective value chain and engineering	Yes
2	Experience in strategy formulation, planning and devising corporate policies, corporate governance including risk management, finance, tax and legal compliances	Yes
3	Leadership qualities and indepth knowledge and experience in general management of bodies corporate	Yes
4	Interpersonal relations, human resources management, communication, corporate social responsibility including environment and sustainability	Yes
5	Expertise in technology including design, research and innovation and digitalization	Yes

CORPORATE GOVERNANCE REPORT

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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, 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, 2019

Six (6) meetings of the Board of Directors were held in the Financial Year ended 31st March, 2019 on 29th May, 2018, 14th July, 2018, 10th August, 2018, 29th September, 2018, 10th November, 2018 and 4th February, 2019.

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

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 2018-19.

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

All recommendations of the Audit Committee are accepted by the Board of Directors.

Attendance of the directors at the Audit Committee Meetings:

During the financial year ended on 31st March, 2019 four (4) Audit Committee meetings were held on 29th May, 2018, 10th August, 2018, 10th November, 2018 and 4th February, 2019. 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	4
2.	Shri Anil Kumar Agarwal	Member	Managing Director & CEO	4
3.	Shri K S B Sanyal	Member	Independent, Non-Executive	2
4.	Shri Nandan Bhattacharya	Member	Independent, Non-Executive	4

The previous AGM of the Company was held on 29.09.2018 and was attended by Shri J K Shukla, Chairman of the 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 shall act in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Terms of Reference

The terms of reference of the Committee cover all the areas mentioned under Regulation 19 of the Listing Regulations 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;
- Recommending to the Board, all remuneration, in whatever form, payable to senior management;
- 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.

All the recommendations of the Nomination and Remuneration Committee are accepted by the Board of Directors.

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

During the financial year ended 31st March, 2019 three (3) meetings of the Nomination and Remuneration Committee (NRC) were held on 10th August, 2018, 10th November, 2018 and 4th February, 2019. The composition and attendance of the members of the NRC are as follows:

CORPORATE GOVERNANCE REPORT

Sl. No.	Name of the Director	Position	Category	No. of meetings attended
1.	Shri K S B Sanyal	Chairman	Independent, Non-Executive	1
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> and also attached with this Report in **Annexure CG-2**.

Remuneration paid to all the Directors of the Company during Financial Year ended 31.03.2019 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	12.00	0.00	12.00	Appointed as Managing Director & CEO of the Company w.e.f. 10 th November, 2018.
2.	Shri J K Shukla	NIL	-	3.20	3.20	Re-appointed as Independent Director w.e.f. 1 st April, 2019.
3.	Shri M J Z Mowla	NIL	-	2.20	2.20	Re-appointed as Independent Director w.e.f. 1 st April, 2019.
4.	Shri Nandan Bhattacharya	NIL	-	2.00	2.00	Appointed as Independent Director upto 23 rd September, 2020.
5.	Dr. G B Rao	NIL	-	1.20	1.20	Re-appointed as Independent Director w.e.f. 1 st April, 2019.
6.	Shri K S B Sanyal	NIL	-	1.20	1.20	Re-appointed as Independent Director w.e.f. 1 st April, 2019.
7.	Shri R N Tiwari	NIL	12.99	-	12.99	Ceased to be Director (Works) w.e.f. 25 th February, 2019.
8.	Smt. Vinita Bajoria	13424	-	1.20	1.20	N.A.
	TOTAL	13424	24.99	11.00	35.99	

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

Stakeholder's 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.

During the Financial Year Ended 31st March, 2019 four (4) meetings of the Stakeholder's Relationship Committee were held on 29th May, 2018, 10th August, 2018, 10th November, 2018 and 4th February, 2019.

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	2
3.	Shri M J Z Mowla	Member	Independent, Non-Executive	4

During the year ended March 31, 2019 the Company received 30 complaints from investors which have been duly attended to and resolved by Karvy Fintech Pvt. Ltd., RTA of the Company. No investors' grievance was pending as at March 31, 2019. There was no Investor complaint pending against the Company as at March 31, 2019 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Shri Dipankar Ganguly, Company Secretary, is the Compliance Officer.

CORPORATE GOVERNANCE REPORT

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. Paramjeet Kaur Walia as Presiding Officer, Smt. Rita Kanjilal, Smt. Elizabeth Banik and Smt. Bina Mooljee - Member representing Project Coordinator of Disha Foundation are the other members. There was no complaint falling under the purview of the Committee during the financial year ended March 31, 2019.

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 number of Special Resolutions passed by the Shareholders in these AGMs are set out as follows:

No. of AGM	Year	Venue	Date	Time	Special Resolutions passed
73 rd	2018	Rotary Sadan 94/2, Chowringhee Road, Kolkata-700020	29.09.2018	2:00 P.M.	5
72 nd	2017	Manovikas Kendra, 482 Madudah, Plot-1-24, Sector-J, E.M. Bypass Kolkata-700017	31.07.2017	12:30 PM	Nil
71 st	2016	Manovikas Kendra, 482 Madudah, Plot-1-24, Sector-J, E.M. Bypass Kolkata-700017	29.09.2016	12:30 PM	1

Postal Ballot

During the year one Postal Ballot exercise was conducted.

The Board of Directors of the Company had appointed M/s. Sushil Goyal & Co., Practising Company Secretaries as the Scrutinizer. Three Special Resolutions were passed through Postal Ballot during the year.

No Special Resolution required to be passed through Postal Ballot is proposed at the ensuing Annual General Meeting of the Company.

Postal Ballot

Sl No	Description	Votes in favour of the Resolution		Votes against the Resolution	
		No. of votes	% of Votes	No. of votes	% of votes
1.	Special Resolution for approval of the Company for variation of the terms and conditions of the existing 4,00,00,000 8% Non-Cumulative Non-Convertible Redeemable Preference Shares (NCNCRPS) by extension of the redemption period by 5 years with the change in the non-cumulative Dividend rate on the aforesaid NCNCRPS from 8% to a cumulative Dividend of 11%.	39141	99.164	330	0.836
2.	Special Resolution for authority to furnish guarantee/provide security in favour of a Bank in connection with credit facility(ies) aggregating upto Rs. 150 crore to be availed by Titagarh Wagons Limited, the Holding Company.	39141	99.164	330	0.836
3.	Special Resolution to approve revision of the limit/ceiling of the transactions under the contract or arrangement or Continuing Contract/ Arrangement for purchase/sale of materials/goods and/or supply of services between Titagarh Wagons Limited, Holding Company, and the Company, from the existing limit of Rs. 60 crore per financial year to a limit of upto Rs. 150 crore per financial year.	39146	99.164	330	0.836

Salient features of this postal ballot were:

- (i) The Board of Directors of the Company at its meeting held on 4th February, 2019 appointed Sushil Goyal & Co., Practicing Company Secretaries as the scrutinizer for conducting Postal Ballot process.

CORPORATE GOVERNANCE REPORT

- (ii) The Company completed the dispatch of notice and postal ballot form along with postage prepaid reply envelope by 26th February, 2019 under ordinary post to its members whose name(s) appeared on the Register of Members/list of beneficiaries as on 22nd February, 2019 as approved by RTA.
- (iii) The last date of receipt of postal ballot forms was 28th March, 2019.
- (iv) The report was submitted by the scrutinizer to the Chairman on 29th March, 2019.
- (v) Based on the said Report the Chairman declared the results on 30th March, 2019 at the registered office of the Company.

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 Fintech Private Limited to provide e-voting facility to all the members. Members whose names appear on the Register of Members as on Friday, the 13th September, 2019 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.

Remuneration paid to the Statutory Auditors:

Total fees paid to Price Waterhouse & Co Chartered Accountants LLP, Statutory Auditors of the Company for the services rendered to the Company for the FYE 31st March, 2019 is Rs. 9,10,000/-.

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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 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 Clause

The Company has complied with all the mandatory requirements of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

The following non-mandatory requirements under SEBI (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.

(viii) The Board of Directors periodically reviewed compliance reports of all laws applicable to the Company, prepared by the Company as well as steps had been taken to rectify minor instances, if any of non-compliances.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, in Business Standard or Financial Express (English daily) and Aajkal or Dainik Statesman (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

8. A. Annual General Meeting

Day, Date & Time: Friday, 20th September, 2019 at 2:00 P.M.

Venue: "Bharatiya Bhasha Parishad", 36A Shakespeare Sarani, (Landmark: Near Shakespeare Sarani Police Station), Kolkata-700017

B. Financial Calendar

The tentative financial calendar for the current financial year, i.e. April 01, 2019 to March 31, 2020 is set out below:

Publication of	Schedule
Un-Audited Financial Results for the Quarter ended June 2019	14 th August, 2019
Un-Audited Financial Results for the Quarter ended September 2019	October-November 2019
Un-Audited Financial Results for the Quarter ended December 2019	January-February, 2019
Audited Financial Results for the Financial Year ended 2020	April-May, 2020

C. Book Closure

The period of Book Closure is from Friday, the 13th September, 2019 to Friday, the 20th September, 2019 (both days inclusive).

D. Dividend Payment Date

Dividend on Preference Shares if declared at the ensuing AGM shall be paid in accordance with the provisions applicable.

CORPORATE GOVERNANCE REPORT

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 SEBI (LODR) Regulations, 2015, the Company has transferred 90978 Nos. of Equity Shares in Unclaimed Suspense Account opened with Karvy Stock Broking Ltd. in Electronic format. i.e. transferring the same in Demat Account.

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). The Company has applied for delisting of its equity shares from The Calcutta Stock Exchange Limited (CSE). 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 2019-20 have been duly paid. The shares of the Company are traded at BSE and NSE.

Stock Code

The codes assigned to the equity shares of the Company by NSE, BSE Limited 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.

Month	High (Rs.)	Low (Rs.)	Volume (In Nos.)	Sensitive Index	
				High	Low
April, 2018	98.00	80.20	287928	35213.30	32972.56
May, 2018	87.00	71.25	88984	35993.53	34302.89
June, 2018	79.50	63.00	39829	35877.41	34784.68
July, 2018	73.20	53.10	118067	37644.59	35106.57
August, 2018	74.75	65.20	84572	38938.91	37128.99
September, 2018	68.55	43.00	39179	38934.35	35985.63
October, 2018	60.00	39.10	39567	36616.64	33291.58
November, 2018	59.50	41.55	41820	36389.22	34303.38
December, 2018	47.80	36.55	192490	36446.16	35010.82
January, 2019	44.00	28.05	93024	36650.47	35375.51
February, 2019	36.00	28.30	55119	37172.18	35469.49
March, 2019	38.00	30.05	35301	38748.54	35926.94

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Monthly High-Low at NSE

Month	High (Rs.)	Low (Rs.)	Volume (In Nos.)	CNX-NIFTY	
				High	Low
April, 2018	95.25	79.55	862286	10759.00	10111.30
May, 2018	87.00	72.50	355980	10929.20	10417.80
June, 2018	78.75	61.75	265364	10893.25	10550.90
July, 2018	72.70	59.15	493475	11366.00	10604.65
August, 2018	74.40	65.40	273308	11760.20	11234.95
September, 2018	69.80	44.60	241382	11751.80	10850.30
October, 2018	58.50	41.00	222655	10166.60	10843.75
November, 2018	53.90	41.00	373571	10922.45	10341.90
December, 2018	47.55	36.50	1422419	10963.65	10333.85
January, 2019	44.40	31.70	816731	10944.80	10885.75
February, 2019	36.05	27.25	297791	10983.45	10721.50
March, 2019	38.75	31.90	441724	11630.35	10817.00

H. Registrar & Share Transfer Agent (RTA)

The Company has engaged the services of Karvy Fintech 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 Fintech 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

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, 2019 (Category) :

Category of Shareholders	Mode of Holding Shares		Total Shareholding	
	Physical	Demat	Number	%
Promoters and Promoter Group	-	21738806	21738806	79.49
Bodies Corporate	11061	1036757	1047818	3.83
Financial Institutions	522	136339	136861	0.50
Mutual Funds	840	784	1624	0.01
Trust	-	58	58	0.00
NRIs	371	305912	306283	1.12
Individuals	260821	3842648	4103469	15.00
Clearing Members	-	13068	13068	0.05
NBFCs registered with RBI	-	539	539	0.00
Total	2,73,615	2,70,74,911	2,73,48,526	100.00

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Distribution of Shareholding as on March 31, 2019:

Range of Shares	Folio/Client ID/		Shareholding	
	Number	%	Number	%
Up to 5000	45758	97.34	10959010.00	4.01
From 5001 to 10,000	606	1.29	4935950.00	1.80
From 10,001 to 20,000	296	0.63	4618970.00	1.69
From 20,001 to 30,000	120	0.26	3122400.00	1.14
From 30,001 to 40,000	55	0.12	2023450.00	0.74
From 40,001 to 50,000	41	0.09	1917020.00	0.70
From 50,001 to 1,00,000	68	0.14	4954770.00	1.81
1,00,001 and above	65	0.14	240953690.00	88.10
Total	47009	100.00	273485260.00	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, 2019 are as follows :

Shareholding in Demat & Physical modes as on March 31, 2019:

NSDL		CDSL		Physical		Total	
No of Shares	% of Capital	No of Shares	% of Capital	No of Shares	% of Capital	No of Shares	% of Capital
25128786	91.88	1946125	7.12	273615	1.00	27348526	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

M. Plant Location

Mal Godown Road, Bharatpur 321001, Rajasthan

N. Address for Correspondence

Company	RTA
Registered Office : 756, Anandapur E M Bypass Kolkata 700107 Phone: 91 33 4019 0800 Fax: 91 33 4019 0823 E Mail: corp@cimmco.in	Karvy Fintech Private Limited (Unit: Cimmco Limited) Karvy Salenium Tower B, Plot 31-32, Gachibowli Financial District Nanakramguda, Hyderabad 500032 Phone: +91- 40-6716222 Fax: +91-40-2300 1153 E-mail for investors: einward.ris@karvy.com

For and on behalf of Cimmco Limited

Place : Kolkata
 Date : August 14, 2019

J. P. Chowdhary
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, 2019.

Place : Kolkata
 Date : August 14, 2019

Anil Kumar Agarwal
Managing Director & CEO

CORPORATE GOVERNANCE REPORT

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, 2019, 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.

CS SUMANTRA SINHA
(Practicing Company Secretary)

Place : Kolkata
Date : August 14, 2019

Membership No. : ACS 11247
C.P. No. : 15245

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, 2019 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
14th August, 2019

Anil Kumar Agarwal
Managing Director & CEO

CORPORATE GOVERNANCE REPORT

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.

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 Audit of Financial Statements

Qualified Opinion

1. We have audited the accompanying financial statements of Cimmco Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and except for the indeterminate impact of the matter referred in the Basis for Qualified Opinion section of our report, 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, 2019, and total comprehensive income (comprising of profit and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for Qualified Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.
4. We draw your attention to Note 45 to the Financial Statements regarding public shareholding in the Company being 20.512% as at March 31, 2019, which is below the minimum requirement of 25% under Rule 19A(2) of the Securities Contracts (Regulation) Rules, 1957. The consequential impact of the aforesaid non-compliance, if any, is presently not ascertainable.

Emphasis of Matter

5. We draw your attention to Note 6(a) to the financial statements regarding the Company's claim of Rs. 2,361.23 lacs towards lease rental and interest thereon receivable from the Indian Railways, which is recognised based on the order from the Hon'ble High Court of Delhi dated March 15, 2019 reaffirming the Arbitration Award dated February 3, 2016 and based on the legal advice obtained by the Company in this regard. Our opinion is not modified in respect of this matter.

Key Audit Matter

6. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Assessment of recoverability of Deferred tax assets</p> <p>[Refer to Note 2.20 – "Income Taxes", Refer Note 2.28 – "Critical Estimates and Judgements – Valuation of Deferred Tax Assets" and Note 7 – "Deferred Tax Assets (Net)"]</p> <p>The Company has recognised deferred tax assets including those on unabsorbed tax losses comprising of unabsorbed depreciation and business losses pertaining to the earlier assessment years. The balance of such deferred tax asset as at March 31, 2019 was Rs. 2,563.98 Lakhs, which is included in the balance sheet under Deferred tax assets (net) amounting to Rs.260.90 Lakhs. The deferred tax asset are considered to be recoverable based on the Company's projected taxable profits in the forthcoming years. The carrying amount of deferred tax assets is reviewed at the end of each reporting period.</p> <p>This was considered as a key audit matter as the amount is material to the financial statements and significant judgement is required by the Company's Management in determining future taxable profits as there are inherent uncertainties involved in forecasting such profits.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> • Assessed and tested the design and operating effectiveness of the Company's key controls relating to taxation including the assessment of carrying amount of deferred tax assets, the preparation of the forecast and its related inputs/ assumptions. • Agreed the relevant input data with the latest budgets and other supporting documents, as appropriate. • Tested the reasonability of key management assumptions such as growth rate, estimated percentage of gross profit used in the management projections of the future taxable profits and also considered historical performance vis-vis the budgets, the change in the business performance over the years. • Applied sensitivity to the forecasts and assessed whether tax losses can be utilised within the available period as per the tax laws. • Evaluated the adequacy of the disclosures made in the financial statements. <p>Based on the above procedures, we noted that the management's assessment of recoverability of deferred tax assets is reasonable.</p>

INDEPENDENT AUDITOR'S REPORT

Other Information

7. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's report, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

10. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
12. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

INDEPENDENT AUDITOR'S REPORT

13. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
14. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

15. 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 B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
16. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, except for the indeterminate impact of the matter referred in the Basis for Qualified Opinion section of our report, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With regard to maintenance of accounts, reference is made to our comment in paragraphs 16(b) above.
 - g) With respect to the adequacy of the internal financial controls with reference to financial statement of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 16 and Note 34 to the financial statements;
 - (ii) The Company has long-term contracts contracts as at March 31, 2019 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2019.
 - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - (iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For Price Waterhouse & Co Chartered Accountants LLP
 Firm Registration Number: 304026E/E-300009
 Chartered Accountants

Pramit Agrawal

Partner

Membership Number 099903

Place: Kolkata

Date: May 30, 2019

INDEPENDENT AUDITOR'S REPORT

Annexure A to Independent Auditors' Report

Referred to in paragraph 16(g) of the Independent Auditors' Report of even date to the members of Cimmco Limited on the Ind AS financial statements for the year ended March 31, 2019.

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Cimmco Limited ("the Company") as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

2. The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements 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 (ICAI). 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 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 Act.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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 with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements 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 controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

INDEPENDENT AUDITOR'S REPORT

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Pramit Agrawal

Partner

Membership Number 099903

Place: Kolkata

Date: May 30, 2019

INDEPENDENT AUDITOR'S REPORT

Annexure B to Independent Auditors' Report

Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of Cimmco Limited on the financial statements as of and for the year ended March 31, 2019.

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items 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. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 3(i) on property, plant and equipment and Note 3(iii) on investment properties to the financial statements, are held in the name of the Company, except for the following (details of which are set out in Notes 3(i) and 3(iii) to the financial statements):

Sl. No.	Particulars	Gross Block (Rs in lacs)	Net Block (Rs in lacs)	Remarks
1	Freehold Land	4,734.83	4,734.83	Original Copy of title deed not available with the company
2	Investment Properties – Freehold Land	821.24	821.24	Original Copy of title deed not available with the company

- ii. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of accounts.
- iii. 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 Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess, goods and service tax and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 44 to the financial statements regarding management's assessment on certain matters relating to provident fund.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service-tax, value added tax and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of customs and duty of excise as at March 31, 2019 which have not been deposited on account of a dispute, are as follows:

INDEPENDENT AUDITOR'S REPORT

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	Excise Duty	126.27	1989-1994	Supreme Court
		62.85	1999-2000 Jan-2011 to Mar-2015	CESTAT
		5.49	Apr-2015- Dec-2016	Commissioner of Cental Excise (Appeal)
The Custom Act, 1962	Custom Duty	30.63	1992-93	Additional Commissioner Customs
		58.8	1986-1987, 1998-1999, 2000-2001	Deputy Director of Enforcement
		32.17	2004-2005	CESTAT
The Orrisa Sales Tax Act	Sales Tax	117.60	1999-2001	High Court
The Rajasthan Sales Tax Act	Sales Tax	383.52	1998-99 2012-16	Deputy Commissioner Appeal
		114.80	2013-14	Commissioner Appeal
The Income-Tax Act, 1961	Income Tax	79.94	2004-2005	Income Tax Appellate Tribunal

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any bank as at the balance sheet date. The Company does not have any loans or borrowings from any financial institution or Government, nor has it issued any debentures as at the balance sheet date.
- ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied, on an overall basis, for the purposes for which they were obtained. The company has not raised any moneys by way of initial public offer and further public offer (including debt instruments).
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Chartered Accountants LLP
 Firm Registration Number: 304026E/E-300009
 Chartered Accountants

Pramit Agrawal

Partner

Membership Number 099903

Place: Kolkata

Date: May 30, 2019

BALANCE SHEET AS AT MARCH 31, 2019

		Rs.in Lacs	
	Notes	As at March 31, 2019	As at March 31, 2018
I. ASSETS			
Non-current Assets			
a) Property, Plant and Equipment	3 (i)	26,369.40	26,240.00
b) Capital work-in-progress	3 (ii)	74.34	112.30
c) Investment Properties	3 (iii)	821.24	821.24
d) Intangible Assets (Other than Goodwill)	3 (i)	3.04	4.25
e) Financial assets			
(i) Investments	4	0.25	0.25
(ii) Trade Receivables	10	103.03	83.57
(iii) Loans	5	49.54	50.61
(iv) Others Financial Assets	6	-	854.81
f) Deferred Tax Assets (Net)	7	260.90	-
g) Non-current Tax Assets	8	10.53	14.51
h) Other Non-current Assets	9	4.69	50.00
TOTAL - NON-CURRENT ASSETS		27,696.96	28,231.54
Current assets			
a) Inventories	11	10,335.68	4,232.80
b) Financial assets			
(i) Trade receivables	10	3,430.67	1,775.86
(ii) Cash and cash equivalents	12.1	26.71	74.66
(iii) Other Bank Balances	12.2	429.90	286.97
(iv) Other Financial Assets	6	2,862.33	660.28
c) Other current assets	9	3,498.71	1,030.84
TOTAL - CURRENT ASSETS		20,584.00	8,061.41
TOTAL - ASSETS		48,280.96	36,292.95
II. EQUITY AND LIABILITIES			
EQUITY			
a) Equity share capital	13	2,734.85	2,734.85
b) Other equity	14	16,283.39	13,423.98
TOTAL - EQUITY		19,018.24	16,158.83
LIABILITIES			
Non-current liabilities			
a) Financial Liabilities			
Borrowings	15	12,570.81	9,552.92
Provisions	16	21.85	22.83
Deferred tax liabilities (Net)	7	-	2,412.44
TOTAL - NON-CURRENT LIABILITIES		12,592.66	11,988.19
Current liabilities			
a) Financial Liabilities			
(i) Borrowings	15	3,443.00	1,449.43
(ii) Trade payables	17		
a) Total Outstanding Dues of Micro Enterprises and Small Enterprises		-	-
b) Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises		11,344.23	2,336.74
(iii) Others Financial Liabilities	18	1,037.60	2,355.74
b) Other Current liabilities	19	659.57	1,682.16
c) Provisions	16	185.66	321.86
TOTAL - CURRENT LIABILITIES		16,670.06	8,145.93
TOTAL LIABILITIES		29,262.72	20,134.12
TOTAL EQUITY AND LIABILITIES		48,280.96	36,292.95

The accompanying notes are an integral part of the financial statements

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

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration No.: 304026/E-300009

Chartered Accountants

Pramit Agrawal

Partner

Membership No. 099903

Place: Kolkata

Date: May 30, 2019

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

J P Chowdhary

Executive Chairman

DIN: 00313685

Umesh Chowdhary

Vice Chairman

DIN: 00313652

Anil Kumar Agarwal

Managing Director & CEO

DIN: 01501767

Vineet Mohta

Chief Financial Officer

Dipankar Ganguly

Company Secretary

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED MARCH 31, 2019

		Rs.in Lacs	
	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
Revenue from Operations	20	25,718.56	13,462.01
Other Income	21	1,673.36	200.32
TOTAL INCOME		27,391.92	13,662.33
Expenses			
Cost of Raw Materials and Components Consumed	22	22,590.51	9,534.77
Changes in inventories of finished goods, Work in progress, Stock-in-trade and Saleable Scrap	23	(2,142.11)	381.74
Purchases of Stock-in-trade		-	2.38
Excise Duty Expense		-	69.03
Employee Benefits Expense	24	487.05	578.87
Finance Costs	25	2,174.50	1,434.54
Depreciation and Amortisation Expense	3(i)	374.22	615.79
Other Expenses	26	3,803.77	2,801.26
TOTAL EXPENSES		27,287.94	15,418.38
Profit / (Loss) before Exceptional Items and Tax		103.98	(1,756.05)
Exceptional items	27	-	614.12
Profit / (Loss) before Tax		103.98	(2,370.17)
Income Tax Expense			
Income Tax		-	-
Deferred tax - Credit		(2,676.70)	(38.35)
Total Income Tax Expense		(2,676.70)	(38.35)
Profit / (Loss) for the year		2,780.68	(2,331.82)
Other Comprehensive Income			
Item that will not be reclassified to Profit or Loss in subsequent periods :			
Remeasurement Gains/(Losses) on Defined Benefit Plan		9.59	(0.62)
Income Tax on above		(3.35)	-
Other Comprehensive Income for the Year (Net of Taxes)		6.24	(0.62)
Total Comprehensive Income for the Year		2,786.92	(2,332.44)
Earnings / (Loss) per equity share	29		
[Nominal Value Per Share Rs. 10/- (March 31, 2018: Rs.10/-)]			
Basic and Diluted (In Rs.)		10.16	(8.53)

The accompanying notes are an integral part of the financial statements

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

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration No.: 304026E/E-300009

Chartered Accountants

Pramit Agrawal

Partner

Membership No. 099903

Place: Kolkata

Date: May 30, 2019

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

J P Chowdhary

Executive Chairman

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Dipankar Ganguly

Company Secretary

Anil Kumar Agarwal

Managing Director & CEO

DIN: 01501767

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A) Equity Share Capital (Refer Note 13)						(Rs. in Lacs)
Particulars				Number in Lacs		Amount
As at March 31, 2017				201.49		2,014.85
Changes in Equity Share Capital during the year				72.00		720.00
Balance as at March 31, 2018				273.49		2,734.85
Changes in Equity Share Capital during the year				-		-
Balance as at March 31, 2019				273.49		2,734.85

B) Other Equity (Refer Note 14)						(Rs. in Lacs)
Particulars	Equity Component of NCNCRPS	Shares pending Allotment	Reserves and Surplus			Total
			Securities Premium Account	Capital Reserve	Retained Earnings	
Balance as at March 31, 2017	1,918.71	720.00	3,220.32	2,880.00	7,737.39	16,476.42
Loss for the year	-	-	-	-	(2,331.82)	(2,331.82)
Other Comprehensive Income (Net of Tax)						
- Remeasurement Losses on Defined Benefit Plan	-	-	-	-	(0.62)	(0.62)
Total Comprehensive Income for the year	-	-	-	-	(2,332.44)	(2,332.44)
Issue of equity shares during the year [Refer Note 13 (e)]	-	(720.00)	-	-	-	(720.00)
Balance as at March 31, 2018	1,918.71	-	3,220.32	2,880.00	5,404.95	13,423.98
- Change in accounting policy (impact of Ind AS 115) [Refer Note 41]	-	-	-	-	72.49	72.49
Restated balance as at April 1, 2018	1,918.71	-	3,220.32	2,880.00	5,477.44	13,496.47
Profit for the year	-	-	-	-	2,780.68	2,780.68
Other Comprehensive Income (Net of Tax)						
- Remeasurement Losses on Defined Benefit Plan	-	-	-	-	6.24	6.24
Total Comprehensive Income for the year	-	-	-	-	2,786.92	2,786.92
Balance as at March 31, 2019	1,918.71	-	3,220.32	2,880.00	8,264.36	16,283.39

The accompanying Notes form an integral part of the Financial Statements.

This is the Statement of Changes in Equity referred to in our Report of even date

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration No.: 304026E/E-300009

Chartered Accountants

Pramit Agrawal

Partner

Membership No. 099903

Place: Kolkata

Date: May 30, 2019

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

J P Chowdhary

Executive Chairman

DIN: 00313685

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Dipankar Ganguly

Company Secretary

Anil Kumar Agarwal

Managing Director & CEO

DIN: 01501767

CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

	Rs.in Lacs	
	For the year ended March 31, 2019	For the year ended March 31, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit / (Loss) before tax	103.98	(2,370.17)
Adjustments for:		
Depreciation & amortization expense	374.22	615.79
Exceptional Item-Impairment of Property, Plant and Equipment and Intangible Assets.	-	614.12
Provision for doubtful debts and advances	-	139.00
Net Loss on Disposal of Property, Plant and Equipment	-	0.11
Irrecoverable debts/ advances written off	935.37	-
Loss on Fair Valuation of Investments Carried at Fair Value through Profit or Loss	-	1.16
Unspent liabilities / provisions no longer required written back	(131.06)	(156.98)
Finance Costs	2,174.50	1,434.54
Interest Income	(1,489.66)	(16.15)
Operating Profit/(Loss) before Changes in Operating Assets and Liabilities	1,967.35	261.42
Increase/(Decrease) in Non-current and Current Financial and Non-financial Liabilities and Provisions	7,956.59	(2,382.03)
Increase in Trade Receivables	(1,572.79)	(457.38)
Decrease in Other Bank Balances	2.48	-
(Increase)/ Decrease in Non-current and Current Financial and Non-financial Assets	(3,319.82)	(1,330.51)
(Increase)/ Decrease in Inventories	(6,030.39)	896.75
Cash Used in Operations	(996.58)	(3,011.75)
Income Taxes (Paid)/ Refund (Net)	3.98	(1.89)
Net Cash Used in Operating Activities	(992.60)	(3,013.64)
B. CASH FLOW FROM INVESTING ACTIVITIES		
Payments for Acquisition of Property, Plant and Equipment including Capital Work-in-Progress and Intangible Assets	(501.46)	(306.52)
Proceeds from Sale of Fixed Assets	-	16.49
Fixed Deposits Encashed /Matured	(145.41)	(200.73)
Interest received	26.12	6.13
Net Cash Used in Investing Activities	(620.75)	(484.63)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long-term Borrowings	3,350.00	6,175.00
Repayment of Long-term Borrowings	(2,204.81)	(1,134.89)
Short-term Borrowings - Receipts/(Payments)	1,993.58	(661.31)
Finance Costs Paid	(1,573.37)	(1,001.02)
Net Cash From Financing Activities	1,565.40	3,377.78
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	(47.95)	(120.49)
Cash and Cash Equivalents at the beginning of the year (Refer Note 12.1)	74.66	195.15
Cash and Cash Equivalents at the end of the year (Refer Note 12.1)	26.71	74.66

The above Cash Flow Statement has been prepared under the Indirect Method as set out in Ind AS-7 "Statement of Cash Flows". Refer Note 40 for Debt Reconciliation.

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

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration No.: 304026E/E-300009

Chartered Accountants

Pramit Agrawal

Partner

Membership No. 099903

Place: Kolkata

Date: May 30, 2019

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

J P Chowdhary

Executive Chairman

DIN: 00313685

Vineet Mohta

Chief Financial Officer

Umesh Chowdhary

Vice Chairman

DIN: 00313652

Dipankar Ganguly

Company Secretary

Anil Kumar Agarwal

Managing Director & CEO

DIN: 01501767

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

1 Corporate Information

Cimmco Limited (the 'Company') is a public limited company incorporated and domiciled in India. The registered office of the Company is located at 756, Anandapur, EM-Bypass, Kolkata - 700107 and has its manufacturing facility located at Mal Godown Road, Bharatpur-321001, Rajasthan. The equity shares of the Company are listed on the BSE Limited, the National Stock Exchange of India Limited and the Calcutta Stock Exchange Limited (CSE). The Company has applied to CSE for delisting.

The Company is mainly engaged in the manufacturing and selling of freight wagons, engineering goods and tractors. The Company primarily caters to the domestic market.

The financial statements were approved and authorised for issue in accordance with the resolution of the Company's Board of Directors on May 30, 2019.

2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of the financial statements.

2.1 Basis of Preparation

(i) Compliance with Indian Accounting Standards

The financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Accounting Standards) Rules, 2015] and other provisions of the Act.

(ii) Historical Cost Convention

The financial statements have been prepared on a historical cost basis, except for the following :-

- Financial assets -Investment in equity shares measured at fair value
- Financial liabilities -Cumulative, non-convertible redeemable preference shares measured at fair value

(iii) Current versus Non-current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle,
- held primarily for the purpose of trading,
- expected to be realised within twelve months after the reporting period, or
- cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current. A liability is classified as current when:

- it is expected to be settled in the normal operating cycle,
- it is held primarily for the purpose of trading,
- it is due to be settled within twelve months after the reporting period, or
- there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current.

(iv) Rounding of Amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs and decimals thereof (Rs. 00,000.00) as per the requirement of Schedule III to the Act, unless otherwise stated.

2.2 Property, Plant and Equipment

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation Method, Estimated Useful Lives and Residual Values

Depreciation is calculated on pro-rata basis using the straight-line method to allocate their cost, net of their estimated residual value, over their estimated useful lives. The useful lives have been determined based on technical evaluation done by the management's expert which are different than those specified by Schedule II to Companies Act 2013 in respect of factory buildings / other buildings and plant and Equipment, in order to reflect the actual usage of assets. Each component of an item of property, plant and equipment with a cost that is significant in relation to the cost of that item is depreciated separately if its useful life differs from the other components of the item.

The useful lives of the property, plant and equipment as estimated by the management are as follows:

Particulars	Useful Life
Factory Buildings / Other Buildings	30 / 60 years
Plant and Equipment	15 / 20 years
Furniture and Fixtures	10 years
Office Equipment	5 years
Railway Sidings	15 years
Computers	3 years
Vehicles	8 years

Leasehold land are amortised on straight - line basis over the primary lease period of 99 years or their estimated useful lives, whichever is shorter. Leasehold improvement are amortised on straight - line basis over the primary lease period (ranging from 2 to 10 years) or their estimated useful lives, whichever is shorter.

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within 'Other Income'/'Other Expenses'.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as 'Capital Advances' under 'Other Non-current Assets' and the cost

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

of property, plant and equipment not ready to use are disclosed under 'Capital Work-in-progress'.

Transition to Ind AS

On transition to Ind AS, the Company had opted to fair value its property, plant and equipment as on at April 1, 2015 (date of transition to Ind AS) and had considered the same as deemed cost as at April 1, 2015.

2.3 Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2.4 Intangible Assets

Intangible assets have a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Computer Software

Computer software for internal use, which is primarily acquired from third-party vendors is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of computer software includes license fees and cost of implementation/system integration services, where applicable.

Prototype

The Company had developed prototype for tractors which was capitalised.

Amortisation Method and Period

Computer software and prototype are amortised on a pro-rata basis using the straight-line method over its estimated useful life of 5 years and 10 years (until impaired) respectively from the date they are available for use. Amortisation method and useful lives are reviewed periodically including at each financial year end.

Research and Development

Research costs are expensed as incurred. Expenditure on development that do not meet the specified criteria under Ind AS 38 on 'Intangible Assets' are recognised as an expense as incurred.

2.5 Impairment of Non-financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

2.6 Inventories

Inventories are stated at the 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 of inventories comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Cost of work-in-progress and finished goods comprises direct materials, direct labor and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost are assigned to individual items of inventory 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. Cost of raw materials and components consumed is a derived figure out of opening stock, closing stock and purchases including adjustment if any during the period.

2.7 Leases

As a Lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.8 Investments and Other Financial Assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised Cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired.

- **Fair Value through Other Comprehensive Income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Other Income/Other Expenses'.
- **Fair Value through Profit or Loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within 'Other Gains / (Losses)' in the period in which it arises.

Equity Instruments

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Other Gains / (Losses)' in the Statement of Profit and Loss.

(iii) Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments, if any. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 37(iii) details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109, 'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Modification of Financial Instruments

The Company if renegotiates or otherwise modifies the contractual cash flows of financial instrument, the Company assesses whether or not the new terms are substantially different to the original terms. If the terms are substantially different, the original financial instrument is derecognised and recognizes a 'new' instrument at fair value and recalculates a new effective interest rate for the instrument. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition. If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the

management recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate.

(v) Derecognition of Financial Assets

A financial asset is derecognised only when

- the Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(vi) Income Recognition

Interest Income

Interest income on financial assets at amortised cost is accrued on a time proportion basis using the effective interest rate method and is recognised in the statement of profit and loss as part of other income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit impaired financial assets the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(vii) Fair Value of Financial Instruments

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

2.9 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.10 Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.11 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

Preference shares, which are mandatorily redeemable on a specific date are classified as liabilities. The dividend on these preference shares is recognised in statement of Profit and Loss as finance costs.

2.12 Other Financial Liabilities

Other financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Other financial liabilities are initially measured at the fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Compound Financial Instruments

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 recognised in equity. The carrying amount of such equity is not re-measured in subsequent years.

2.14 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to

settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.15 Cash and Cash Equivalents

For the purpose of presentation in the Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held with banks / financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.16 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 year 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.

2.17 Revenue Recognition

Effective April 1, 2018, the Company has applied Ind AS 115 'Revenue from Contracts with Customers', which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The Company has adopted Ind AS 115 using the modified retrospective effect method.

The Company has applied five step model as per Ind AS 115 'Revenue from contracts with customers' to recognise revenue in the financial statements. The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied. Revenue is recognised either at point of time and over a period of time based on various conditions as included in the contracts with customers.

Revenue is measured at fair value of the consideration received or receivable and is reduced by rebates, allowances and taxes and duties collected on behalf of the government. Revenue also includes adjustments made towards liquidated damages, normal product warranty and price variations wherever applicable.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Revenue is recognised in the income statement to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

Sale of Products

Revenue for sale of products mainly comprises of wagons/ locomotive shells and related items, where revenue is recognised at a point in time, when control of the asset is transferred to the customer, which generally occurs on receipts of dispatch memo / inspection certificate from customer as per terms of contract. On receipt of same, the title of goods passes on to the customer basis the laid down criteria under the standard.

Revenue from sale of specialized products

Revenue from specialized products mainly consists of defence related products in respect of which revenue is recognised over a period of time as performance obligations are satisfied over time as per criteria laid down under the standard and specified above. Revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Profit (contract revenue less contract cost) is recognised when the outcome of the contract can be estimated reliably. When it is probable that the total cost will exceed the total revenue from the contract, the expected loss is recognised immediately. For this purpose, total contract costs are ascertained on the basis of contract costs incurred and cost to completion of contracts which is arrived at by the management based on current technical data, forecast and estimate of net expenditure to be incurred in future including for contingencies etc.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probably recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When contract costs incurred to date plus recognised profit less recognised losses exceed progress billing, the surplus is shown as unbilled revenue. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as liability as advance from customer. Amounts received before the related work is performed are included as a liability as advance from customer. Amounts billed for work performed but not yet paid by customer are included under trade receivables. Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract Liabilities are recognised when there is billing in excess of revenue and advance received from customers. Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods or services to the customer and when the customer pays for that goods or services will be one year or less.

Sale of Services

Revenue from service contracts are recognised in the accounting period in which the services are rendered. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the standalone selling price and revenue is recognised at point in time on fulfillment of respective performance obligation. In case, the service contracts include one performance obligation revenue is recognised based on the actual service provided to the end of the reporting period as proportion of the total services to be provided. This is determined based on the actual expenditure incurred to the total estimated cost.

2.18 Foreign Currency Transactions and Translation

(i) Functional and Presentation Currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). The financial statements are presented in Indian Rupee (Rupees or Rs.), which is the Company's functional and presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit and loss.

2.19 Employee Benefits

(i) Short-term Employee Benefits

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Post-employment Benefits

Defined Benefit Plans

The liability recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, if any. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

recognised in the period in which they occur, directly in other comprehensive income. These are included in retained earnings in the Statement of Changes in Equity.

Defined Contribution Plan

Contributions under defined contribution plan payable in keeping with the related scheme are recognised as expenses for the period in which the employee has rendered the service.

(iii) Other Long-term Employee Benefits

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 utilised 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 as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

2.20 Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax credits and to unused tax losses.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax credits and losses.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and

when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

2.21 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, 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 expenses 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 risk 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 up to 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, deduction made by the customers, as the case may be based on managements best estimate of the expenditure required to settle the obligations.

Litigation, Claims and Contingencies

The management estimates the provisions for pending litigations, claims and demands based on its assessment of probability for these demands crystallising against the Company in due course.

2.22 Contingencies

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

2.23 Earnings / (Loss) Per Equity Share

(i) Basic Earnings / (Loss) Per Equity Share

Basic earnings / (loss) per equity share is calculated by dividing: the profit / (loss) attributable to owners of the Company, by the weighted average number of equity shares outstanding during the financial year.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(ii) Diluted Earnings / (Loss) Per Equity Share

Diluted earnings / (loss) per equity share adjusts the figures used in the determination of basic earnings / (loss) per share to take into account: the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.24 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Board of Directors of the Company. Refer Note 35 for segment information presented.

2.25 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within 'Other Income'.

2.26 Business Combinations

A common control business combination, involving entries or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for using the pooling of interest method. Other business combinations, involving entities or businesses are accounted for using acquisition method.

2.27 Recent Accounting Pronouncements

Standard issued but not yet effective

The Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 including the following amendments to Ind AS which the Company has not applied in these standalone financial statements as they are effective for annual periods beginning on or after April 1, 2019.

Ind AS 116 - 'Leases'

'Ind AS 116 will impact primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for almost all lease contracts. An optional exemption exists for short-term and low-value leases.

Appendix C, 'Uncertainty over Income Tax Treatments', to Ind AS 12, 'Income Taxes'

'This appendix clarifies how the recognition and measurement requirements of Ind AS 12 'Income Taxes', are applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is

uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The Company is evaluating the requirements of the above amendments and the effect on the financial statements is being evaluated.

2.28 Critical Estimates and Judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

- **Employee Benefits (Estimation of Defined Benefit Obligation) - Notes 2.19 and 30**
Post-employment benefits represent obligations that will be settled in the future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit costs over the employee's approximate service period, based on the terms of the plans and the investment and funding decisions made. The accounting requires the Company to make assumptions regarding variables such as discount rate and salary growth rate. Changes in these key assumptions can have a significant impact on the defined benefit obligations.
- **Impairment of Trade and Other Receivables - Notes 2.8(iii) and 37(III)**
The risk of uncollectibility of trade and other receivables is primarily estimated based on prior experience with, and the past due status of, doubtful receivables, based on factors that include ability to pay, bankruptcy and payment history. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically.
- **Estimation of Expected Useful Lives of Property, Plant and Equipment - Notes 2.2 and 3(i)**
Management reviews its estimate of the useful lives of property, plant and equipment at each reporting date, based

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment.

- **Impairment of Non-financial Assets - Notes 2.5 and 3(i)**

Property, plant and equipment and intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. This requires determination of recoverable amount of such assets including estimation of value in use / fair value less costs of disposal.

- **Contingencies - Notes 2.21, 2.22 and 34**

Legal proceedings covering a range of matters are pending against the Company. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against the Company often raise factual and legal issues that are subject to uncertainties and complexities, including the facts and circumstances of each particular case/claim, the jurisdiction and the differences in applicable law. The Company consults with legal counsel and other experts on matters related to specific litigations where considered necessary. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

- **Valuation of Deferred Tax Assets - Notes 2.20 and 7**

Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

- **Warranties and Liquidated Damages - Notes 2.21 and 16**

The Company's product warranty obligations and estimations thereof are determined using historical information of claims

received up to 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. Liquidated damages on supply of products are provided based on the contractual obligations or deduction made by the customers considering the current situation and status of the project, the reasons for delays and past experience with the customers. Changes in estimated frequency and amount of future warranty claims/ liquidated charges, can materially affect warranty / liquidated damage expenses.

- **Fair Value Measurements - Notes 2.8(vi) and 36**

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

- **Accounting for revenue from contracts wherein company satisfies performance obligation and recognises revenue over time- Notes 2.17 and 20**

For contracts wherein performance obligation are satisfied over time, an entity recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation, in order to depict an entity's performance in transferring control of goods or services promised to a customer. This method requires estimates of the final revenue and costs of the contract, as well as measurement of progress achieved to date as a proportion of the total work to be performed. This involves determination of margin to be recognised on the contract, which are dependent on the total costs to complete contracts, that is, the cost incurred till date and estimation of future cost to complete the contract and price variations etc. This estimation involves exercise of significant judgement by the management in making cost forecasts considering future activities to be carried out in the contract, and the related assumptions etc. Experience, reduces but does not eliminate the risk that estimates may change significantly.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

3 (i) PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS (OTHER THAN GOODWILL)

(Rs. In Lacs)

Particulars	Tangible Assets											Intangible Assets		
	Freehold Land	Leasehold Land	Leasehold Improvement	Buildings	Plant and Equipment	Railway Sidings	Furniture and Fixtures	Office Equipment	Computers	Vehicles	Total Tangible Assets	Prototype	Computer software	Total Intangible Assets
Gross Carrying Amount														
As at March 31, 2017	4,734.83	19,724.09	70.94	1,580.99	1,239.77	38.50	60.26	6.10	24.39	34.26	27,514.13	880.39	49.93	930.32
Additions	-	-	-	64.99	134.24	-	0.58	0.45	-	11.30	211.56	-	3.80	3.80
Disposals	-	-	-	-	18.70	-	-	-	-	19.16	37.86	-	-	-
As at March 31, 2018	4,734.83	19,724.09	70.94	1,645.98	1,355.31	38.50	60.84	6.55	24.39	26.40	27,687.83	880.39	53.73	934.12
Additions	-	-	-	14.85	451.24	-	2.44	17.46	3.33	13.09	502.41	-	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	4,734.83	19,724.09	70.94	1,660.83	1,806.55	38.50	63.28	24.01	27.72	39.49	28,190.24	880.39	53.73	934.12
Accumulated Depreciation and Amortisation														
As at March 31, 2017	-	324.72	45.85	310.21	191.43	11.26	13.52	2.81	15.73	21.29	936.82	220.09	12.05	232.14
Charge for the period	-	162.36	3.21	147.68	93.23	-	9.66	3.74	0.11	4.83	424.82	176.08	14.89	190.97
Disposals	-	-	-	-	2.97	-	-	-	-	18.20	21.17	-	-	-
As at March 31, 2018	-	487.08	49.06	457.89	281.69	11.26	23.18	6.55	15.84	7.92	1,340.47	396.17	26.94	423.11
Charge for the year	-	162.36	3.21	76.13	116.76	-	6.79	2.35	0.57	4.84	373.01	-	1.21	1.21
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	-	649.44	52.27	534.02	398.45	11.26	29.97	8.90	16.41	12.76	1,713.48	396.17	28.15	424.32
Impairment														
As at March 31, 2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charge for the year [Refer (b) below]	-	-	-	-	107.36	-	-	-	-	-	107.36	484.22	22.54	506.76
As at March 31, 2018	-	-	-	-	107.36	-	-	-	-	-	107.36	484.22	22.54	506.76
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2019	-	-	-	-	107.36	-	-	-	-	-	107.36	484.22	22.54	506.76
Net Carrying Amount														
As at March 31, 2019	4,734.83	19,074.65	18.67	1,126.81	1,300.74	27.24	33.31	15.11	11.31	26.73	26,369.40	-	3.04	3.04
As at March 31, 2018	4,734.83	19,237.01	21.88	1,188.09	966.26	27.24	37.66	-	8.55	18.48	26,240.00	-	4.25	4.25

- a) Freehold Land include freehold land aggregating to Rs. 4,734.83 Lacs (March 31, 2018 : 4,734.83 Lacs) of which original registered sale deed / conveyance deed / transfer deed / assignment deed are not traceable. However, Company has photo copies of the same.
- b) The management, based on technical evaluation, has revised estimated useful life of Plant and Equipment and Buildings, with effective from January 01, 2019. As a result, the depreciation expense and profit before tax for the year ended March 31, 2019 is lower by Rs. 34.24 Lacs (Plant and Equipment - Rs. 5.85 lacs and Building - 28.39 lacs).
- c) The Management of the Company has impaired its Property, Plant and Equipment Rs. Nil (March 31, 2018 : Rs. 107.36 Lacs) and Intangible Assets Rs. Nil (March 31, 2018 : Rs. 506.76 Lacs) relating to the Tractors Division after evaluating the expected future performance of the division and the business strategy and disclosed the same under "Exceptional Items" in the Statement of Profit and Loss (Refer Note 27). While considering the Impairment Loss, the Company has considered its tractor division as a cash generating unit, in keeping with the accounting policy as set out in Note 2.5 and the fair value less costs of disposal as the recoverable amount.
- d) The Company had opted to fair value its Property, Plant and Equipment as on April 1, 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 April 1, 2015.
- e) Refer Note 33 for disclosure of contractual commitments for acquisition of Property, Plant and Equipment
- f) Refer Note 15 for information on property, plant and equipment pledged as security by the Company.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

3 (ii) CAPITAL WORK-IN-PROGRESS

	As at March 31, 2019	(Rs. In Lacs) As at March 31, 2018
Total	74.34	112.30

- a) Capital work in progress as on March 31, 2019 is in respect of Building (March 31, 2018 in respect of Plant and Equipment amounting to Rs. 111.62 Lacs and Rs. 0.68 Lacs in respect of Building)

3 (iii) Investment Properties

	(Rs.in Lacs) Freehold Land
Carrying Amount as at March 31, 2017	821.24
Additions / (Deletions)	-
Closing Balance as at March 31, 2018	821.24
Additions / (Deletions)	-
Closing Balance as at March 31, 2019	821.24

The original title deeds in respect of above Investment Properties are not traceable. However, Company has photo copies of the same.

Information regarding Investment Property

The Company's Investment Property consists of two parcels of land situated at Bharatpur and Malanpur respectively. As at March 31, 2019, fair Valuation of the two properties is estimated to be Rs. 919.09 Lacs (March 31, 2018 : Rs. 868.34 Lacs). These valuations are based on valuations performed by an independent valuer who holds recognised and relevant professional qualifications. The fair value was derived using the market comparable approach based on recent market prices and the fair value measurement categorised within Level-3. 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 are 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 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 March 31, 2019 and March 31, 2018 are as shown below:

Significant unobservable inputs

For 5% change in Circle Rate for
Land owned by the Company

Sensitivity of the input to Fair Value

5% Increase (Decrease) in the Circle Rate
would result in Increase (Decrease) in fair value by
Rs 45.95 Lacs (March 31, 2018: Rs 43.42 Lacs)

4. INVESTMENTS (NON-CURRENT)

	As at March 31, 2019 Rs.in Lacs	As at March 31, 2018 Rs.in Lacs
Investment in Equity Shares in others (at FVTPL) (Quoted)		
550 (March 31, 2018: 550) Equity shares of Rs. 10 each fully paid-up in Orissa Sponge Iron & Steel Limited#	0.05	0.05
National Savings Certificate (at Amortised Cost)(Unquoted) @	0.20	0.20
	0.25	0.25
Aggregate amount of quoted investments	0.05	0.05
Aggregate market value of quoted investments (carried at cost being readily unavailable of inputs)	0.05	0.05
Aggregate value of Unquoted Investments	0.20	0.20
Aggregate amount of impairment in the value of Investments	-	-

Quotation not available since suspended due to penal reasons. Refer Note 36 for determination of Fair Values.

@ Pledged with the Commercial Tax Officer, Bharatpur as Security Deposit

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

5. LOANS- NON - CURRENT (at Amortised Cost) (Unsecured, considered good unless stated otherwise)		As at March 31, 2019 Rs.in Lacs	As at March 31, 2018 Rs.in Lacs
Security Deposits			
a) Considered good		49.54	50.61
b) Having significant increase in credit risk		-	-
c) Credit impaired		22.82	22.82
		72.36	73.43
Less: Loss allowances		(22.82)	(22.82)
Total		49.54	50.61

6. OTHER FINANCIAL ASSETS (at Amortised Cost) (Unsecured, considered good unless stated otherwise)		Non-current		Current	
		As at March 31, 2019 Rs.in Lacs	As at March 31, 2018 Rs.in Lacs	As at March 31, 2019 Rs.in Lacs	As at March 31, 2018 Rs.in Lacs
Claims Receivable [Refer Note (a) and (b) below]		-	854.81	2,361.23	-
Interest accrued on fixed deposits and loans		-	-	11.12	10.49
Unbilled Revenue		-	-	128.45	-
Charges Recoverable		-	-	361.53	649.79
Total		-	854.81	2,862.33	660.28

- (a) The Company had taken on lease 1,200 wagons from four lessors and given the same on sub-lease for a period of ten years to Indian Railways under four separate Sub-Lease Agreements, one dated May 28, 1997 and the other three dated October 20, 1997. During the subsistence of the sub-lease, the Company had initiated arbitration proceedings against Indian Railways in respect of disputes relating to the amount of sub-lease rentals for the first seven years of primary lease, considering the terms and conditions of the agreement. The Arbitrator, vide its award dated February 3, 2016 had rejected the claim of the Company for the aforesaid period, however had noted that the amount of sub-lease rental paid by the Indian Railways for balance three years of the primary sub-lease period was not justified keeping in view the terms of the agreement. The award also states the basis of interest to be charged. Accordingly, considering the arbitration award which is reaffirmed by the High Court of Delhi vide its order dated March 15, 2019, and based on legal advice obtained, the Company has recognized an income of Rs. 2,361.23 Lacs being the differential sub-lease rental receivables for last three years of Rs. 898.32 lakhs (disclosed under "Revenue from Operations") and interest thereon of Rs. 1462.91 lakhs (disclosed under "Other Income").
- (b) In earlier years management had recognised claims receivable amounting to Rs 854.81 Lacs, net of expected credit loss amounting to Rs. 3,097.53 Lacs in respect of sub-lease rental receivable from Indian Railways for the initial seven years of the primary sub-lease period which was rejected by arbitrator, on February 3, 2016 and reconfirmed by the Hon'ble High Court, Delhi on April 29, 2016 as stated in note (a) above. Accordingly, the Company has written off claim amount of Rs 854.81 Lacs (disclosed under "Other Expenses").

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

7. Deferred tax Asset (Net)

Deferred Tax Liabilities

Relating to origination and reversal of temporary differences on non-depreciable assets

(fair valuation of land)

Arising out of temporary differences in depreciable assets

(A)

Deferred Tax Assets

Provision for Doubtful Financial Assets

Provision for Liquidated Damages and Warranties

Provision for Litigation, Claims and Contingencies

Provision for Doubtful Advances

Provision for Employee Benefits

Unabsorbed Depreciation

Carried Forward Business Losses

Deferred Tax Asset not recognised

Net Deferred Tax Assets (B)

Deferred Tax Assets / (Liabilities) (Net) (A-B)

	As at March 31, 2019 Rs.in Lacs	As at March 31, 2018 Rs.in Lacs
Relating to origination and reversal of temporary differences on non-depreciable assets (fair valuation of land)	2,303.08	2,412.44
Arising out of temporary differences in depreciable assets	263.38	229.84
(A)	2,566.46	2,642.28
Deferred Tax Assets		
Provision for Doubtful Financial Assets	39.00	1,129.17
Provision for Liquidated Damages and Warranties	63.90	56.19
Provision for Litigation, Claims and Contingencies	36.44	33.25
Provision for Doubtful Advances	1.85	6.92
Provision for Employee Benefits	24.32	31.01
Unabsorbed Depreciation	571.08	571.09
Carried Forward Business Losses	2,090.77	2,648.15
	2,827.36	4,475.78
Deferred Tax Asset not recognised	-	(4,245.94)
Net Deferred Tax Assets (B)	2,827.36	229.84
Deferred Tax Assets / (Liabilities) (Net) (A-B)	260.90	(2,412.44)

The movement in deferred tax assets and liabilities during the year ended March 31, 2019 and March 31, 2018:

	As at April 1, 2017		As at March 31, 2018		As at March 31, 2019
	Deferred tax asset / (Liability)	Credit / (Charge) in Statement of Profit and Loss	Deferred tax asset / (Liability)	Credit / (Charge) in Statement of Profit and Loss#	Deferred tax asset / (Liability)
Relating to origination and reversal of temporary differences on non-depreciable assets (fair valuation of land)	(2,450.79)	38.35	(2,412.44)	109.36	(2,303.08)
Arising out of temporary differences in depreciable assets	(320.01)	90.17	(229.84)	(33.54)	(263.38)
Total Deferred Tax Liabilities	(2,770.80)	128.52	(2,642.28)	75.82	(2,566.46)
Provision for Doubtful Financial Assets	-	-	-	39.00	39.00
Provision for Liquidated Damages and Warranties	-	-	-	63.90	63.90
Provision for Litigation, Claims and Contingencies	-	-	-	36.44	36.44
Provision for Doubtful Advances	-	-	-	1.85	1.85
Provision for Employee Benefits	-	-	-	24.32	24.32
Unabsorbed Depreciation	320.01	(90.17)	229.84	341.24	571.08
Carried Forward Business Losses	-	-	-	2,090.77	2,090.77
Total Deferred Tax Assets	320.01	(90.17)	229.84	2,597.52	2,827.36
Net Deferred Tax Assets / (Liabilities) (Net)	(2,450.79)	38.35	(2,412.44)	2,673.34	260.90

During the year the, Company has recognized deferred tax assets including those on unabsorbed depreciation and business losses pertaining to earlier assessment years as it is now considered probable that future taxable amounts will be available to utilize such deferred tax amounts. The balance of such deferred tax assets as at March 31, 2019 was Rs. 2,563.98 Lacs (March 31, 2018- Rs. 4,245.94 Lacs), which is included in the above deferred tax assets (net) amounting to Rs. 260.90 Lacs.

In absence of reasonable certainty supported with convincing evidence, during the previous year the Company had not recognised the deferred tax assets on unabsorbed depreciation, carried forward business losses (expiring from the financial year 2018-19 to 2024-25) and other items (except to the extent of deferred tax liabilities arising out of temporary differences in depreciable assets), which on an overall basis has been disclosed under unabsorbed depreciation.

Includes income tax impact on remeasurement gains/(losses) on defined benefit plan amounting to Rs. 3.35 Lacs (March 31, 2019 Rs. Nil) included under Other comprehensive income.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

8. NON - CURRENT TAX ASSETS

	As at March 31, 2019 Rs.in Lacs	As at March 31, 2018 Rs.in Lacs
Advance Tax (Including Tax Deducted at Source and Net of Provision for Tax)	10.53	14.51
(Net of provision for tax Rs. Nil ; March 31, 2018 Rs. Nil)	10.53	14.51

9. OTHER ASSETS

(Unsecured, considered good unless stated otherwise)

	Non-current		Current	
	As at March 31, 2019 Rs.in Lacs	As at March 31, 2018 Rs.in Lacs	As at March 31, 2019 Rs.in Lacs	As at March 31, 2018 Rs.in Lacs
Security Deposits	-	-	10.00	35.00
Advance recoverable in cash or kind	-	-	-	-
Considered good	-	-	374.89	101.78
Considered Doubtful	-	-	5.30	19.81
	-	-	380.19	121.59
Less: Provision for Doubtful Advances	-	-	5.30	19.81
	-	-	374.89	101.78
Other advances	-	-	-	-
Balance with Statutory/ Government Authorities	-	-	2,987.44	868.64
Prepaid Expenses	4.69	50.00	126.38	25.42
	4.69	50.00	3,498.71	1,030.84

10. TRADE RECEIVABLES (at Amortised costs)

(Unsecured, considered good unless stated otherwise)

	Non-current		Current	
	As at March 31, 2019 Rs.in Lacs	As at March 31, 2018 Rs.in Lacs	As at March 31, 2019 Rs.in Lacs	As at March 31, 2018 Rs.in Lacs
a) Considered good- Secured	-	-	24.56	21.41
b) Considered good- Unsecured	103.03	83.57	3,556.34	1,754.45
c) Having significant increase in credit risk	-	-	-	-
d) Credit Impaired	55.21	55.21	56.40	78.62
	158.24	138.78	3,637.30	1,854.48
Less: Loss allowances [Refer Note 37(c)]	55.21	55.21	56.40	78.62
Less: Liquidated Damages [Refer Note 37(c)] and note (b) below	-	-	150.23	-
	103.03	83.57	3,430.67	1,775.86

- a) Trade Receivables - Considered Good includes dues from related parties Rs. 630.08 Lacs (March 31, 2018: Rs. Nil). Refer Note 32 for details.
- b) Liquidated damages has been adjusted with trade receivable in accordance with the requirement of IND AS 115.
- c) Refer Note 37 for information about credit risk and market risk on trade receivables.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

11. INVENTORIES

(Valued at Lower of Cost and Net Realisable Value)

	As at March 31, 2019 Rs.in Lacs	As at March 31, 2018 Rs.in Lacs
Raw materials and components (Includes goods in transit Rs.99.00 lacs (March 31, 2018 Rs. 4.25 lacs)	6,420.96	1,788.96
Work-in-progress	2,704.10	691.15
Finished Goods	385.48	1,326.49
Stores and Spares	544.69	310.26
Saleable Scrap	280.45	115.94
Total	10,335.68	4,232.80

a) Refer Note 15(b) for information on Inventory pledged as security by the Company.

b) Write-downs of inventories to net realisable value amounted to Rs. 166.19 Lacs (March 31, 2018: Rs 103.87). These were recognised under Cost of Raw Material and Components Consumed in the Statement of Profit and Loss.

12. CASH AND BANK BALANCES (at Amortised costs)

	As at March 31, 2019 Rs.in Lacs	As at March 31, 2018 Rs.in Lacs
12.1 Cash and cash equivalents		
Cash on hand	6.91	0.90
Balances with Banks in Current Accounts	19.80	73.76
	26.71	74.66
12.2 Other bank balances		
On unpaid fractional share entitlement	-	2.48
Deposit held as Margin money @	429.90	284.49
	429.90	286.97

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

13. EQUITY SHARE CAPITAL

	As at March 31, 2019		As at March 31, 2018	
	No. of shares in lacs	Rs.in Lacs	No. of shares in lacs	Rs.in Lacs
Authorised Shares				
Equity Shares of Rs. 10/- each	610.00	6,100.00	610.00	6,100.00
Preference shares of Rs 10/- each	500.00	5,000.00	500.00	5,000.00
		11,100.00		11,100.00
Issued, Subscribed and fully paid-up Equity Shares				
Equity shares of Rs. 10/- each (March 31, 2018: Rs. 10/-) each, fully paid-up	273.49	2,734.85	273.49	2,734.85
		2,734.85		2,734.85

a) This note also covers the equity component of 8 % Non-cumulative, Non-convertible Redeemable Preference Shares (NCNCRPS) [included in Other Equity in Note 14(A)], the Cumulative, Non-convertible Redeemable Preference Shares (CNCRPS) [Refer Note 15(B)] and liability component of NCNCRPS and are reflected in Borrowings Note 15(A).

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

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

	As at March 31, 2019		As at March 31, 2018	
	No. of shares in lacs	Rs.in Lacs	No. of shares in lacs	Rs.in Lacs
Equity Shares				
At the beginning of the year	273.49	2,734.85	201.49	2,014.85
Shares issued during the year (Refer (e) below)	-	-	72.00	720.00
Outstanding at the end of the year	273.49	2,734.85	273.49	2,734.85

b) Terms and 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, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Terms of CNCRPS

For terms and conditions refer note 15(a)

d) Shares held by holding/ultimate holding and/ or their subsidiaries/ associates

	As at March 31, 2019		As at March 31, 2018	
	No. of shares in lacs	Rs.in Lacs	No. of shares in lacs	Rs.in Lacs
Equity Shares				
Titagarh Wagons Limited, the holding Company*				
Equity shares of Rs. 10/- each fully paid up	217.07	2,170.74	222.65	2,226.54
Preference Shares [Refer Note 15 (a)]				
Titagarh Wagons Limited, the holding Company				
CNCRPS of Rs. 10/- each fully paid up	250.00	-	-	-
NCNCRPS of Rs. 10/- each fully paid up	-	-	250.00	1,097.60
Titagarh Capital Private Limited, subsidiary of the Holding Company				
CNCRPS of Rs. 10/- each fully paid up	150.00	-	-	-
NCNCRPS of Rs. 10/- each fully paid up	-	-	150.00	821.11

* During the year ended March 31, 2018, 48,35,646 shares were held in the name of "Cimmco 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 was submitted to the depository participant (ICICI Bank). During March 31, 2019, the above mentioned shares of Cimmco Limited are now held in the name of Titagarh Wagons Limited.

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

	As at March 31, 2019 No. of shares	As at March 31, 2018 No. of shares
Equity shares allotted as fully paid up pursuant to contracts for consideration other than cash	-	72.00

The Hon'ble National Company Law Tribunal, Kolkata Bench by an order dated October 16, 2017 has sanctioned the Scheme of Amalgamation (the "Scheme") of Titagarh Agrico Private Limited (TAPL), a fellow subsidiary of the Company. The certified true copy of the said Order has been received and filed with the Ministry of Corporate Affairs on November 14, 2017, thus making the Scheme effective. Since the appointed date of the Scheme was April 1, 2016, the effect of amalgamation has been considered in the books retrospectively as per the requirements of IND AS 103. The financial information as at and for the corresponding year ended March 31, 2017 has been prepared considering the impact of aforesaid amalgamation with effect from April 1, 2016. Further, pursuant to the Scheme, the Company has allotted 72,00,000 equity shares of Rs. 10/- each to Titagarh Wagons Limited (TWL), the shareholder of TAPL in the ratio of 1 equity share of face value of Re. 10 each of the Company for every 5 Equity Shares of face value of Rs. 10 each held in TAPL and have considered the same for computing the earnings/ (loss) per equity share with effect from April 1, 2016.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

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

Name of Shareholders	As at March 31, 2019		As at March 31, 2018	
	No. of shares in lacs	% of holding	No. of shares in lacs	% of holding
Equity shares of Rs. 10 each fully paid				
Titagarh Wagons Limited, the holding company	217.07	79.37%	222.65	81.41%
CNCRPS of Rs 10 each fully paid up				
Titagarh Wagons Limited	250.00	62.50%	-	-
Titagarh Capital Private Limited	150.00	37.50%	-	-
NCNCRPS of Rs 10 each fully paid up				
Titagarh Wagons Limited	-	-	250.00	62.50%
Titagarh Capital Private Limited	-	-	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 ownership of shares.

14. OTHER EQUITY

	As at March 31, 2019 Rs.in Lacs	As at March 31, 2018 Rs.in Lacs
A. Equity Component of 8% NCNCRPS of Rs. 10 each issued and Fully Paid-up [Refer Note 15 (a)].	1,918.71	1,918.71
B. Shares pending Allotment [Refer 13(e) above]		
Balance as per the Last Financial Statements	-	720.00
Issue of Equity Shares during the year	-	(720.00)
	-	-
C. Securities Premium Account		
Balance as per the Last Financial Statements	3,220.32	3,220.32
Movement during the year	-	-
	3,220.32	3,220.32
Premium received on equity shares issued are recognised in the Securities Premium Account. This reserve can be utilised in accordance with the provisions of Section 52 of the Act.		
D. Capital Reserve		
Balance as per the Last Financial Statements	2,880.00	2,880.00
Movement during the year	-	-
	2,880.00	2,880.00
Capital reserve represents amount transferred from transferor company pursuant to a scheme of Amalgamation.		
E. Retained Earnings		
Balance as per the Last Financial Statements	5,404.95	7,737.39
Adjustment on account of IND AS 115	72.49	-
Restated balance as on April 01, 2018	5,477.44	7,737.39
Profit / (Loss) for the year	2,780.68	(2,331.82)
Item of Other Comprehensive Income recognised directly in Retained Earnings		
- Remeasurement (Gains) / Losses on Defined Benefit Plan	6.24	(0.62)
	8,264.36	5,404.95
	16,283.39	13,423.98

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

15. BORROWINGS

	Non-current		Current	
	As at March 31, 2019 Rs.in Lacs	As at March 31, 2018 Rs.in Lacs	As at March 31, 2019 Rs.in Lacs	As at March 31, 2018 Rs.in Lacs
Liability Component of Financial Instruments				
A Non Cumulative, Non-convertible Redeemable Preference Shares (NCNCRPS) [Refer (a) below]	-	3462.54	-	-
Financial Instruments (at FVTPL)				
B Cumulative, Non-convertible Redeemable Preference Shares (CNCRPS) [Refer (a) below]	4,000.00	-	-	-
	4,000.00	3,462.54	-	-
Secured				
C Indian Rupee Loan from bank [Refer (b) below]	8,570.81	6,090.38	763.08	2,098.32
Less: Amount Disclosed under Other Financial Liabilities (Refer Note 18)	-	-	(763.08)	(2,098.32)
	8,570.81	6,090.38	-	-
D Cash Credits from Banks [Refer (c) below]	-	-	3,018.00	949.43
E Unsecured				
Loan from a related party	-	-	425.00	500.00
	-	-	425.00	500.00
Total (A+B+C+D)	12,570.81	9,552.92	3,443.00	1,449.43

a) Terms of CNCRPS (March 31, 2018- NCNCRPS)

The Company had issued 400 lacs of 8% Non-Convertible Non-Cumulative Redeemable Preference Shares (NCNCRPS) of Rs. 10 each fully paid-up at par during the year ended March 31, 2015 to promoter/ promoter group entity, redeemable at par within 5 years from the date of issue i.e. Rs. 2,500.00 lakh by June 27, 2019 and Rs. 1,500.00 lakh by July 7, 2019. As approved by the shareholders by postal ballot result of which was declared on March 30, 2019 (Resolution passed on March. 28, 2019) the terms of NCNCRPS have been changed as follows: the preference shares are now 11% Cumulative Non-Convertible redeemable (CNCRPS) in one or more tranches: Rs. 2,500 lakh and Rs.1,500 lakh within June 27, 2024 and July 7, 2024 respectively. The said preference shares are not listed at any stock exchange.

b) Terms of Repayment of Secured Loans:

i) Term Loan of Rs. 9,333.89 lacs (March 31, 2018: Rs. 6194.65 lacs) carries interest @ 9.2% to 9.85% p.a (March 31, 2018: 9.05%) linked to 1 year MCLR and is repayable in 22 quarterly installments starting from September 2018 to September 2023.

There are certain financial covenants as per the terms of the loan agreement which have not been met as at March 31, 2019. However, the Company has been regular and timely in payment of interest. The management believes that it is not a material breach and the loan will continue to be on the same repayment terms and conditions as agreed at the time of disbursement. The Company has till date also not received any notice in this regard from the bank. Accordingly, the year end loan amount has been classified as non-current in accordance with the terms agreed at the time of disbursement.

Above term loan is secured by a first pari-passu charge by way of mortgage upon all fixed assets including land and building, plant and machinery and other movable/immovable assets at Company's Bharatpur Plant. The loan is further secured by the second charge on all current assets of the Company and unconditional and irrevocable corporate guarantee of Titagarh Wagons Limited, in relation to the entire amount payable under the facility.

ii) Term Loan of Rs. NIL (March 31, 2018: Rs. 1,994.05 lacs) carries an interest @ 10.50% p.a (March 31, 2018 @ 10.60%) (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. The said term loan has been repaid in full during the year.

The 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 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.

c) 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 rate ranging between 9.50% to 13.9% p.a linked with MCLR.

d) Terms of Repayment of Unsecured Loans:

Loan from Related Party carries interest rate of 11% p.a. (March 31, 2018 : 11 % p.a.) and is repayable on demand. Also refer Note 32.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

16. PROVISIONS

	Long-term		Short-term	
	As at March 31, 2019 Rs.in Lacs	As at March 31, 2018 Rs.in Lacs	As at March 31, 2019 Rs.in Lacs	As at March 31, 2018 Rs.in Lacs
Provisions for employee benefits :				
Gratuity [Refer Note 30(i)]	21.85	22.83	25.38	39.92
Leave Benefits [Refer Note 30(iii)]	-	-	22.39	25.98
	21.85	22.83	47.77	65.90
Other provisions:				
Warranties [Refer (a) below for movement]	-	-	33.62	29.32
Liquidated Damages [Refer note 37 (III)(c)]	-	-	-	131.48
Litigation, Claims and Contingencies [Refer (a) below for movement]	-	-	104.27	95.16
	-	-	137.89	255.96
	21.85	22.83	185.66	321.86

a) The movement in provision for warranties and litigation, claims and contingencies is as follows:

	(i) Warranties		(ii) Litigation, Claims and Contingencies	
	As at March 31, 2019 Rs.in Lacs	As at March 31, 2018 Rs.in Lacs	As at March 31, 2019 Rs.in Lacs	As at March 31, 2018 Rs.in Lacs
At the beginning of the year	29.32	36.98	95.16	95.16
Made during the year	4.30	18.00	9.11	-
Utilized during the year	-	-	-	-
Unused amounts reversed	-	(25.66)	-	-
At the end of the year	33.62	29.32	104.27	95.16

Information about individual provisions and significant estimates

Warranties

Provision is made for estimated warranty Claims in respect of products sold which are under warranty at the end of the reporting period. Management estimates the provision based on contractual terms, historical warranty claims information and any recent trends that may suggest future claims could differ from historical amounts.

Litigation, claims and contingencies

The amounts represent best possible estimates of pending litigations / claims filed by vendors, customers, labours etc and probable claims arising out of certain tax matters. The timing and probability of outflow and expected reimbursements, if any, with regard to these matters depends on the ultimate outcome of the legal process or settlement / conclusion of the matter with the relevant authorities / customers / vendors etc.

17. TRADE PAYABLES (At amortised Cost)

	As at March 31, 2019 Rs.in Lacs	As at March 31, 2018 Rs.in Lacs
Trade Payables [Refer (a) below]		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 42)	-	-
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	11,344.23	2,336.74
	11,344.23	2,336.74

- (a) Trade Payables include payable to Titagarh Wagons Limited, the holding company, Rs. 4,916.48 Lacs (March 31, 2018 : Rs. 608.71 Lacs). Also Refer Note 32.
- (b) Refer Note 37 for information about market risk and liquidity risk on trade payables.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

18. OTHER FINANCIAL LIABILITIES (At amortised Cost)

	As at March 31, 2019 Rs.in Lacs	As at March 31, 2018 Rs.in Lacs
Current Maturities of Long-term Debt [Refer Note 15(c)]	763.08	2,098.32
Interest Accrued but not due on Borrowings	65.84	2.17
Payable towards Purchase of Property, Plant and Equipment	7.97	44.98
Others		
Employee Related Liabilities	36.24	40.23
Interest Free Deposits from Dealers	60.52	72.85
Investor Education and Protection Fund will be credited by following amounts (as and when due)		
Unpaid Fractional Shares	-	2.48
Other Liabilities [#]	103.95	94.71
	1,037.60	2,355.74

Other liabilities are in respect of commission on corporate guarantee payable to Titagarh Wagons Limited and other liabilities in respect of gratuity payable to employees of erstwhile Cimmco Birla Limited.

19. OTHER CURRENT LIABILITIES

	As at March 31, 2019 Rs.in Lacs	As at March 31, 2018 Rs.in Lacs
Statutory Dues	26.16	21.01
Advances from customers (Refer note 19A)	617.50	1,645.24
Other Liabilities	15.91	15.91
	659.57	1,682.16

19A. Assets and liabilities related to contract with customers

	As at March 31, 2019 Rs.in Lacs	As at March 31, 2018 Rs.in Lacs
Contract Assets		
Unbilled Revenue	128.45	-
Total Contract assets	128.45	-
Contract Liabilities		
Advance from customers	617.50	1,645.24
Trade receivables in respect of contract with customers has been included in Note-10.		
Revenue recognised in relation to contract liability		
	As at March 31, 2019 Rs.in Lacs	As at March 31, 2018 Rs.in Lacs
Revenue recognised that was included in the contract liability balance at the beginning of the period	1,242.80	166.66

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

20. REVENUE FROM OPERATIONS

	For the year ended March 31, 2019 Rs.in Lacs	For the year ended March 31, 2018 Rs.in Lacs
Revenue from Contract with Customers:-		
Sale of products (including excise duty)		
Finished products	22,817.40	12,765.18
Sale of Traded Goods - Spare parts	-	8.59
Sale of Raw materials & components	1,676.80	-
Sale of services	-	335.01
Job Processing Charges		
Other operating revenues		
Scrap sales	326.04	353.23
Other [Refer Note 6(a)]	898.32	-
Revenue from operations (gross)	25,718.56	13,462.01

Sale of Products include Excise Duty collected from customers amounting to Rs. NIL Lacs (March 31, 2018: Rs. 138.26 Lacs). Post applicability of Goods and Service Tax (GST) w.e.f July 1, 2017, revenue from operations is disclosed net of GST. However, revenue for the period up to June 30, 2017 is inclusive of excise duty. Accordingly, revenue from operations and total expenses for the year ended March 31, 2019 are not comparable with the previous year.

Revenue from operation includes revenue from contract with customers under IND AS 115 amounting to Rs. 24,494.20 Lacs (March 31, 2018 Rs. 13,108.78 Lacs). The details of which are given below:-

	For the year ended March 31, 2019 Rs.in Lacs	For the year ended March 31, 2018 Rs.in Lacs
Revenue recognised at a point in time	23,745.10	13,108.78
Revenue recognised over time	749.10	-
	24,494.20	13,108.78
Reconciliation of revenue recognised with contract price:		
Contract price	23,531.94	12,868.11
Adjustment for:		
Liquidated damages	(96.81)	(126.23)
Escalation	1,059.07	366.90
Revenue from operations	24,494.20	13,108.78

Also refer note 41.

21. OTHER INCOME

	For the year ended March 31, 2019 Rs.in Lacs	For the year ended March 31, 2018 Rs.in Lacs
21.1 Interest Income		
On Financial Assets Carried at Amortised Cost - Bank Deposits	26.75	16.15
On Others [Refer Note 6(a)]	1,462.91	-
	1,489.66	16.15
21.2 Others		
Unspent Liabilities / Provisions No Longer Required Written Back	131.06	156.98
Other Non-operating Income	52.64	27.19
	183.70	184.17
	1,673.36	200.32

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

22. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

	For the year ended March 31, 2019 Rs.in Lacs	For the year ended March 31, 2018 Rs.in Lacs
Inventories at the beginning of the year	1,788.96	2,353.70
Add: Purchases	27,222.51	8,970.03
	29,011.47	11,323.73
Less: Inventories at the end of the year [Refer Note 11]	6,420.96	1,788.96
Total	22,590.51	9,534.77

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

	For the year ended March 31, 2019 Rs.in Lacs	For the year ended March 31, 2018 Rs.in Lacs
Inventory at the beginning of the year		
Finished Goods	1,326.49	1,326.97
Work-in-Progress	691.15	970.61
Traded Goods	-	10.06
Saleable scrap	115.94	207.68
(A)	2,133.58	2,515.32
Inventory at the end of the year		
Finished Goods	385.48	1,326.49
Work-in-Progress	2,704.10	691.15
Saleable scrap	280.45	115.94
(B)	3,370.03	2,133.58
Adjustment on account of IND AS 115	(905.66)	-
(Increase)/ Decrease	(A-B+C)	381.74

24. EMPLOYEE BENEFIT EXPENSES

	For the year ended March 31, 2019 Rs.in Lacs	For the year ended March 31, 2018 Rs.in Lacs
Salaries, Wages and Bonus	409.56	497.64
Contribution to Provident and other Funds [Refer note 44 & Note 30(ii)]	26.98	24.31
Gratuity Expense [Refer Note 30(i)]	10.09	10.69
Staff Welfare Expenses	40.42	46.23
Total	487.05	578.87

25. FINANCE COSTS

	For the year ended March 31, 2019 Rs.in Lacs	For the year ended March 31, 2018 Rs.in Lacs
Interest Expense on Financial Liabilities Carried at Amortised Cost		
- Borrowings from Banks	1,439.04	873.98
- Preference Shares [Refer Note 15(A)]	537.45	403.67
Bank Charges	198.01	156.89
Total	2,174.50	1,434.54

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

26. OTHER EXPENSES

	For the year ended March 31, 2019 Rs.in Lacs	For the year ended March 31, 2018 Rs.in Lacs
Consumption of stores and spares	472.20	887.66
Job Processing and other Machining Charges (including contract labour charges)	1,238.29	783.00
Power and Fuel	327.57	260.38
Design and Development Expenses	0.18	2.95
Repairs and maintenance		
Plant and Machinery	219.13	10.62
Buildings	46.12	43.10
Others	8.15	4.04
Rent (Refer Note 31)	0.96	2.22
Rates and Taxes	35.60	6.42
Insurance	17.61	23.21
Freight and forwarding charges		
Advertising and sales promotion	6.99	10.02
Travelling and conveyance	47.80	57.17
Freight and forwarding charges [Net of recovery Rs. 20.48 lacs]	-	30.46
Postage and Telegram	16.47	6.35
Legal and professional fees	154.93	158.52
Directors sitting fees	11.00	13.60
Payment to Auditors		
As auditors		
Audit fee	5.00	5.00
Limited reviews	3.00	3.00
In other capacity		
Other services (certification fees) *	0.26	7.39
Reimbursement of expenses	0.16	0.06
Liquidated Damages	78.06	32.91
Less: Adjusted with provision	78.06	32.91
Provision for Liquidity Damages	-	126.23
Provision for Warranties	4.30	18.00
Loss on foreign exchange differences (net)	0.12	-
Irrecoverable Debts/ Advances Written Off	935.37	-
Provision for doubtful debts and advances	-	139.00
Net Loss on Disposal of Property, Plant and Equipment	-	0.11
Loss on Fair Valuation of Investments Carried at Fair Value through Profit or Loss	-	1.16
Miscellaneous Expenses	252.56	201.59
Total	3,803.77	2,801.26

* Figure for the year ended March 31, 2018 represents Rs 7.39 Lacs paid to the preceding auditor of the Company.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

27. EXCEPTIONAL ITEMS

	For the year ended March 31, 2019 Rs.in Lacs	For the year ended March 31, 2018 Rs.in Lacs
Impairment of Property, Plant and Equipment and Intangible Assets [Refer Note 3(i)(c)]	-	614.12
Total	-	614.12

28. INCOME TAX EXPENSE

	For the year ended March 31, 2019 Rs.in Lacs	For the year ended March 31, 2018 Rs.in Lacs
A) Amount recognised in the Statement of Profit and Loss		
Current Tax	-	-
Deferred Tax	(2,676.70)	(38.35)
Total Income Tax Expense Recognised in Profit and Loss	(2,676.70)	(38.35)
B) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable		
Accounting Profit / (Loss) before Tax	103.98	(2,370.17)
At India's Statutory Income Tax Rate of 34.944% (March 31, 2018: 34.608%)	36.34	(820.27)
Expenses not allowed as deductions	188.86	140.58
Impact of lower tax rate (Capital Gains tax rate) on the fair valuation of land	(78.48)	-
Adjustment for change in tax rate	8.11	-
Recognition of Deferred Tax Asset (net) (Refer Note-7)	(2,563.98)	641.34
Others	(267.55)	-
	(2,676.70)	(38.35)

29. EARNING / LOSS PER EQUITY SHARE

	For the year ended March 31, 2019 Rs.in Lacs	For the year ended March 31, 2018 Rs.in Lacs
Weighted average number of Equity Shares outstanding during the year	2,73,48,526	2,73,48,526
Profit / (Loss) for the year (Rs in lacs)	2,780.68	(2,331.82)
Nominal Value per Equity Share (Rs)	10.00	10.00
Earning/(Loss) per Equity Share - Basic and Diluted (Rs.)	10.16	(8.53)

30. EMPLOYMENT BENEFITS

i) Post Employment Defined Benefit Plan

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. Company's gratuity plan is non-funded.

The following table sets forth the particulars in respect of the gratuity plan of the Company.

	Gratuity (Rs. in lacs)	
	For the year ended March 31, 2019	For the year ended March 31, 2018
a) Statement of Profit and Loss		
Net Employee Benefits Expense recognised in the employee cost		
Current Service Cost	5.26	7.48
Net Interest Cost	4.83	3.21
Total (Recognised as 'Gratuity Expense' in Note 24)	10.09	10.69

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

b)	Expenses recognised in Other Comprehensive Income (OCI)		
	Remeasurements (Gains) / Losses	(9.59)	0.62
	Total	(9.59)	0.62
c)	Bifurcation of Net Liability at the end of the year as per revised Schedule III of the Companies Act, 2013		
	Current Liability (Short term)	25.38	39.92
	Non-Current Liability (Long term)	21.85	22.83
	Total	47.23	62.75
d)	Net Liability recognised in Balance Sheet		
	Changes in the Present Value of the Defined Benefit Obligation are as follows:		
	Opening Present Value of Defined Benefit Obligation	62.75	51.97
	Current Service Cost	5.26	7.48
	Interest Cost	4.83	3.21
	Benefits Paid	(16.02)	(0.53)
	Remeasurements (Gains) / Losses		
	Financial assumption changes	0.29	(1.69)
	Experience Variance	(9.88)	2.31
	Closing Present Value of Defined Benefit Obligation	47.23	62.75
e)	Maturity profile of the Defined Benefit Obligation		
	Weighted average duration of the defined benefit obligation	4 years	4 years
	Expected benefit payments for the year ending		
	Not later than 1 year	25.38	33.77
	Later than 1 year and not later than 5 years	11.58	11.94
	Later than 5 year and not later than 10 years	15.03	14.71
	More than 10 years	19.21	27.03
f)	The principal assumptions used in determining Gratuity are shown below:		
	Discount Rate	7.55%	7.70%
	Rate of increase in salary	5.00%	5.00%
	Mortality	Indian Assured Lives Mortality (2006-08) (modified)	

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.

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

(Rs. in lacs)

Sensitivity Analysis	Impact on Defined Benefit Obligation			
	March 31, 2019		March 31, 2018	
	Increase	Decrease	Increase	Decrease
Discount Rate (+/- 1%)	(45.38)	49.30	(59.05)	54.45
Salary Growth Rate (+/- 1%)	49.33	45.33	54.38	(59.09)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

ii) **Post Employment Defined Contribution Plan - Provident Fund**

Certain categories of employees of the Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer make monthly contributions to a government administered fund at specified percentage of the covered employee's qualifying salary. The Company has no further obligations under the plan beyond its monthly contributions.

The amount paid for Defined Contribution Plan are as follows:

	For the year ended March 31, 2019 Rs.in Lacs	For the year ended March 31, 2018 Rs.in Lacs
Provident Fund	19.30	24.31

iii) **Leave Benefits**

The Company provides for accumulation of leave by its employees. The employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a provision for leave benefits in the period in which the employee renders the services that increases this entitlement. This is an unfunded plan.

The total provision recorded by the Company towards this obligation as at year end was Rs. 22.39 Lacs (March 31, 2018: Rs 25.98 Lacs). The amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these benefits. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	For the year ended March 31, 2019 Rs.in Lacs	For the year ended March 31, 2018 Rs.in Lacs
Leave provision not expected to be settled within the next 12 months	12.23	10.05

iv) **Risk Exposure**

Through its defined benefit plans, the Company is exposed to some risks, the most significant of which are detailed below:

Discount Rate Risk

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of the liability.

Salary Growth Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

Demographic Risk

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

31 **LEASES**

The Company does not have any non-cancellable lease agreement. Operating lease rentals on machineries for the year recognised in the Statement of Profit and Loss amounts to Rs. 0.96 Lacs (March 31, 2018 - Rs. 2.22 Lacs). There are no restrictions imposed by lease arrangements and there are no purchase options or sub leases or contingent rents.

32 **RELATED PARTY DISCLOSURES**

(A) Names of Related Parties and Related Party Relationship

Related Parties where control exists:

Holding Company : Titagarh Wagons Limited

Other Related Parties with whom transactions have taken place during the year

Fellow Subsidiary : Titagarh Capital Private Limited

Key Management Personnel (KMP) : Mr. J P Chowdhary – Executive Chairman
Mr. Umesh Chowdhary – Vice Chairman
Mr. R N Tiwari, Director (till February 24, 2019)
Mr. Anil Kumar Agarwal - Managing Director & CEO (w.e.f. November 10, 2018), Whole-time Director (till November 09, 2018)
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 Bhattacharya - Independent Director
Mrs. Vinita Bajoria - Non-Executive Director
KMP of Holding Company (Titagarh Wagons Limited) : Mr. D.N.Davar

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

32 RELATED PARTY DISCLOSURES (Contd.)

(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	Total
Sale of Products					
Titagarh Wagons Limited (includes Unbilled Revenue)	2018-19	2,452.54			2,452.54
	2017-18	119.06			119.06
Job Processing Charges					
Titagarh Wagons Limited	2018-19	-	-	-	-
	2017-18	295.61	-	-	295.61
Purchase of Raw Materials and Components					
Titagarh Wagons Limited	2018-19	8,236.26	-	-	8,236.26
	2017-18	1,949.02	-	-	1,949.02
Interest Expense on Borrowings					
Titagarh Capital Private Limited	2018-19	-	269.67	-	269.67
(Pref Share and other loan to related party)	2017-18	-	352.78	-	352.78
Titagarh Wagons Limited	2018-19	333.33	-	-	333.33
	2017-18	236.45	-	-	236.45
Directors Remuneration - Short-term employee benefits [Refer (E) below]					
Anil Agarwal	2018-19	-	-	12.00	12.00
	2017-18	-	-	12.00	12.00
R.N. Tiwari	2018-19			20.59	20.59
	2017-18			22.66	22.66
Directors Remuneration - Contribution to Provident Fund					
R.N. Tiwari	2018-19	-	-	1.21	1.21
	2017-18	-	-	1.34	1.34
Legal and Professional Fees					
D.N. Davar	2018-19	-	-	1.20	1.20
	2017-18	-	-	2.92	2.92
Sitting Fees to Directors					
Anil Kumar Agarwal	2018-19	-	-	-	-
	2017-18	-	-	0.60	0.60
G.B. Rao	2018-19	-	-	1.20	1.20
	2017-18	-	-	1.40	1.40
J. K.Shukla	2018-19	-	-	3.20	3.20
	2017-18	-	-	3.20	3.20
Kanwar Satya Brata Sanyal	2018-19	-	-	1.20	1.20
	2017-18	-	-	2.80	2.80
Matlubul Jamil Zillay Mowla	2018-19	-	-	2.20	2.20
	2017-18	-	-	1.70	1.70
Nandan Bhattacharya	2018-19	-	-	2.00	2.00
	2017-18	-	-	2.60	2.60
Vinita Bajoria	2018-19	-	-	1.20	1.20
	2017-18	-	-	1.00	1.00
Reimbursement of expenses to					
Titagarh Wagons Limited	2018-19	29.86	-	-	29.86
	2017-18	367.40	-	-	367.40
Liquidated damage received from					
Titagarh Wagons Limited	2018-19	68.00	-	-	68.00
	2017-18	-	-	-	-
Corporate Guarantee Commission					
Titagarh Wagons Limited	2018-19	25.88	-	-	25.88
	2017-18	-	-	-	-

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

(Rs. in Lacs)					
Nature of transactions	Year	Holding Company	Fellow Subsidiaries	KMP	Total
Sale of Property, Plant and Equipment					
Titagarh Wagons Limited	2018-19	-	-	-	-
	2017-18	20.12	-	-	20.12
Purchase of Property, Plant and Equipment					
Titagarh Wagons Limited	2018-19	-	-	-	-
	2017-18	5.88	-	-	5.88
Loans Taken					
Titagarh Capital Private Limited	2018-19	-	1,900.00	-	1,900.00
	2017-18	-	3,500.00	-	3,500.00
Loans Repaid					
Titagarh Capital Private Limited	2018-19	-	1,975.00	-	1,975.00
	2017-18	-	4,000.00	-	4,000.00
Balance outstanding as at the year end					
Borrowings- Current					
Titagarh Capital Private Limited	March 31, 2019	-	425.00	-	425.00
	March 31, 2018	-	500.00	-	500.00
Borrowings- Non- current - Liability Component of Compound Financial Instruments					
Titagarh Capital Private Limited	March 31, 2019	-	-	-	-
	March 31, 2018	-	1,295.88	-	1,295.88
Titagarh Wagons Limited	March 31, 2019	-	-	-	-
	March 31, 2018	2,166.66	-	-	2,166.66
Borrowings- Non- current - Liability Component of Financial Instruments					
Titagarh Capital Private Limited	March 31, 2019	-	1,500.00	-	1,500.00
	March 31, 2018	-	-	-	-
Titagarh Wagons Limited	March 31, 2019	2,500.00	-	-	2,500.00
	March 31, 2018	-	-	-	-
Other Financial Liabilities - Interest Accrued					
Titagarh Capital Private Limited	March 31, 2019	-	12.92	-	12.92
	March 31, 2018	-	-	-	-
Titagarh Wagons Limited	March 31, 2019	2.40	2.40	-	-
	March 31, 2018	-	-	-	-
Other Financial Liabilities - Other Liabilities					
Titagarh Wagons Limited	March 31, 2019	9.63	9.63	-	-
	March 31, 2018	-	-	-	-
Trade Payables					
Titagarh Wagons Limited	March 31, 2019	4,916.48	-	-	4,916.48
	March 31, 2018	608.71	-	-	608.71
Trade Receivable					
Titagarh Wagons Limited	March 31, 2019	630.08	-	-	630.08
	March 31, 2018	-	-	-	-
Unbilled Revenue					
Titagarh Wagons Limited	March 31, 2019	128.45	-	-	128.45
	March 31, 2018	-	-	-	-

- (C) The Company has obtained loan from IndusInd Bank of Rs. 3,500.00 lacs during the current year (Previous Year Rs. 6,500.00 lacs). The Outstanding balance of the said loan as on March 31, 2019 is Rs. 9,333.89 lacs (March 31, 2018: Rs. 6,194.65 lacs), the said loan is inter-alia secured by unconditional and irrevocable corporate guarantee of TWL. Also Refer Note 15(b)(i).
- (D) **Terms and conditions of transactions with related parties**
The sales / services to and purchases from related parties are made in the ordinary course of business. Outstanding balances at the year-end are unsecured and interest free (except loans taken) and settlement occurs in cash. The Company has not recorded any impairment of receivables relating to amounts owed by related parties.
- (E) The remuneration to Key Management Personnel does not include provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Company as a whole.
- (F) Refer Note 34 (c) for certain claims relating to a fellow subsidiary.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

33 COMMITMENTS

	As at March 31, 2019 Rs.in Lacs	As at March 31, 2018 Rs.in Lacs
Estimated amount of contracts remaining to be executed on Capital account and not provided for (net of advances)		
Property, Plant and Equipment	10.00	-

34 CONTINGENT LIABILITIES

(A) Disputed claims contested by the Company / pending at various courts.*	2,094.29	2,208.40
Matters under appeal with:		
Excise, Customs and Sales Tax Authorities	930.55	572.46
Income Tax Authorities	79.94	73.98

* Includes Rs 1360.45 Lacs (March 31, 2018: 1,360.45 Lacs) which in terms of BIFR order, even if decided against the Company, would stand at Rs 136.04 Lacs (March 31, 2018 : Rs 136.04 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 there against 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 licenses. 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 November 27, 2000 wherein a rehabilitation package was sanctioned by the BIFR on March 31, 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 December 21, 2010 had extended the EO period upto March 31, 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 earlier years. However, in absence of complete list of licenses along with 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, 2017 the Company had received a demand of Rs. 1,234.20 Lacs from Titagarh Capital Pvt. Ltd. (TCPL), the lessor of these wagons for the period October 2007 to March 2014. Titagarh Capital Pvt. Ltd. has pursued the matter in the Honorable High Court of Calcutta and the Honorable 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. Being aggrieved by the Order, Indian Railways preferred to file a Special Leave Petition before the Hon'ble Supreme Court of India and the Hon'ble Supreme Court, with the consent of the parties vide its order dated September 17, 2015, disposed of the SLP by referring all the disputes relating to 687 BOXN Wagons and 200 BCNA Wagons, total 887 Wagons, to the sole Arbitration of Hon'ble Mr. Justice (Retd.) S.S.Nijjar.

In view of ultimate claim against the Indian Railways, TCPL and the Company jointly filed claims aggregating Rs. 2,582.32 Lacs before the Ld. Sole Arbitrator and have also sought payment by Indian Railways of the user charges for the 687 BOXN Wagons and 200 BCNA Wagons for the period after the expiry of the primary lease period till the date of realisation along with interest at the rate of 22% per annum for delayed payment of user charges for the 687 BOXN Wagons and 200 BCNA Wagons till the date of realisation and also a direction to Railways to return possession of the 687 BOXN Wagons and 200 BCNA Wagons and order of injunction restraining the Indian Railways from using the Wagons. Indian Railways have filed their counter claim seeking to acquire ownership and title of the wagons at the residual value of 1% of the cost of acquisition.

In the arbitration proceedings, the final arguments have been completed by both the parties on November 26, 2018 and in terms of the directions passed by the Ld. Arbitrator, the written submissions have been filed by the Claimants. During the legal proceedings before the various forum, Railways have specifically admitted to their willingness to make payment of the lease rentals for the secondary lease period. The award is awaited. As on March 31, 2019, the amount of claim before the Sole Arbitrator works out to Rs. 2,151.82 Lacs (March 31, 2018 : Rs. 1,669.85 Lacs) on account of secondary lease rental for 887 wagons and Rs. 3,140.26 Lacs (March 31, 2018 : Rs. 2,482.83 Lacs) on account of interest computed @ 22% per annum as per terms of the Agreement. The realisable value of 887 wagons (based on Management assessment) works out to Rs. 4,239.58 (Rs. 4,664.93). The Company has not provided for this claim since it has a back-to-back claim for the sub-lease on Indian Railways.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

- (D) SBI Caps has raised an invoice 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 above terms contained in the above agreements and also favorable ITAT judgements regarding the admissibility of the depreciation on the leased assets the Company believes that there would not be any liability that would crystallise on account of the above.
- (E) In respect of above Contingent Liabilities, it is not practicable for the Company to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above, other than certain back to back claims as mentioned above.

35 SEGMENT INFORMATION

Consequent to amalgamation with Titagarh Agrico Private Limited [Refer Note 13 ('e)], the Company's Board of Directors, being the chief operating decision maker has identified two reportable segments, as under:

- Wagons & Engineering Products – Consists of manufacturing of wagons and engineering products.
- Tractors - Consists of manufacturing of tractors.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Also, the Company's borrowings (including finance costs), income taxes and investments are managed at head office and are not allocated to operating segments.

Segment revenue is measured in the same way as in the Statement of Profit and Loss.

Segment assets and liabilities are measured in the same way as in the financial statements. These assets and liabilities are allocated based on the operations of the segment and the physical location of the assets.

Information about Operating Segments

For the year ended March 31, 2019

	(Rs. in Lacs)		
	Wagons & Engineering Products	Tractors	Total
Revenue from Operations			
Segment Revenue (External)	25,691.35	27.21	25,718.56
Segment Profit / (Loss)	2,707.66	(243.54)	2,464.12
Unallocated Income / (Expenses)			
Finance Costs			2,174.50
Interest Income			(26.75)
Other Corporate Expenses			212.39
Loss before Taxes			103.98
Tax Expenses / (Credit)			(2,676.70)
Loss for the Year			2,780.68
Material Non-cash (Income) / Expenses:			
Depreciation and Amortisation Expense	292.03	82.19	374.22
Irrecoverable debts/ advances written off	935.37	-	935.37
Unspent Liabilities / Provisions no longer required Written Back	125.12	5.94	131.06
Segment Assets	46,247.82	350.67	46,598.49
Unallocated Assets			
Investments			0.25
Cash and Cash Equivalents			20.66
Other Bank Balances			428.97

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

35 SEGMENT INFORMATION (Contd...)

For the year ended March 31, 2019

	(Rs. in Lacs)		
	Wagons & Engineering Products	Tractors	Total
Investment Properties			821.24
Non-current Tax Assets			10.53
Deferred Tax Assets (Net)			260.90
Other Unallocated Assets			139.92
Total Assets			48,280.96
Segment Liabilities	12,340.68	69.10	12,409.78
Unallocated Liabilities			
Borrowings			16,013.81
Other Unallocated Liabilities			839.13
Total Liabilities			29,262.72
Revenue from Operations			
Segment Revenue (External)	13,197.51	264.50	13,462.01
Segment Profit / (Loss) *	243.75	(991.99)	(748.24)
Unallocated Income / (Expenses)			
Finance Costs			(1,434.54)
Interest Income			16.15
Other Corporate Expenses			(203.54)
Loss before Taxes			(2,370.17)
Tax Expenses / (Credit)			(38.35)
Loss for the Year			(2,331.82)
Material Non-cash (Income) / Expenses:			
Depreciation and Amortisation Expense	365.24	250.55	615.79
Provision for Doubtful Debts and Advances	121.60	17.40	139.00
Unspent Liabilities / Provisions no longer required Written Back	(152.23)	(4.75)	(156.98)
Segment Assets	34,354.29	654.94	35,009.23
Unallocated Assets			
Investments			0.25
Cash and Cash Equivalents			74.66
Other Bank Balances			286.97
Investment Properties			821.24
Non-current Tax Assets			14.51
Other Unallocated Assets			86.09
Total Assets			36,292.95
Segment Liabilities	4,502.97	111.95	4,614.92
Unallocated Liabilities			
Deferred Tax Liabilities (Net)			2,412.44
Borrowings			13,100.67
Other Unallocated Liabilities			6.09
Total Liabilities			20,134.12

* Including exceptional item (Refer Note 27)

	For the year ended March 31, 2019 Rs.in Lacs	For the year ended March 31, 2018 Rs.in Lacs
Entity-wide Disclosures:-		
(A) The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown below:		
India	25,718.56	13,462.01
Rest of the World	-	-
	25,718.56	13,462.01
(B) All Non-current Assets (excluding Financial Assets) of the Company are located in India.		
(C) Total Revenue from external customers include sales to Indian Railways of Rs. 15,149.35 Lacs (March 31, 2018: Rs. 8,084.33 Lacs) and to Adani Logistics Limited of Rs. 2,929.05lacs (March 31, 2018 : Rs 5 lacs) which represents more than 10% of the Total Revenue from external customers of the Company.		

36 Fair Values**(i) Fair Value Hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into level prescribed under the accounting standard. An explanation of the level is given below.

Level 1: Level 1 hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Level 2 hierarchy includes financial assets and liabilities measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3: Level 3 hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair Values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers in fair value measurements during the years ended March 31, 2019 and March 31, 2018.

	(Rs. in Lacs)
Date of Valuation	Level 3

**Quantitative disclosures fair value measurement hierarchy
for assets carried at FVTPL:**

Investments@	March 31, 2019	0.05
	March 31, 2018	0.05

@ The management has assessed the fair values and determined that any change in fair values will not have a material effect on the financial statements.

(ii) The management assessed that the carrying amount of Long-term Borrowings which are at floating interest rates are a reasonable approximation of their fair values and the difference between the carrying amounts and fair values is not expected to be significant.

The management assessed that the fair values of remaining financial assets and liabilities at amortised cost approximates to their carrying amounts largely due to short term maturities of these instruments.

Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimate technique. Therefore for substantially all financial instruments, the fair value estimates are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

37 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's Board of Directors ensures that risks are identified, measured and managed in accordance with Risk Management Policy of the Company and also reviews these risks and related risk management policy, which are summarised below.

I) Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, borrowings, other receivables etc.

II) Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities. Such foreign currency exposures are not hedged by the Company. The Company has a treasury department which monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the Company.

There is no Foreign Currency Risk as there is no Foreign Currency Receivable or Payable outstanding at the end of the reporting periods.

III) Credit Risks

The Company has exposure to credit risk, which is the risk that counterparty will default on its obligations resulting in financial loss to the Company. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets.

a) Trade and Other Receivables

Customer credit risk is managed by the Company through established policy and procedures and control relating to customer credit risk management. Trade Receivables are non-interest bearing. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation. The Company uses specific identification method in determining the allowances for credit losses of trade receivables considering historical credit loss experience and is adjusted for forward looking information.

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions.

b) Other Financial Assets and Deposits

Credit Risk from balances with banks, deposits, etc is managed by the Company's finance department. Investments of surplus funds are made only with approved counterparties in accordance with the Company's policy

c) Reconciliation of Impairment Provision

Particulars	(Rs in Lacs)		
	Trade Receivables	Claims Receivable #	Security Deposits
Opening Balance as at March 31, 2017	148.78	3,097.53	22.82
Provision made during the year ended March 31, 2018	120.75	-	-
Provision written back during the year ended March 31, 2018	(135.70)	-	-
Closing Balance as at March 31, 2018	133.83	3,097.53	22.82
Provision made during the year ended March 31, 2019	-	-	-
Provision adjusted with corresponding receivable balance during the year ended March 31, 2019	-	(3,097.53)	-
Provision written back during the year ended March 31, 2019	(22.22)	-	-
Closing Balance as at March 31, 2019	111.61	-	22.82

The impairment provision as disclosed above are based on assumptions about risk of default and expected credit loss rates. The Company uses judgement in making these assumptions based on the Company's past history, counter party's ability to pay, existing market conditions as well as forward looking estimates at the end of each reporting period.

Refer Note 6(a)

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Movement of Liquidated Damages:

Particulars	Liquidated Damages
Opening Balance as at March 31, 2017	38.16
Provision made during the year ended March 31, 2018	126.23
Provision utilized during the year ended March 31, 2018	(32.91)
Opening Balance as at March 31, 2018	131.48
Provision made during the year ended March 31, 2019	96.81
Provision utilized during the year ended March 31, 2019	(78.06)
Closing Balance as at March 31, 2019	150.23

IV) Liquidity Risks

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of commitment credit facilities to meet obligations when due and to close out market positions. Due to dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines. The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposits, which carry no market risk. 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

	(Rs in Lacs)			
	1 Year	1-3 years	3-5 Years	Total
As at March 31, 2019				
Borrowings (including interest thereon)*	5,258.36	4,243.59	6,607.94	16,109.89
Trade Payables	11,344.23	-	-	11,344.23
Other Financial Liabilities	208.68	-	-	208.68
	16,811.27	4,243.59	6,607.94	27,662.80
As at March 31, 2018				
Borrowings (including interest thereon)*	4,407.87	6,583.95	5,522.01	16,513.83
Trade Payables	2,336.74	-	-	2,336.74
Other Financial Liabilities	255.25	-	-	255.25
	6,999.86	6,583.95	5,522.01	19,105.82

*Includes transaction cost adjustment on borrowings and contractual interest payment based on interest rate prevailing at the end of the reporting period. Apart from above, there will be a cash outflow for redemption of Cumulative, Non-convertible Redeemable Preference Shares (CNCRRPS) amounting to Rs. 4,000 Lacs within a period of 3 - 5 years (March 31, 2018:- Redemption of Non Cumulative, Non-convertible Redeemable Preference Shares amounting to Rs. 4,000 Lacs within a period of 1 - 3 years).

V) Interest Rate Risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market interest rates relates primarily to the Company's debt interest obligation. Further the Company engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings.

The Company's investments in term deposits with bank are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

Interest Rate Risk Exposure

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

	As at March 31, 2019	(Rs in Lacs) As at March 31, 2018
Variable Rate Borrowings	12,351.89	9,138.13
Fixed Rate Borrowings	4,425.00	3,962.54
	16,776.89	13,100.67

Sensitivity

Profit or Loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Impact on Profit/(Loss) before Tax

	March 31, 2019	(Rs in Lacs) March 31, 2018
Interest Rates - Increase by 100 basis points *	(123.52)	(91.38)
Interest Rates - Decrease by 100 basis points *	123.52	91.38

* Holding all other variables constant and on the assumption that amount outstanding as at reporting dates were utilised for the full financial year.

38 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.

39 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.

40 Debt Reconciliation

This section sets out an analysis of debt and the movement in debt during the year.

Particulars		March 31, 2019	March 31, 2018
Non- current Borrowings		12,570.81	9,552.92
Current Maturities of Long-term Debt		763.08	2,098.32
Current Borrowings		3,443.00	1,449.43
Interest Accrued but not due on borrowings		65.84	2.17
Total		16,842.73	13,102.84
Particulars	Non- current Borrowings	Current Borrowings	Total
Debt as at March 31, 2017	6,179.78	2,124.95	8,304.73
Finance Costs	867.99	566.55	1,434.54
Cash Flows -			
Proceeds from Long-term Borrowings from Banks	6,175.00	-	6,175.00
Repayment of Long-term Borrowings from Banks	(1,134.89)	-	(1,134.89)
Short-term Borrowings - Receipts/(Payments)	-	(661.31)	(661.31)
Finance Costs Paid	(436.64)	(564.38)	(1,001.02)
Non-cash transactions			
Unspent Liabilities / Provisions no longer required Written Back	-	(14.21)	(14.21)
Debt as at March 31, 2018	11,651.24	1,451.60	13,102.84
Finance Costs	1,424.57	749.93	2,174.50
Cash Flows			
Proceeds from Long-term Borrowings from Banks	3,350.00	-	3,350.00
Repayment of Long-term Borrowings from Banks	(2,204.81)	-	(2,204.81)
Short-term Borrowings - Receipts/(Payments)	-	1,993.58	1,993.58
Finance Costs Paid	(887.11)	(686.27)	(1,573.38)
Debt as at March 31, 2019	18,805.35	2,835.49	21,640.84

NOTES TO FINANCIAL STATEMENTS AS AT AND FOR THE YEAR ENDED MARCH 31, 2019

41 Change in Accounting Policy

Effective April 1, 2018, the Company has adopted IND AS 115 "Revenue from Contracts with Customers" using the modified retrospective approach which is applied to contracts that were not completed as of April 1, 2018. The comparatives for year ended March 31, 2019 and year ended March 31, 2018 have not been restated and accordingly the results for the year ended March 31, 2019 are not comparable with the corresponding previous period reported. As a result of adoption of the new standard, an amount of Rs 72.49 lacs (net of tax), has been adjusted against retained earnings as on April 1, 2018. Further, the change in the timing of revenue recognition for certain contracts has following impact on Statement of Profit and Loss for the year ended March 31, 2019 :

Particulars	Year Ended March 31, 2019 Rs. In lacs
Increase/(Decrease) in Revenue from Operations	(374.15)
Decrease/(Increase) in Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap.	335.66
(Increase) / Decrease in Loss before tax	(38.49)
(Increase) / Decrease in Tax expense	13.45
(Increase) / Decrease in Loss for the period and Total comprehensive income	(25.04)
(Increase) / Decrease in Loss Per Equity Share (of Rs 10/- each) (Not Annualised) - Basic and Diluted (Rs.)	(0.09)
Also refer note 20 "Revenue from operation" and note 10 "Trade receivable".	

42 Details of dues to Micro and Small Enterprises

There are no amounts payable to Micro and Small Enterprises as at March 31, 2019 and March 31, 2018. There are no Micro and Small Enterprises to whom the Company owes dues, which were outstanding for more than 45 days during the years ended March 31, 2019 and March 31, 2018 and accordingly no interest was due, nor payable to supplier registered under Micro and Small Enterprises. This information as required to be disclosed under Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties could be identified on the basis of information available with the Company.

43 The Board of Directors at its meeting held on May 29, 2019 (adjourned to May 30, 2019) approved a draft scheme (the scheme) for merger of the Company with Titagarh Wagons Limited (Holding Company) pursuant to Sections 230 to 232 of the Companies Act, 2013 with April 01, 2019 as the Appointed Date, subject to such approvals as may be necessary including the SEBI/Stock Exchanges and sanction by the Hon'ble National Company Law Tribunal.

The Scheme provided for issue of 13 (thirteen) equity shares of Rs. 2/- each fully paid held up by the Holding Company for every 24 (Twenty Four) equity share of Rs. 10/- each fully paid by the shareholders of the Company on a record date to be determined in due course.

44 The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-1/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. Based on the initial assessment of the management, the aforesaid matter is not likely to have significant impact and accordingly, no provision has been made in these Financial Statements.

45 Due to allotment of 72,00,000 equity shares to promoter of the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble National Company Law Tribunal the minimum public shareholding (MPS) became 18.47%. Though the aforesaid allotment took place on December 02, 2017 but the shares were credited into the demat account of promoter after listing & trading approvals of the Stock Exchanges, on May 25, 2018 only. The promoter had since made two Offers for Sale (OFS) of the requisite equity shares to achieve the MPS of 25% as per Section 19A(2) of Securities Contracts (Regulation) Rules, 1957, however, due to low demand the OFS were undersubscribed, and the shareholding of public as at March 31, 2019 is 20.512%. As advised by the lawyers, the Company had also submitted an application to the SEBI and Stock Exchanges on December 06, 2018 seeking extension of time till September 30, 2019 to comply with the MPS requirement and waiver of penalty to which the SEBI responded by a letter dated January 24, 2019 informing that the provisions of Securities Contracts (Regulation) Rules, 1957 do not grant power to SEBI to grant extension of timeline for meeting MPS requirements for listed entity. However, the promoter although ready with the third OFS, can issue the same only after the trading window re-opens on June 01, 2019.

For Price Waterhouse & Co Chartered Accountants LLP

Firm Registration No.: 304026E/E-300009
Chartered Accountants

Pramit Agrawal

Partner
Membership No. 099903

Place: Kolkata
Date: May 30, 2019

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

J P Chowdhary

Executive Chairman
DIN: 00313685

Vineet Mohta

Chief Financial Officer

Umesh Chowdhary

Vice Chairman
DIN: 00313652

Dipankar Ganguly

Company Secretary

Anil Kumar Agarwal

Managing Director & CEO
DIN: 01501767

PROXY FORM

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 behalf at the 74th Annual General Meeting of the Company to be held on Friday, the 20th day of September, 2019 at 2:00 P.M. at "Bharatiya Bhasha Parishad", 36A Shakespeare Sarani, Kolkata-700017 (Landmark: Near Shakespeare Sarani Police Station) and at any adjournment thereof in respect of Resolutions as are indicated below:

Resolution No.	Resolution Proposed
Ordinary Businesses	
1.	To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2019, the Reports of Directors and Auditors thereon
2.	To appoint a Director in place of Shri Anil Kumar Agarwal (DIN: 01501767) who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.
3.	To declare a dividend on Preference Shares.
Special Businesses	
4.	Ordinary Resolution for redesignation of Shri Anil Kumar Agarwal (DIN: 01501767) as Managing Director & CEO of the Company
5.	Ordinary Resolution for ratification of remuneration of Cost Auditor.

Signed this _____ day of _____ 2019

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 dated 14th August, 2019 convening the Annual General Meeting.

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