

INDEPENDENT AUDITOR'S REPORT

To the Members of Titagarh Agrico Private Limited

Report on the Ind AS Financial Statements

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act., read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also



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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, its loss including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of written representations received from the directors as on March 31, 2017, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017, from being appointed as a director in terms of section 164 (2) of the Act;



S.R. BATLIBOI & CO. LLP

Chartered Accountants

- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure 2" to this report;
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in Note 35 to these Ind AS financial statements as to the holding of Specified Bank Notes on November 8, 2016 and December 30, 2016 as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on our audit procedures and relying on the management representation regarding the holding and nature of cash transactions, including Specified Bank Notes, we report that these disclosures are in accordance with the books of accounts maintained by the Company and as produced to us by the Management.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Kamal Agarwal**

Partner

Membership Number: 058652

Place of Signature: Kolkata

Date: May 18, 2017



Annexure 1 referred to in paragraph 1 of the section on "Report on other legal and regulatory requirements" of our report of even date

To the members of Titagarh Agrico Private Limited

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) All fixed assets were physically verified by the management in accordance with a planned programme of verifying them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon.

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public.

(vi) To the best of our knowledge and as explained, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products of the Company.

(vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, service tax, customs duty, excise duty, value added tax and cess which have not been deposited on account of any dispute.



S.R. BATLIBOI & Co. LLP

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(viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a bank or debenture holder. The Company did not have any outstanding dues in respect of a financial institution or to government during the year.

(ix) According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer / further public offer / debt instruments and term loans hence, reporting under clause (ix) is not applicable to the Company and hence not commented upon.

(x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the company or no fraud on the company by the officers and employees of the Company has been noticed or reported during the year.

(xi) According to the information and explanations given by the management, the managerial remuneration has been paid / provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.

(xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.

(xiv) According to the information and explanations given by the management, the Company has complied with provisions of section 42 of the Companies Act, 2013 in respect of the preferential allotment of shares during the year. According to the information and explanations given by the management, we report that the amounts raised, have been used for the purposes for which the funds were raised.

(xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.

(xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005


per **Kamal Agarwal**

Partner

Membership Number: 058652

Place of Signature: Kolkata

Date: May 18, 2017



ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF TITAGARH AGRICO PRIVATE LIMITED LIMITED

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Titagarh Agrico Private Limited** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal controls over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial



S.R. BATLIBOI & Co. LLP

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per **Kamal Agarwal**

Partner

Membership Number: 058652

Place of Signature: Kolkata

Date: May 18, 2017



Titagarh Agrico Private Limited
Balance Sheet as at March 31, 2017

	Notes	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.	As at April 1, 2015 Amount in Rs.
I. ASSETS				
Non-current assets				
(a) Property, Plant and Equipment	3.1	41,453,094	51,213,534	53,772,103
(b) Intangible assets	3.2	69,772,891	83,636,721	-
(c) Intangible assets under development	4	-	3,692,132	-
(d) Financial assets				88,087,784
(i) Investments	5	20,000	20,000	20,000
(ii) Loans and Deposits	6	28,000	28,000	17,000
(iii) Other Financial assets	7	92,266	2,153,652	1,910
(e) Non-current tax asset	8	98,659	3,060	-
(f) Other non-current assets	9	74,000	74,000	-
		<u>111,538,910</u>	<u>140,821,099</u>	<u>1,890,139</u>
Current assets				
(a) Inventories	10	49,291,373	60,217,565	24,301,903
(b) Financial assets				
(i) Trade receivables	11	9,536,810	8,983,195	-
(ii) Cash and cash equivalents	12.1	16,935,840	3,632,120	11,647,970
(iii) Other financial assets	7	18,380	16,287	-
(c) Other current assets	9	7,730,562	5,077,191	2,865,442
		<u>83,512,965</u>	<u>77,926,358</u>	<u>38,815,315</u>
Total Assets		<u>195,051,875</u>	<u>218,747,457</u>	<u>182,604,251</u>
II. EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	13	360,000,000	244,722,000	140,000,000
(b) Other equity	14	(211,631,506)	(124,510,638)	(15,863,643)
		<u>148,368,494</u>	<u>120,211,362</u>	<u>124,136,357</u>
Liabilities				
Non-current liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	-	-	26,272,236
(b) Provisions	16	611,089	1,223,828	1,252,332
		<u>611,089</u>	<u>1,223,828</u>	<u>27,524,568</u>
Current liabilities				
(a) Financial Liabilities				
(i) Borrowings	15	-	18,167,478	-
(ii) Trade payables	17	19,435,387	47,978,103	16,695,124
(iii) Other financial liabilities	18	14,428,127	19,381,777	7,628,796
(b) Other current liabilities	19	9,936,976	9,222,458	5,594,021
(c) Provisions	16	2,271,802	2,562,451	1,025,385
		<u>46,072,292</u>	<u>97,312,267</u>	<u>30,943,326</u>
Total Equity and Liabilities		<u>195,051,875</u>	<u>218,747,457</u>	<u>182,604,251</u>

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per our Report of even date

For S.R. Banerjee & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/E300005

per Kamal Adarwal
Partner
Membership No. 58652

Place: Kolkata
Date: 18th May 2017

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

J.P. Chowdhary
Executive Chairman

Anil Agarwal
Director

Rakesh Purohit
Chief Financial Officer

Umesh Chowdhary
Vice Chairman

Umesh Arva
Company Secretary



Umesh

Titagarh Agrico Private Limited
Statement of Profit & Loss for the year ended March 31, 2017

	Notes	For the year ended March 31, 2017 Amount in Rs.	For the year ended March 31, 2016 Amount in Rs.
Income			
Revenue from operations	20	57,392,770	49,977,013
Other income	21	1,026,080	119,478
Total Income (I)		<u>58,418,850</u>	<u>50,096,491</u>
Expenses			
Cost of raw materials & components consumed	22	46,060,205	50,744,060
Purchases of stock-in-trade		949,742	736,036
Change in inventories of finished goods, stock-in-trade and work-in-progress	23	(857,689)	(15,939,894)
Employee benefits expense	24	33,761,862	56,083,094
Excise duty expense		74,128	123,023
Finance cost	26	2,974,920	4,840,421
Depreciation and amortization expense	27	28,396,998	8,190,070
Other expenses	25	33,258,639	57,016,224
Total Expenses (II)		<u>144,618,805</u>	<u>161,793,034</u>
Loss before tax		(86,199,955)	(111,696,543)
Tax expense		-	-
Loss for the year		(86,199,955)	(111,696,543)
Other Comprehensive Income			
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods			
a) Re-Measurement gains on defined benefit plans		1,107,087	2,021,548
Other Comprehensive Income for the year		<u>1,107,087</u>	<u>2,021,548</u>
Total Comprehensive Loss for the year [Nominal value of share Rs. 10/- each (Rs.10/- each)]		(85,092,868)	(109,674,995)
Earnings per share (Basic & Diluted)	28	(2.78)	(6.71)
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/E3000005

per Kamal Agarwal
Partner
Membership No. 58852

Place: Kolkata
Date: 18th May 2017

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

J. Chowdhary
Executive Chairman

Anil Agarwal
Director

Rakesh Purohit
Chief Financial Officer

Umesh Chowdhary
Vice Chairman

Dinesh Arya
Company Secretary



Umesh

Titagarh Agrico Private Limited
Statement of Changes in Equity for the year ended 31st March 2017

A) Equity Share Capital

	Number	Amount In Rs.
Equity Shares of Rs. 10 each issued, subscribed and fully paid		
At the beginning of April 1, 2015	14,000,000	140,000,000
Shares issued during the year	10,472,200	104,722,000
Balance as at March 31, 2016	24,472,200	244,722,000
Shares issued during the year	11,527,800	115,278,000
Balance as at March 31, 2017	36,000,000	360,000,000

B) Other Equity

Amount In Rs.

Particulars	Reserves and Surplus		Total
	Money received Against Share Warrant including pending allotment	Retained Earnings	
Balance at April 1, 2015	1,000,000	(16,863,643)	(15,863,643)
Loss for the year ended March 31, 2016	-	(111,696,543)	(111,696,543)
Re-Measurement gains on defined benefit plans	-	2,021,548	2,021,548
Total comprehensive loss	-	(109,674,995)	(109,674,995)
Adjustments carried out during year ended March 31, 2016			
Money Received against Share Warrant	1,028,000	-	1,028,000
Balance at March 31, 2016	2,028,000	(126,538,638)	(124,510,638)
Loss for the year ended March 31, 2017	-	(86,199,955)	(86,199,955)
Re-Measurement losses on defined benefit plans	-	1,107,087	1,107,087
Total comprehensive loss	-	(85,092,868)	(85,092,868)
Adjustments carried out during the year ended March 31, 2017			
Issue of Shares	(2,028,000)	-	(2,028,000)
Balance as at March 31, 2017	-	(211,631,506)	(211,631,506)

Significant accounting policies

2

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

As per our report of even date.

S.R. Batliboi & Co. LLP
Registration Number: 301003E/E300005
Chartered Accountants

Per Kama Agarwal
Memberships No. 58652
Place : Kolkata
Date: 18th May 2017

P Chowdhary
Executive Chairman

Umesh Chowdhary
Vice Chairman

Anil Agarwal
Director

Dinesh Arya
Company Secretary

Rakesh Purohit
Chief Financial Officer



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Titagarh Agrico Private Limited

CASH FLOW STATEMENT

For the year ended March 31, 2017

For the year ended
March 31, 2017
Amount in Rs.

For the year ended
March 31, 2016
Amount in Rs.

A. CASH FLOW FROM OPERATING ACTIVITIES

Loss before tax	(86,199,955)	(111,696,543)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation and amortization expense	28,396,998	8,190,070
Loss on redemption of Optionally Fully Convertible Debentures (OFCD)	-	20,611,873
Interest expense	2,051,059	3,596,498
Interest income	(969,206)	(32,345)
Operating Loss before Working Capital Changes	(56,721,104)	(79,330,447)

Movements in working capital :

Increase / (Decrease) in financial liabilities, other liabilities and provisions	(30,421,794)	41,407,395
Increase in Trade Receivable	(553,615)	(8,983,195)
(Increase)/Decrease in Inventories	10,926,192	(35,915,662)
Increase in Loans & Advances	(595,636)	(4,372,749)
(Increase)/Decrease in Current Assets	1,559	(18,029)

Cash used in operations

Direct taxes paid	(77,364,398)	(87,212,687)
Net Cash used in Operating activities (A)	(77,459,997)	(87,215,747)

B. CASH FLOW FROM INVESTING ACTIVITIES

Purchase of fixed assets, including CWIP and capital advances	(2,666,433)	(1,846,738)
Interest received	969,206	32,345
Net Cash flow used in Investing Activities (B)	(1,697,227)	(1,814,393)

C. CASH FLOW FROM FINANCING ACTIVITIES

Proceeds from issuance of equity share capital	115,278,000	104,722,000
Money received against Share Warrants	(2,028,000)	1,028,000
Net movement in short term borrowings	(570,519)	8,190,000
Repayment of OFCD	-	(49,500,000)
Proceed / (Repayment) from Cash credit facility	(18,167,478)	18,167,476
Interest paid	(2,051,059)	(1,593,186)
Net Cash flow generated from Financing activities (C)	92,460,944	81,014,290

Net (Decrease)/ Increase in cash & cash equivalent (A+B+C)

Cash and cash equivalents at the beginning of the year	13,303,720	(8,015,850)
Cash and cash equivalents at the end of the year	3,632,120	11,647,970
	16,935,840	3,632,120

Components of cash and cash equivalents:

Cash on hand	472	91,085
Balance with Banks:		
On Current Account	6,935,368	3,541,035
Deposit with remaining maturity less than 3 months.	10,000,000	-
Total cash and cash equivalents (note 12.1)	16,935,840	3,632,120

As per our Report of even date

For S. R. Batliboi & Co. LLP

Firm Registration Number: 301003E/E300005

Chartered Accountants

per Kamal Agarwal

Partner

Membership No.: 058652

For and on behalf of Board of Directors of Titagarh
Agrico Private Limited

J P Chowdhary
Executive Chairman

Umesh Chowdhary
Vice Chairman

Anil Agarwal
Director

Dinesh Arya
Company Secretary

Place: Kolkata

Date: 18th May 2017

Rakesh Purohit
Chief Financial Officer



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1 Corporate Information

Titagarh Agrico Private limited (the Company) is a public company domiciled in India and incorporated under the provisions of the erstwhile Companies Act, 1956. The Company is engaged in manufacturing of agricultural and farm machinery including tractors and similar products. The Company caters to the domestic and export market. The registered office of the Company is located at 756, Anandapur, EM-Bypass, Kolkata - 700107.

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

2 Basis of preparation

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

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

The financial statements have been prepared on a historical cost basis, except for certain items which are measured at fair value such as Optionally Fully Convertible Debentures etc., covered under IND AS 109 "financial instruments" etc.

2.1 Significant accounting policies

a. Revenue Recognition

Sale of goods

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

Excise duty is a liability of the manufacturer irrespective of whether the goods are sold or not. Hence, the recovery of excise duty flows to the Company on its own account and accordingly revenue includes excise duty. However, Sales tax/ value added tax (VAT) are collected on behalf of the government and accordingly, it is excluded from revenue.

The Company provides fixed number of free services to customers against sale of tractors. Consideration received by the Company on sale of tractors is allocated between the tractors sold and free services at their fair values. The fair value of free services is deferred and recognised as revenue when the services are obtained by the customers.

Interest Income

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable effective interest rate (EIR).

b. Taxes

Current income tax

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

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax

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



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

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

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

c. Property, plant and equipment (PPE)

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

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

Machinery spare which meets the criteria of PPE is capitalized and depreciated over the useful life of the respective assets.

PPE awaiting disposal are valued at the lower of written down value and net realizable value and disclosed separately.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

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

The Company, based on technical assessment made by technical expert and management's estimate, depreciates certain items of building, plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

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

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

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

d. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangibles, excluding capitalised development costs, are not capitalised and the related expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

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



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

Intangible assets	Useful lives	Amortisation method used	Internally generated or acquired
Prototypes	Finite (10 years)	Amortised on a straight-line basis over the useful life	Internally generated
Computer Software's	Finite (3 years)	Amortised on a straight-line basis over the useful life	Acquired

e. 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.

f. Leases

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

Company as a lessee

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

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on the borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

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

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

g. Inventories

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

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

(i) Raw materials, Components, Stores and Spares: These are valued at lower of cost and net realisable value. However, material and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

(ii) Finished goods and work in progress: These are valued at lower of cost and net realisable value. Cost includes cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity. Cost of finished goods also includes excise duty. Cost is determined on weighted average basis.

(iii) Traded goods are valued at lower of cost and net realizable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on a 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.



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h. Impairment of non-financial assets

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

i. Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is recognised in the statement of profit and loss net of any reimbursement.

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

Warranty provisions

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

j. Retirement and other employee benefits

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

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

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

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

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

(i) Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and

(ii) Net interest expense or income

In case of gratuity, current and non current bifurcation is done as per Actuarial report.

k. Financial instruments

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

Subsequent measurement

Non-derivative financial instruments

(a) Financial assets carried at amortised cost

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

(b) Financial Liabilities

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

Derecognition

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

Impairment of financial assets



Titagarh Agrico Private Limited

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

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

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

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

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

l. Cash and cash equivalents

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

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

m. Earning per share

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

n. Segment reporting

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

o. Contingent Liabilities

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

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

Amendment to Ind AS 7:

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



Titagarh Agrico Private Limited
Notes to financial statements as at and for the year ended March 31, 2017

3.1 Property, plant and equipment

Amount in Rs.

	Leasehold Improvements	Buildings	Plant and Equipment	Furniture and Fixtures	Office Equipment and Computers	Vehicles	Total
Cost							
At April 1, 2015	6,315,910	7,440,461	33,299,596	4,792,933	2,105,020	45,520	53,999,440
Additions	778,129	2,197,799	1,932,827	140,934	131,100	-	5,180,789
Disposals	-	-	-	-	-	45,520	45,520
At March 31, 2016	7,094,039	9,638,260	35,232,423	4,933,867	2,236,120	-	59,134,709
Additions	-	-	68,000	-	-	-	68,000
At March 31, 2017	7,094,039	9,638,260	35,300,423	4,933,867	2,236,120	-	59,202,709
Depreciation and Amortization							
At April 1, 2015	-	-	-	37,828	185,088	4,421	227,337
Charge for the year*	2,501,219	265,825	3,765,713	467,840	697,662	3,601	7,701,860
Disposals	-	-	-	-	-	8,022	8,022
At March 31, 2016	2,501,219	265,825	3,765,713	505,668	882,750	-	7,921,175
Charge for the year	2,083,531	2,758,901	3,816,256	468,758	700,994	-	9,828,440
At March 31, 2017	4,584,750	3,024,726	7,581,969	974,426	1,583,744	-	17,749,615
Net Block							
At March 31, 2017	2,509,289	6,613,534	27,718,454	3,959,441	652,376	-	41,453,094
At March 31, 2016	4,592,820	9,372,435	31,466,710	4,428,199	1,353,370	-	51,213,534
At April 1, 2015	6,315,910	7,440,461	33,299,596	4,755,105	1,919,932	41,099	53,772,103

* Charge for the year includes Rs. 3,912,722 transferred to intangible assets under development.



Titagarh Agrico Private Limited
Notes to financial statements as at and for the year ended March 31, 2017

3.2 Other Intangible Assets

Amount in Rs.

	Prototype	Computer Software	Total
Cost			
At April 1, 2015	-	-	-
Additions	88,038,655	-	88,038,655
At March 31, 2016	88,038,655	-	88,038,655
Additions	-	4,704,727	4,704,727
At March 31, 2017	88,038,655	4,704,727	92,743,382
Depreciation and Amortization			
At April 1, 2015	-	-	-
Charge for the year	4,401,933	-	4,401,933
At March 31, 2016	4,401,933	-	4,401,933
Charge for the year	17,607,731	960,828	18,568,558
At March 31, 2017	22,009,663	960,828	22,970,491
Net Block			
At March 31, 2017	66,028,992	3,743,899	69,772,891
At March 31, 2016	83,636,722	-	83,636,721



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4. INTANGIBLE ASSETS UNDER DEVELOPMENT

	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.	As at April 1, 2015 Amount in Rs.
(A) Prototype development			
Opening balance	-	88,087,785	14,473,642
Add: Expenses incurred during the year	-	-	-
Cost of Raw Material and Components consumed	-	83,873,844	22,749,765
Consumption of Stores & Spares	-	2,361,020	4,884,195
Employee benefits expenses	-	-	-
Salaries, wages and bonus	-	11,632,383	30,095,251
Contribution to provident and other funds	-	2,738,576	2,992,590
Gratuity expense	-	74,748	1,269,873
Staff welfare expenses	-	951,186	1,046,694
Testing Fees	-	1,796,636	2,565,177
Power & fuel	-	1,587,322	1,116,053
Insurance	-	306,277	9,959
Job Contractor Charges	-	1,494,717	314,947
Facility Charges	-	5,118,600	-
Depreciation	-	3,913,722	-
Advertisement and sales promotion	-	(712,422)	-
Repairs and maintenance	-	589,546	338,219
Travelling and conveyance	-	(3,477,463)	3,514,686
Communication costs	-	492,187	898,450
Printing and stationery	-	171,188	428,420
Legal and professional fees	-	1,647,102	782,420
Recruitment and meeting expense	-	181,814	607,444
Freight outward	-	1,497,115	-
Less: Sale of tractors & spare parts	-	(108,720,092)	-
Less: Stock of finished goods & work-in-progress transferred to inventory (Refer Note No. 23)	-	(7,567,138)	-
Less: Intangible Assets Capitalised	-	(88,038,652)	-
			88,087,785
(B) ERP software under development	-	3,692,132	-
		3,692,132	88,087,785

5. NON-CURRENT INVESTMENTS

	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.	As at April 1, 2015 Amount in Rs.
Government and trust securities (un-quoted) (at Cost)			
National saving certificates (pledged with the Commercial Tax Officer, Bharatpur as Security Deposit)	20,000	20,000	20,000
Total	20,000	20,000	20,000

6. LOANS AND DEPOSITS (at amortised cost)

	Non-current			Current		
	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.	As at April 1, 2015 Amount in Rs.	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.	As at April 1, 2015 Amount in Rs.
Unsecured, considered good unless stated otherwise						
Security Deposits	28,000	28,000	17,000	-	-	-
Total	28,000	28,000	17,000	-	-	-

7. OTHER FINANCIAL ASSETS (at amortised cost)

	Non-current			Current		
	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.	As at April 1, 2015 Amount in Rs.	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.	As at April 1, 2015 Amount in Rs.
(Unsecured, considered good unless stated otherwise)						
Non-Current Bank Balances (Refer Note No. 12.2)	92,266	2,150,000	-	-	-	-
Interest accrued on fixed deposits and Investment	-	3,652	1,910	18,380	16,287	-
Total	92,266	2,153,652	1,910	18,380	16,287	-

8. TAX ASSETS

	Non-current		
	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.	As at April 1, 2015 Amount in Rs.
Advance tax	98,659	3,060	-
	98,659	3,060	-

9. OTHER ASSETS

	Non-current			Current		
	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.	As at April 1, 2015 Amount in Rs.	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.	As at April 1, 2015 Amount in Rs.
(Unsecured, considered good unless stated otherwise)						
Capital Advances	74,000	74,000	1,890,139	-	-	-
Advance recoverable in cash or kind	-	-	-	3,978,545	1,053,739	1,995,039
Other advances	-	-	-	-	-	-
Balance with statutory/ government authorities	-	-	-	3,348,189	3,022,991	446,425
Prepaid expenses	-	-	-	403,828	1,000,461	423,978
Total	74,000	74,000	1,890,139	7,730,562	5,077,191	2,865,442

10. INVENTORIES

	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.	As at April 1, 2015 Amount in Rs.
(Valued at lower of cost and net realizable value)			
Raw materials and components [Includes Goods in transit Rs.Nil (31st March 2016: Rs 32,16,298; 1st April 2015: Rs 4,25,752)]	24,029,844	34,317,754	22,909,585
Work-in-progress	2,762,225	2,354,165	-
Finished goods	20,596,020	20,323,980	-
Traded Goods	1,006,476	828,887	-
Stores and spares	896,808	2,392,779	1,392,318
Total	49,291,373	60,217,565	24,301,903



11. TRADE RECEIVABLES (at amortised cost)
(Unsecured, considered good unless stated otherwise)

	As at March 31, 2017 Amount in Rs.	Current As at March 31, 2016 Amount in Rs.	As at April 1, 2015 Amount in Rs.
Secured, considered good	2,500,000	2,200,000	-
Unsecured, considered good	7,036,810	6,783,195	-
Unsecured, considered doubtful	561,023	-	-
	10,097,833	8,983,195	-
Less: Allowance for doubtful debts	561,023	-	-
Total	9,536,810	8,983,195	-

a) Trade receivables are non-interest bearing and are generally on terms of 0 to 90 days

12. CASH AND BANK BALANCES

	Non - Current			Current		
	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.	As at April 1, 2015 Amount in Rs.	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.	As at April 1, 2015 Amount in Rs.
12.1 Cash and cash equivalents						
Balances with banks:						
On current accounts				6,935,368	3,541,035	11,551,851
Deposits with original maturity of less than three months				10,000,000	-	-
Cash on hand				472	91,085	96,119
				16,935,840	3,632,120	11,647,970
12.2 Other bank balances						
Balances with banks:						
Deposits held as margin money #	92,266	2,150,000	-	-	-	-
	92,266	2,150,000	-	-	-	-
Amount disclosed under other non-current financial assets (Refer Note 7)	(92,266)	(2,150,000)	-	-	-	-
Total	-	-	-	16,935,840	3,632,120	11,647,970

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



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13. SHARE CAPITAL

Authorised Shares	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares in lacs	Amount in Rs.	No. of shares in lacs	Amount in Rs.	No. of shares in lacs	Amount in Rs.
Equity shares of Rs. 10/- (31st March 2016 Rs. 10/- - 31st March 2015 Rs. 10/-) each	360.00	360,000,000	260.00	260,000,000	150.00	150,000,000
		<u>360,000,000</u>		<u>260,000,000</u>		<u>150,000,000</u>
Issued, Subscribed and fully paid-up Shares						
Equity shares of Rs. 10/- (31st March 2016 Rs. 10/- - 31st March 2015 Rs. 10/-) each	360.00	360,000,000	244.72	244,722,000	140.00	140,000,000
		<u>360,000,000</u>		<u>244,722,000</u>		<u>140,000,000</u>

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

	2016-17		2015-16		2014-15	
	No. of shares in lacs	Amount in Rs.	No. of shares in lacs	Amount in Rs.	No. of shares in lacs	Amount in Rs.
Equity Shares						
At the beginning of the year	244.72	244,722,000	140.00	140,000,000	10.00	10,000,000
Issued during the year	115.28	115,278,000	104.72	104,722,000	130.00	130,000,000
Outstanding at the end of the year	<u>360.00</u>	<u>360,000,000</u>	<u>244.72</u>	<u>244,722,000</u>	<u>140.00</u>	<u>140,000,000</u>

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Shares held by the holding company

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares in lacs	Amount in Rs.	No. of shares in lacs	Amount in Rs.	No. of shares in lacs	Amount in Rs.
Equity Shares						
Titagarh Wagons Limited, the holding company	360.00	360,000,000	234.00	233,999,900	135.00	134,999,900
Equity shares of Rs. 10 each fully paid						

d) Detail of shareholders holding more than 5% shares in the Company

Name of the Shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of shares in lacs	% holding	No. of shares in lacs	% holding	No. of shares in lacs	% holding
Equity shares of Rs. 10 each fully paid						
Titagarh Wagons Limited	360.00	100%	234.00	95.62%	135.00	96.43%

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



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14. OTHER EQUITY

	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.	As at April 1, 2015 Amount in Rs.
Money received against Share Warrants (including pending allotment Rs Nil (Rs. 500000))	-	2,028,000	1,000,000
Retained Earnings Retained earnings includes Deficit in Statement of Profit and Loss, reclassified upon application of Ind AS			
Balance as per the last financial statements	(126,538,638)	(16,863,643)	
Loss for the year	(86,199,955)	(111,696,543)	
Less: Appropriations			
Actuarial gains on Defined Benefit Obligations	1,107,087	2,021,548	
Net deficit in the statement of profit and loss	(211,631,506)	(126,538,638)	(16,863,643)
Total Reserves and Surplus	(211,631,506)	(124,510,638)	(15,863,643)

15. BORROWINGS

	Non-current			Current		
	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.	As at April 1, 2015 Amount in Rs.	As at March 31, 2016 Amount in Rs.	As at April 1, 2015 Amount in Rs.	
Cash credits from banks (Secured)	-	-	-	18,167,478	-	
0.10% Optionally Fully Convertible Debentures (OFCD) of Rs. 10 each (Unsecured) Nil (March 31, 2016: Nil, April 1, 2015: 4,95,00)	-	-	26,272,236	-	-	
Total	-	-	26,272,236	18,167,478	-	

a) Cash Credit is secured by exclusive charge by way of hypothecation on the Company's current and movable fixed assets both present and future.
b) Cash credit carries interest at base rate of Nil (March 2016: 10.65% plus spread of 1.35% p.a) and is repayable on demand.

16. PROVISIONS

	Non-current			Current		
	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.	As at April 1, 2015 Amount in Rs.	As at March 31, 2016 Amount in Rs.	As at April 1, 2015 Amount in Rs.	
Provisions for employee benefits:						
Gratuity (Refer Note No. 30)	611,089	1,223,828	1,252,332	2,703	145,709	17,541
Leave benefits	-	-	-	389,599	1,070,174	1,007,844
	611,089	1,223,828	1,252,332	392,302	1,215,883	1,025,385
Other provisions:						
Warranties	-	-	-	1,879,500	1,346,568	-
Total	611,089	1,223,828	1,252,332	2,271,802	2,562,451	1,025,385

The movement in provision for warranties is as follows:

	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.
At the beginning of the year	-	-
Made during the year	1,346,568	745,530
Utilized during the year	212,599	516,018
At the end of the year	1,879,500	1,346,568



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17. TRADE PAYABLES (at amortised cost)

	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.	As at April 1, 2015 Amount in Rs.
Trade Payable	19,435,387	47,978,103	16,695,124

a) Trade payables are non-interest bearing and are normally settled on 60 days terms

b) For related party balances and terms and conditions with related parties refer to Note No. 31

c) As per information available with the Company, there are no suppliers covered under Micro, Small & Medium Enterprise Development Act, 2006. As a result, no interest provision/payment have been made by the Company to such creditors and no disclosure thereof is made in these accounts

18. OTHER CURRENT FINANCIAL LIABILITIES (at amortised cost)

	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.	As at April 1, 2015 Amount in Rs.
Payable towards purchase of fixed assets	596,460	2,182,298	972,605
Interest accrued but not due on borrowings	-	-	612,579
Others			
Employee related liabilities	3,912,186	6,709,479	3,743,612
Interest free deposits from dealers	9,919,481	10,490,000	2,300,000
Total Other Financial Liabilities	14,428,127	19,381,777	7,628,796

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

19. OTHER CURRENT LIABILITIES

	As at March 31, 2017 Amount in Rs.	As at March 31, 2016 Amount in Rs.	As at April 1, 2015 Amount in Rs.
Advance from customers	9,730,273	7,017,579	4,000,000
Statutory Dues	206,703	2,204,879	1,594,021
Total Current Liabilities	9,936,976	9,222,458	5,594,021



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20. REVENUE FROM OPERATIONS

	For the year ended March 31, 2017 Amount in Rs.	For the year ended March 31, 2016 Amount in Rs.
Revenue from operations		
Sale of finished products	56,232,995	48,913,314
Sale of Traded Goods - Spare parts	1,159,775	1,063,699
Revenue from operations (gross)	57,392,770	49,977,013

a) Sale of Traded Goods includes excise duty collected from customers amounting to Rs. 74,128 (Rs. 1,23,023)

21. OTHER INCOME

	For the year ended March 31, 2017 Amount in Rs.	For the year ended March 31, 2016 Amount in Rs.
21.1 Interest Income		
Bank deposits	967,470	30,603
Others	1,736	1,742
Total	969,206	32,345
21.2 Others		
Unspent liabilities no longer required written back	56,874	87,133
	1,026,080	119,478

22. COST OF RAW MATERIALS AND COMPONENTS CONSUMED

	For the year ended March 31, 2017 Amount in Rs.	For the year ended March 31, 2016 Amount in Rs.
Inventories at the beginning of the year	34,317,754	22,909,585
Add: Purchases	35,772,295	62,152,229
	70,090,049	85,061,814
Less: Inventories at the end of the year	24,029,844	34,317,754
Cost of raw materials and components consumed	46,060,205	50,744,060

23. CHANGE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND TRADED GOODS

	For the year ended March 31, 2017 Amount in Rs.	For the year ended March 31, 2016 Amount in Rs.
Closing Stock		
Finished Goods	20,596,020	20,323,980
Work-in-Progress	2,762,225	2,354,165
Traded Goods	1,006,476	828,887
	24,364,721	23,507,032
Opening Stock		
Finished Goods	20,323,980	-
Work-in-Progress	2,354,165	-
Traded Goods	828,887	-
	23,507,032	-
Less: Transfer from Intangible assets under development (Refer Note No. 4A)	(857,689)	(23,507,032)
Work in Progress	-	3,282,503
Finished Goods	-	4,284,635
	(857,689)	(15,939,894)
Changes in inventories of finished goods, work in progress and traded goods	(857,688.86)	(15,939,894)



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24. EMPLOYEE BENEFIT EXPENSES

	For the year ended March 31, 2017 Amount in Rs.	For the year ended March 31, 2016 Amount in Rs.
Salaries, wages and bonus	31,240,916	53,000,481
Contribution to provident and other funds	1,867,124	889,520
Gratuity Expense (Refer Note 30)	351,342	2,046,464
Staff Welfare Expenses	302,480	146,629
Total	33,761,862	56,083,094

25. OTHER EXPENSES

Consumption of stores and spares	1,966,391	864,689
Job Processing and other Machining Charges (including contract labour charges)	1,072,476	393,192
Power and Fuel	1,688,284	659,389
Repairs and maintenance		
Buildings	1,523,780	59,380
Others	23,717	72,134
Rent	466,441	663,409
Rates and Taxes	1,041,560	989,330
Insurance	724,939	150,913
Advertising and sales promotion	968,759	2,618,092
Travelling and conveyance	6,634,052	17,614,773
Freight and forwarding charges	1,689,333	1,367,988
Legal and professional fees	2,759,857	2,741,288
Directors sitting fees	724,312	771,990
Payment to Auditors		
As auditor		
Audit fee	575,000	572,500
Limited reviews	345,000	342,500
Other certification services	230,000	-
Reimbursement of expenses	76,256	47,918
Facility Charges	6,745,000	1,717,500
Guest house expenses	151,221	784,690
Printing and stationery	89,279	284,326
Office maintenance expenses	284,773	421,529
Warranty expenses	432,946	256,318
General expenses	103,035	83,867
Communication Cost	783,183	668,612
Internal audit fees	184,000	176,288
Recruitment and meeting expense	-	238,904
Loss on sale of fixed assets	-	7,098
Provision for doubtful debts and advances	561,023	-
Provision for warranties	-	1,346,568
Loss on redemption of Optionally Fully Convertible Debentures (OFCD) (Refer note 41(IV)(c))	-	20,611,873
Miscellaneous expenses	1,414,022	489,165
Total	33,258,639	57,016,224

26. FINANCE COSTS

	For the year ended March 31, 2017 Amount in Rs.	For the year ended March 31, 2016 Amount in Rs.
Interest Expense	2,051,059	893,473
Interest on OFCD (Refer note 41(IV)(c))	-	2,703,025
Bank Charges	923,861	1,243,923
Total	2,974,920	4,840,421

27. DEPRECIATION AND AMORTIZATION EXPENSE

	For the year ended March 31, 2017 Amount in Rs.	For the year ended March 31, 2016 Amount in Rs.
Depreciation of tangible assets (refer note 3.1)	9,828,440	3,788,137
Amortization of intangible assets (refer note 3.2)	18,568,558	4,401,933
Total	28,396,998	8,190,070



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28. EARNINGS PER SHARE (EPS)

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

	For the year ended March 31, 2017 Amount in Rs.	For the year ended March 31, 2016 Amount in Rs.
Loss after tax	(86,199,955)	(111,696,543)
Weighted average number of equity shares in calculating basic EPS	30,972,428	16,643,176
Effect of dilution:		
Convertible warrants	-	80,604
Weighted average number of equity shares in calculating diluted EPS	30,972,428	16,723,781
Nominal value of each share	10	10
Earning per share (Rs per share)		
Basic EPS	(2.78)	(6.71)
Diluted EPS*	(2.78)	(6.71)

* As the Company has incurred loss during the year, effect of potential equity shares is anti-dilutive in nature.

29. Significant accounting judgements, estimates and assumptions

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

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

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

(a) Employee benefit plans

The cost of the employment benefit plans and their present value are determined using actuarial valuations which involves making various assumptions that may differ from actual developments in the future. For further details refer to Note No. 30.

(b) Warranty

The Company estimates the provision for warranty based on past trend of sales. As at 31 March 2017, the estimated liability towards warranty amounted to approximately Rs. 18.80 lacs (March 31, 2016: Rs 13.47 lacs, April 1, 2015: Nil).

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

30. RETIREMENT AND OTHER EMPLOYEE BENEFIT PLANS

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

The following tables summaries the components of employee benefit expenses recognised in the statement of profit and loss and balance sheet for the Gratuity plans.

Statement of profit and loss

Net employee benefits recognised in the employee cost

Current service cost
Interest cost on benefit obligation
Past Service Cost
Net benefit expense*

Gratuity For the year ended 31 March 2017 Amount in Rs.	Gratuity For the year ended 31 March 2016 Amount in Rs.	1st April, 2015 Amount in Rs.
244,594	2,015,005	
106,748	99,050	
-	7,157	
351,342	2,121,212	

Expenses recognised in OCI

Net actuarial (gain)/ loss recognised in OCI during the year
Total

For the year ended 31 March 2017 Amount in Rs.	For the year ended 31 March 2016 Amount in Rs.
(1,107,087)	(2,021,548)
(755,745)	99,664

* Includes Rs. Nil (Rs. 74,748) included in intangible assets under development.

Net Liability recognised in Balance Sheet

Benefit liability
Present value of defined benefit obligations

For the year ended 31 March 2017 Amount in Rs.	For the year ended 31 March 2016 Amount in Rs.	1st April, 2015 Amount in Rs.
613,792	1,369,537	1,269,873

Changes in the present value of the defined benefit obligation are as follows

Opening defined benefit obligation
Current service cost
Interest cost
Plan Amendments
Actuarial (gains) / losses on obligation
Financial assumption changes
Experience variance
Total

For the year ended 31 March 2017 Amount in Rs.	For the year ended 31 March 2016 Amount in Rs.	1st April, 2015 Amount in Rs.
1,369,537	1,269,873	
244,594	2,015,005	
106,748	99,050	
-	7,157	
21,721	(1,101,870)	
(1,128,808)	(919,678)	
(1,107,087)	(2,021,548)	
613,792	1,369,537	1,269,873

Closing defined benefit obligation



	For the year ended 31 March 2017	For the year ended 31 March 2016
Maturity profile of the defined benefit obligation		
Weighted average duration of the defined benefit obligation	11 years	9 years
Expected benefit payments for the year ending	Amount in INR	Amount in INR
Not later than 1 year	2,703	145,709
Later than 1 year and not later than 5 years	196,165	776,605
Later than 5 year and not later than 10 years	330,080	368,298
More than 10 years	1,118,866	1,641,366

The Principal assumptions used in determining gratuity obligations for the company's plans are shown below:

	Gratuity For the year ended 31 March 2017	Gratuity For the year ended 31 March 2016
Discount rate	7.45%	7.80%
Rate of increase in salary	5.00%	5.00%
Expected average working life of the employees	24.11 Years	23.36 Years
Mortality rate (% of IALM 06-08)	100%	100%

The estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Amount for the current and previous period are as follows:

	Gratuity For the year ended 31 March 2017 Amount in Rs.	Gratuity For the year ended 31 March 2016 Amount in Rs.	Gratuity 1st April, 2015 Amount in Rs.
Defined benefit obligation	613,792	1,369,537	1,269,873
Experience adjustments on plan liabilities	(1,128,808)	(919,678)	

	March 31, 2017		March 31, 2016	
<u>Sensitivity level</u>	Increase Amount in Rs.	Decrease Amount in Rs.	Increase Amount in Rs.	Decrease Amount in Rs.
Variable Factors				
Discount Rate (+/- 1%)	554,890	683,145	1,280,108	1,472,406
Future salary increases (+/- 1%)	684,177	553,091	1,474,346	1,277,026
Life expectancy (+/- 50%)	606,599	605,902	1,346,493	1,372,434
Mortality (+/- 10%)	614,242	613,341	1,370,775	1,368,294

The amounts provided for defined contribution plans are as follows:

	For the year ended 31 March 2017	For the year ended 31 March 2016
Provident fund	1,717,373	3,468,973

* Includes Rs. Nil (Rs. 26,18,466) included in intangible assets under development.

31. RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Related parties where control exists

Holding Company Titagarh Wagons Limited

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

Fellow subsidiaries	Titagarh Capital Private Limited Cimmco Limited
Key management personnel (KMP)	Pranab Ghosal, Managing Director (till 8th August 2016)
Directors	Mr. Ramesh Chand Jain Mr. Sunirmal Talukdar Mr. Shekhar Datta Mr. Manoj Mohanka Mr. Anil Kumar Agarwal
Chief Financial Officer	Mr. Rakesh Purohit (w.e.f. 6th February 2017)
Chief Executive Officer	Mr. S. N. Agarwal (w.e.f. 6th February 2017)
Company Secretary	Mr. Dinesh Arya (w.e.f. 6th February 2017)



Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year:

				Amount In Rs.
Nature of transactions	Holding company	Fellow subsidiaries	Key management personnel	Total
In relation to the statement of Profit and Loss				
<u>Interest expense</u>				
Titagarh Capital Private Limited		139,726 (37,159)		139,726 (37,159)
<u>Rent expense</u>				
Titagarh Wagons Limited	466,441 (663,409)			466,441 (663,409)
<u>Facility charges paid</u>				
Cimmco Limited		6,745,000 (6,836,100)		6,745,000 (6,836,100)
<u>Reimbursement of Salary of CFO & CEO</u>				
Cimmco Limited		111,523 (-)		111,523 (-)
<u>Electricity charges paid</u>				
Cimmco Limited		1,502,564 (2,020,698)		1,502,564 (2,020,698)
<u>Director Sitting Fees</u>				
Ramesh Chand Jain			150,000 (112,500)	150,000 (112,500)
Anil Kumar Aqarwal			105,000 (127,500)	105,000 (127,500)
Sunirmal Talukdar			142,500 (187,500)	142,500 (187,500)
Shekhar Datta			105,000 (75,000)	105,000 (75,000)
Manoj Mohanka			127,500 (172,500)	127,500 (172,500)
<u>Managerial Remuneration</u>				
Pranab Ghosal			3,050,601 (11,990,760)	3,050,601 (11,990,760)
<u>Share application money received</u>				
Titagarh Wagons Limited	100,000,000 (99,000,000)			100,000,000 (99,000,000)
<u>Issue of equity shares</u>				
Titagarh Wagons Limited	114,723,000 (99,000,000)			114,723,000 (99,000,000)
Pranab Ghosal			555,000 (1,222,000)	555,000 (1,222,000)
<u>Issue of share warrants</u>				
Pranab Ghosal			- (1,033,000)	- (1,033,000)
<u>Equity warrant application money pending allotment</u>				
Pranab Ghosal			- (500,000)	- (500,000)
<u>Loan taken</u>				
Titagarh Wagons Limited	618,192 (2,350,898)			618,192 (2,350,898)
Titagarh Capital Private Limited		10,000,000 (-)		10,000,000 (-)
<u>Repayment of OFCD</u>				
Titagarh Capital Private Limited		- (49,500,000)		- (49,500,000)
<u>Loan repayment</u>				
Titagarh Capital Private Limited		10,000,000 (-)		10,000,000 (-)
Titagarh Wagons Limited	618,192 (2,064,698)			618,192 (2,064,698)
<u>Balance outstanding as at the year end - (Cr.)</u>				
Titagarh Capital Private Limited (Optionally Fully Convertible Debentures and interest thereon)		- (26,884,815)		- (26,884,815)
Titagarh Wagons Limited	- (984,994)			- (984,994)
Cimmco Limited		10,680,105 (2,821,018) (9,325,078)		10,680,105 (2,821,018) (9,325,078)
Pranab Ghosal			- (868,254) (590,650)	- (868,254) (590,650)

Notes:

Terms and conditions of transactions with related parties

The services from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees received for any related party payables.

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



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32. CAPITAL AND OTHER COMMITMENTS

(a) Estimated amount of contracts remaining to be executed on capital account and not provided for

As at 31 March 2017 Amount in Rs.	As at 31 March 2016 Amount in Rs.	As at 1 April 2015 Amount in Rs.
	332,050	4,663,062

33. CONTINGENT LIABILITIES

Bills of exchange discounted with banks

As at 31 March 2017 Amount in Rs.	As at 31 March 2016 Amount in Rs.	As at 1 April 2015 Amount in Rs.
	10,239,000	-

34. DEFERRED TAX

Deferred tax liability (DTL)

Arising out of temporary difference in depreciable assets

2,997,279

Deferred tax assets (DTA)

Arising out of temporary difference in depreciable assets

14,406,514

Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis

890,813

Deferred tax assets on Unabsoared depreciation and carried forward business losses

49,349,636

64,646,963

Net Deferred tax assets

64,646,963

Deferred tax asset not recognised

(64,646,963)

Total

(38,910,517)

(2,049,062)

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38 Financial Risk Management Objectives and policies

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

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

I) Credit risks

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

Trade receivables

Customer credit risk is managed by the respective department subject to Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on credibility of the customers. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each reporting date on an individual basis. The calculation is based on historical data of credit losses. The maximum exposure to credit risk at the reporting date is the carrying value of trade receivables disclosed in Note 11. The Company has evaluated the concentration of risk with respect to trade receivables as low, as its customers are located in several jurisdictions.

II) Liquidity risks

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

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

Maturity profile of Financial liabilities

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

39 Capital Management

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

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

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41. FIRST TIME ADOPTION OF IND AS

These financial statements, for the year ended 31 March 2017, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended 31 March 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on 31 March 2017, together with the comparative period data as at and for the year ended 31 March 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 2015, the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016.

(i) Reconciliation of Balance Sheet

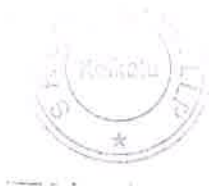
(i) Reconciliation of Balance Sheet		As at 31st March, 2016 (End of Last Period presented under previous GAAP)			As at 1st April, 2015 (Date of Transition)		
	Foot Notes Reference No	Previous GAAP	As at Effect of Transition to Ind AS	Ind AS	Previous GAAP	As at Effect of Transition to IND AS	Ind AS
		Amount in Rs.			Amount in Rs.		
I. ASSETS							
Non current assets							
(a)		51,213,535	(1)	51,213,534	53,772,104	(1)	53,772,103
(b)		3,692,132	-	3,692,132	121,307,956	(33,220,172)	88,087,784
(c)		167,166,102	(83,529,381)	83,636,721	-	-	-
(d)							
(i)		20,000	-	20,000	20,000	-	20,000
(ii)		105,060	(77,060)	28,000	1,907,138	(1,890,138)	17,000
(iii)		-	2,153,652	2,153,652	-	1,910	1,910
(e)		-	3,060	3,060	-	-	-
(f)		2,153,652	(2,079,652)	74,000	1,910	1,888,229	1,890,139
		224,350,481	(83,529,382)	140,821,099	177,009,108	(33,220,173)	143,788,936
Current assets							
(a)		60,217,565	-	60,217,565	24,301,903	-	24,301,903
(b)							
(i)		8,983,195	-	8,983,195	-	-	-
(ii)		3,632,120	-	3,632,120	11,647,970	-	11,647,970
(iii)		5,077,191	(5,060,904)	16,287	2,865,442	(2,865,442)	-
(c)		16,287	5,060,904	5,077,191	-	2,865,442	2,865,442
		77,926,358	-	77,926,358	38,815,315	-	38,815,315
TOTAL - ASSETS							
		302,276,839	(83,529,382)	218,747,457	215,824,423	(33,220,173)	182,604,251
II. EQUITY AND LIABILITIES							
Equity							
(a)		244,722,000	-	244,722,000	140,000,000	-	140,000,000
(b)		(40,981,254)	(83,529,383)	(124,510,638)	(5,871,235)	(9,992,409)	(15,863,643)
	Equity Reconciliation	203,740,746	(83,529,383)	120,211,362	134,128,765	(9,992,409)	124,136,357
Liabilities							
Non-current liabilities							
(a)							
(i)		-	-	-	49,500,000	(23,227,764)	26,272,236
(b)		10,490,000	(10,490,000)	-	2,300,000	(2,300,000)	-
(c)		1,223,828	-	1,223,828	1,252,332	-	1,252,332
		11,713,828	(10,490,000)	1,223,828	53,052,332	(25,527,764)	27,524,568
Current liabilities							
(a)							
(i)		18,167,478	-	18,167,478	-	-	-
(ii)		47,978,103	-	47,978,103	16,695,124	-	16,695,124
(iii)		-	19,381,777	19,381,777	-	7,628,796	7,628,796
(b)		18,114,233	(8,891,777)	9,222,458	10,922,817	(5,328,796)	5,594,021
(c)		2,562,451	-	2,562,451	1,025,385	-	1,025,385
		86,822,265	10,490,000	97,312,267	28,643,326	2,300,000	30,943,326
TOTAL							
		302,276,839	(83,529,383)	218,747,457	215,824,423	(33,220,173)	182,604,251



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

Particulars	Footnote Reference No.	Amount Rs. As at 31st March, 2016 (End of Last Period presented under previous GAAP)	Amount Rs. As at 1st April, 2015 (Date of Transition)
Equity (Shareholders' funds) under previous GAAP			
Application Money for Equity Share warrants pending allotment		203,240,746	134,128,765
Total Equity (Shareholders' funds) under previous GAAP		500,000	-
		203,740,746	134,128,765
Add / (Less) : Adjustments on account of:			
(i) Liability Portion arising due to split of Optionally Fully Convertible Debentures (OFCD) issued by the company regrouped to financial liabilities	c		
(ii) Loss on redemption of OFCD (net of income recognised)	c	23,227,764	23,227,764
(iii) Decapitalisation of Product Development Cost (net of depreciation)	b	(20,524,740)	-
(iv) Reversal of depreciation on decapitalisation of product development cost	b	(87,925,666)	(33,220,172)
(v) Interest expense on OFCD	b	4,396,283	-
	c	(2,703,025)	-
Sub Total		(83,529,384)	(9,992,408)
Total Equity under Ind AS		120,211,362	124,136,357



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

	Footnote Reference No.	Indian GAAP	Effect of Transition to IND AS Amount In Rs.	Ind AS
Income				
Revenue from operations	d(ii), (a)	50,113,690	(136,677)	49,977,013
Other income	c	32,345	87,133	119,478
Total Revenue (I)		50,146,035	(49,544)	50,096,491
Expenses				
Cost of raw materials & components consumed	d(iv)(b)	49,737,071	1,006,989	50,744,060
Purchases of stock-in-trade	d(iv)(b)	1,743,025	(1,006,989)	736,036
Change in inventories of finished goods, stock-in-trade and work-in-progress		(15,939,894)	-	(15,939,894)
Employee benefits expenses	b, d(ii)	17,706,907	38,376,187	56,083,094
Excise duty expense	d(iii), d(iv)(b)	-	123,023	123,023
Finance costs	c	2,137,396	2,703,025	4,840,421
Depreciation and amortization expenses	b	12,586,353	(4,396,283)	8,190,070
Other expenses	a, b, c	18,313,196	38,703,028	57,016,224
Total Expenses (II)		86,284,054	75,508,979	161,793,034
Loss before tax		(36,138,019)	(75,558,523)	(111,696,543)
Tax expense		-	-	-
Loss for the year		(36,138,019)	(75,558,523)	(111,696,543)
Other Comprehensive Income				
a) Re-Measurement gains on defined benefit plans	e	-	2,021,548	2,021,548
Other Comprehensive Income for the year		-	2,021,548	2,021,548
Total Comprehensive Income for the year		(36,138,019)	(73,536,975)	(109,674,995)

(IV) Footnotes to the reconciliation of Balance sheet as at 1st April 2015 and 31st March 2016, Equity as at 1st April 2015 and 31st March 2016 and Profit or Loss for the year ended 31 March 2016.

- a) **Deferral of revenue (free service)**
Under Indian GAAP, provision towards free service was recognised at cost. As explained in accounting policy 2.1.a, under Ind-AS, free services payable is accounted for at fair value. These estimates are based on conditions existing on the respective Balance Sheet dates.
- b) **Decapitalisation of Product Development Cost (net of depreciation)**
The Company has opted to apply IND AS 38, "Intangible assets" retrospectively. Consequently, the Company has decapitalised product development cost (net of amortisation) that do not meet the definition of cost as per the IND AS 38 "Intangible Assets" and accordingly adjusted the same as per the requirements of IND AS 8 "Accounting Policies, Change in Accounting Estimate and Errors".
- c) **Issue of Optionally fully convertible debentures alongwith early redemption**
The Company had issued optionally fully convertible debenture to its fellow subsidiary company which has been classified as financial liabilities and has been fair valued as per the requirements of IND AS 109 "Financial instrument" as on the date of transition. During the year ended March 31, 2016 the Company has accounted for following adjustment on the above OFCD.
(1) Interest expense accrued at the rate determined as per the requirements of Ind AS 109 "Financial Instrument";
(2) Loss arising out of early redemption of the above OFCD as the Company has repaid the entire OFCD by 31st December 2015 against the original redemption date of 31st March 2020.
- d) **Re-classifications**
The Company has made following reclassification as per the requirements of Ind-AS:
i) Assets / liabilities which meet/do not meet the definition of financial asset / financial liability have been reclassified from/to other asset / liability.
ii) Re-measurement gain/loss on defined benefit plans are re-classified from statement of profit and loss to OCI.
iii) Excise duty on sale of goods earlier netted off with Sales has been disclosed as a separate item in expenses.
iv) Other reclassifications
a) Excise duty on changes on inventory earlier classified in other expenses has been disclosed as a separate item in expenses.
b) Purchase of traded goods has been regrouped from raw material consumption to a separate line item under expenses.
- e) **Other comprehensive income**
IND-AS requires preparation of Statement of Other Comprehensive Income in addition to Statement of Profit and Loss

As per our Report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No. 301003E/6300005

per Kamal Agarwal
Partner
Membership No. 58652

Place: Kolkata
Date: 18th May 2017

For and on behalf of the Board of Directors of Titaqarh Agrico Private Limited

J P Chowdhary
Executive Chairman

Anil Agarwal
Director

Rakesh Purohit
Chief Financial Officer

Umesh Chowdhary
Vice Chairman

Dinesh Arya
Company Secretary

