



## TITAGARH WAGONS LIMITED

Annual Report 2014-15

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## TITAGARH WAGONS LIMITED

CIN: L27320WB1997PLC084819

### CORPORATE INFORMATION\*

#### Board of Directors

Shri J P Chowdhary	<i>Executive Chairman</i>
Shri Umesh Chowdhary	<i>Vice Chairman and Managing Director</i>
Shri D N Davar	<i>Independent Director</i>
Shri Manoj Mohanka	<i>Independent Director</i>
Shri S C Das	<i>Independent Director</i>
Shri Sunirmal Talukdar	<i>Independent Director</i>
Shri Shekhar Datta	<i>Independent Director</i>
Shri Sudipta Mukherjee	<i>Director (Wagons Operations)</i>
Smt. Rashmi Chowdhary	<i>Non-Executive Director</i>
Shri Anil Kumar Agarwal	<i>Chief Financial Officer</i>
Shri Dinesh Arya	<i>Company Secretary</i>

#### Audit Committee

Shri D N Davar	<i>Chairman</i>
Shri Manoj Mohanka	<i>Member</i>
Shri Sunirmal Talukdar	<i>Member</i>
Shri J P Chowdhary	<i>Special Invitee</i>
Shri Umesh Chowdhary	<i>Special Invitee</i>

#### Stakeholders' Relationship Committee

Shri Manoj Mohanka	<i>Chairman</i>
Shri S C Das	<i>Member</i>
Shri Umesh Chowdhary	<i>Member</i>
Shri D N Davar	<i>Special Invitee</i>

#### Auditors

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

#### Registered Office

1-B, Aster Court, 3 Loudon Street, Kolkata 700 017  
Telephones: 91 33 4019 0800, Fax : 91 33 4019 0823  
Email : investors@titagarh.biz

#### Corporate Office

756, Anandapur, E M Bypass, Kolkata 700 107  
Telephones : 91 33 4019 0800, Fax : 91 33 4019 0823

#### Nomination & Remuneration Committee

Shri D N Davar	<i>Chairman</i>
Shri Manoj Mohanka	<i>Member</i>
Shri Shekhar Datta	<i>Member</i>

#### Corporate Social Responsibility Committee

Shri D N Davar	<i>Chairman</i>
Shri J P Chowdhary	<i>Member</i>
Shri Umesh Chowdhary	<i>Member</i>

#### Risk Management Committee

Shri D N Davar	<i>Chairman</i>
Shri Shekhar Datta	<i>Member</i>
Shri J P Chowdhary	<i>Member</i>
Shri Umesh Chowdhary	<i>Member</i>

#### Bankers

AXIS Bank Limited  
Citibank N.A.  
HSBC Limited  
ICICI Bank Limited  
IDBI Bank Limited  
Indusind Bank Ltd.  
State Bank of India  
Syndicate Bank  
Yes Bank Limited

#### Registrar & Transfer Agent (RTA)

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

\* As on 12th August, 2015

## Notice

**NOTICE** is hereby given that the **EIGHTEENTH ANNUAL GENERAL MEETING** of the members of **TITAGARH WAGONS LIMITED** will be held at Bharatiya Bhasha Parishad, 4th Floor, 36A, Shakespeare Sarani, Kolkata-700017 on Thursday, the 24th September, 2015 at 2.00 P.M. to transact the following businesses:

### ORDINARY BUSINESS :

- To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2015, the consolidated financial statement for the said financial year and the Reports of the Board of Directors and Auditors thereon.**
- To declare a dividend on Equity Shares.**
- To appoint a Director in place of Shri J P Chowdhary (DIN: 00313685), Executive Chairman, who retires by rotation and, being eligible, offers himself for re-appointment.**
- To ratify appointment of Auditors and fix their remuneration by passing, with or without modification(s) the following resolution as an Ordinary Resolution :**

**"RESOLVED THAT** pursuant to the provisions of Sections 139 and 142 of the Companies Act, 2013, the appointment of M/s. S. R. Batliboi & Co LLP, Chartered Accountants (Firm Registration No. 301003E) as the Auditors of the Company from the conclusion of this Annual General Meeting till the conclusion of the Nineteenth Annual General Meeting be and is hereby ratified and the Board of Directors be and is hereby authorized to fix their remuneration plus other applicable expenses in connection with Statutory Audit and/or continuous audit and such other remuneration, as may be decided to be paid by the Board/Committee of the Board for performing duties if any other than those referred to hereinabove and the remuneration so fixed may be paid at such intervals during the year as may be decided by the Board/Committee of the Board."

### SPECIAL BUSINESS :

- To approve continuation of employment of Shri J P Chowdhary, Executive Chairman who retires by rotation at this AGM and being eligible has offered himself for re-appointment and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution :**

**"RESOLVED THAT** pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or reenactments(s) thereof, for the time being in force) and pursuant to Article 23 of Articles of Association of the Company, approval of the Company be and is hereby accorded for the continuation of employment of Shri J P Chowdhary (DIN:00313685) as Executive Chairman, who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment, upto December 7, 2017, i.e., till the expiry of his present term of office and in accordance with the Service Agreement entered into between Shri J. P. Chowdhary and the Company, as approved by the members of the Company at their meeting held on September 15, 2012, gist whereof is set out in the Explanatory Statement to this Notice.

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

- To re-appoint Shri Umesh Chowdhary, Vice Chairman & Managing Director for a term of Five years from 1st October, 2015 and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution :**

**"RESOLVED THAT** pursuant to provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force) and pursuant to Article 23 of Articles of Association of the Company, the consent of the members be and is hereby accorded to the re-appointment of Shri Umesh Chowdhary (DIN: 00313652), as Vice Chairman and Managing Director of the Company for a period of five years commencing from 01.10.2015 on the existing terms and conditions, including remuneration, as recommended by the Nomination and Remuneration committee and as set out in the explanatory statement annexed to this Notice.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to alter or vary the scope of remuneration of Shri Umesh Chowdhary, Vice Chairman and Managing Director including the monetary value thereof, to the extent recommended by the Nomination and Remuneration Committee from time to time as may be considered appropriate, subject to the overall limits specified by this resolution and the Act.

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

- To approve Payment of Remuneration to Non Executive Directors of the Company and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution :**

**"RESOLVED THAT** in supersession of resolutions previously passed by the Shareholders in this regard and pursuant to the provisions of Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 (Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the Non-Executive Directors of the Company (i.e. directors other than Managing Director and/or the Wholtime Directors) be paid, remuneration in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof, as the Board of Directors may from time to time determine, in such manner as the Board of Directors may from time to time determine, not exceeding in aggregate one percent of the net profits of the Company for each financial year, for a period of five years, commencing from Financial Year 2014-15 as computed in the manner laid down in Section 198 of the Act.

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



## Notice

**8. To approve Payment of Fees and reimbursement of expenses to Directors of the Company and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution :**

*"RESOLVED THAT the approval of the members be and is hereby accorded pursuant to provisions of Section 197 of the Companies Act, 2013, Clause 49 of the Listing Agreement and other enabling provisions of law as may be applicable, to payment of fees for services rendered and reimbursement of expenses as may be incurred by the Directors of the Company in any other capacity as may be deemed eligible and appropriate by the Nomination and Remuneration Committee and finally approved by the Board."*

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

*"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014, the consent of the members be and is hereby accorded to payment of Rs.65,000 (Rupees Sixty Five Thousand only) as remuneration plus taxes as may be applicable and reimbursement of reasonable out of pocket expenses as may be incurred by the firm, to M/s. D. Radhakrishnan & Co.; Cost Accountants, 11-A Dover Lane, Flat No. B1/34, Kolkata-700029 appointed by the Board as Cost Auditors of the Company for the financial year 2015-16."*

Registered Office:

1-B, Aster Court,  
3, Loudon Street, Kolkata -700017  
12th August, 2015

By Order of the Board  
**D. Arya**  
Company Secretary

**NOTES :**

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL, ON HIS BEHALF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies submitted on behalf of limited companies, societies etc. must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- Proxies in order to be effective must be received by the Company at the registered office address not less than 48 hours before the commencement of the Annual General Meeting (AGM).
- The Register of Members and Share Transfer Register shall remain closed with effect from 19th September, 2015 to 24th September, 2015 (both days inclusive). The dividend, if declared, will be paid after 24th September, 2015 to those members whose names shall appear on the Register of Members of the Company. In respect of dematerialized shares, the dividend will be payable on the basis of beneficial ownership as per the details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for this purpose.
- Members are requested to note that dividends not encashed/claimed, unclaimed refund of application money paid for shares issued under IPO (Initial Public Offering) in the year 2008, and warrants for fractional entitlements of shares within seven years from the date of declaration of dividend/IPO will, as per Section 124 of the Act, be transferred to Investor Education and Protection Fund (IEPF). Members concerned are requested to refer carefully to the provisions of Sections 124(6) and 125 of the Act.
- The Company shall also display full text of these communications/documents/reports at its website [www.titagarh.biz](http://www.titagarh.biz) and physical copies of such communications/documents/Annual Reports will be made available at the Registered Office/Corporate Office of the Company for inspection by the shareholders during the office hours on working days.  
Please note that as a member of the Company upon receipt of your request, you will be entitled to receive free of cost, copy of such communications/documents/Annual Reports and all other documents required to be attached thereto.  
In case you desire to receive the documents mentioned above in physical form, please write to us at [investors@titagarh.in](mailto:investors@titagarh.in) quoting your Folio No./Client ID and DP ID.  
All those members who have not registered their e-mail addresses or are holding shares in physical form are requested to immediately register their e-mail addresses with NSDL/CDSL along with Folio No. /Client ID and DP ID.
- The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA.
- Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
- Electronic copy of the Annual Report for 2015 is being sent to all the members whose email IDs are registered with the Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual Report for 2015 is being sent in the permitted mode.

## Notice

9. Electronic copy of the Notice of the 18th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless a member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 18th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.
10. Members may also note that the Notice of the 18th Annual General Meeting and the Annual Report for 2015 will also be available on the Company's website [www.titagarh.biz](http://www.titagarh.biz) for download. The physical copies of the aforesaid documents will also be available at the Company's Registered/Corporate Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: [investors@titagarh.in](mailto:investors@titagarh.in).
11. Voting through electronic means
  - a) Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Company (Management and Administration) Rules, 2015 and Clause 35B of the Listing Agreement, the company is pleased to provide members the facility to exercise their vote through remote e-voting in respect of the resolutions proposed to be passed at the ensuing Annual General Meeting (AGM) by using the electronic voting facility provided by the Karvy Computershare Private Limited
  - b) The remote e-voting period commences at 9:00 a.m. on Sunday, the 20th September, 2015 and ends at 5:00 p.m. on Wednesday, the 23rd September, 2015. The remote e-voting module shall be disabled by Karvy for voting thereafter.
  - c) During the remote e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date i.e. Thursday, the 17th September, 2015 may cast their vote electronically.
  - d) Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
  - e) Voting rights of the member shall be in proportion to their respective shareholding as on the cut-off date i.e. Thursday, the 17th September, 2015.
  - f) The facility for voting through polling paper shall be made available at the AGM and members attending the meeting who have not cast their vote by remote e-voting shall be eligible to exercise their right to vote at the meeting through polling paper.
  - g) The members who have cast their vote by remote e-voting prior to AGM may also attend the AGM but shall not be entitled to cast their vote again.
  - h) Any person who acquires shares of the Company and becomes a member of the Company after the dispatch of this Notice and holds shares as on the cut-off date i.e. Thursday, the 17th September, 2015 should follow the instructions for E-voting as mentioned below for FIRST TIME USER. In case of any queries, the shareholder may also contact the Registrar & Transfer Agent.
  - i) The Board of Director has, at its meeting held on 12th August, 2015, appointed M/s. Sushil Goyal & Co., Company Secretaries as the scrutinizer to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.
  - j) A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at AGM through ballot paper.
  - k) The Instructions for Shareholders voting electronically are as under:
    - A. In case a Member receiving an email of the AGM Notice from Karvy [for Members whose email IDs are registered with the Company/Depository Participant(s)] :
      - i) Launch internet browser by typing the URL: <https://evoting.karvy.com>.
      - ii) Enter the login credentials (i.e., User ID and password mentioned below). Event No. followed by Folio No./ DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
      - iii) After entering these details appropriately, Click on "LOGIN".
      - iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #, \$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
      - v) You need to login again with the new credentials.
      - vi) On successful login, the system will prompt you to select the "EVENT" i.e., Titagarh Wagons Limited.
      - vii) On the voting page, enter the number of shares (which represents the number of votes) as on the Cut Off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
      - viii) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.

## Notice

- ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
  - x) You may then cast your vote by selecting an appropriate option and click on "Submit"
  - xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any numbers of times till they have voted on the Resolution(s).
  - xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e mail ID: [csskgoyal@gmail.com](mailto:csskgoyal@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com). The scanned image of the above mentioned documents should be in the naming format "Corporate Name\_ EVENT NO."
  - xiii) In case a person has become the Member of the Company after the dispatch of AGM Notice but on or before the cut-off date i.e. 17th September, 2015, may write to the Karvy on the email Id: [varghese1@karvy.com](mailto:varghese1@karvy.com) or to Mr P. A. Varghese, Contact No. 040-33215424, at [Unit: Titagarh Wagons Limited] Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No.(i) to (xii) as mentioned in (A) above, to cast the vote.
- B. In case of Members receiving physical copy of the AGM Notice by Post [for Members whose email IDs are not registered with the Depository Participant(s)]:
- i) User ID and initial password as provided at the bottom of the Attendance Slip :
- | EVEN (E- Voting Event Number) | USER ID | PASSWORD/PIN |
|-------------------------------|---------|--------------|
|                               |         |              |
- ii) Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.
- C. The e-voting period commences on Sunday, the 20th September, 2015 at 09:00 A.M. and ends on Wednesday, the 23rd September, 2015, at 5.00 P.M. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date being Thursday, the 17th September, 2015, may cast their vote by electronic means in the manner and process set out hereinabove. The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have casted their vote electronically shall not vote by way of poll, if held at the Meeting.
  - D. In case of any query pertaining to e-voting, please visit Help & FAQ's section of <https://evoting.karvy.com>. (Karvy's website).
  - E. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date being Thursday, the 17th September, 2015.
  - F. The Company has appointed M/s. Sushil Goyal & Co. Practicing Company Secretaries as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  - G. The Scrutinizer shall, after the conclusion of the AGM, first count the votes cast at the meeting and thereafter unlock the votes cast through remote e-voting in the presence of at least 2 (Two) witnesses not in the employment of the Company. The Scrutinizer shall, within a period of not more than three days from the conclusion of the AGM, prepare a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit to the Chairman or any person authorised by him in writing, who shall countersign the same and declare the results of the voting.
  - H. The results so declared along with Scrutinizer's Report shall be placed on the website link : <https://evoting.karvy.com> and subject to the receipt of requisite number of votes, the resolution set out in the Notice shall be deemed to be passed on the date of the Annual General Meeting. The results shall also be forwarded to the BSE and NSE.
12. Members are requested to preferably send their queries to the Registered Office/Corporate Office at least 7 days before the date of the Annual General Meeting.
  13. The documents pertaining to all the special businesses set out in the Notice are available for inspection at the Registered and Corporate Office of the Company during 10.30 A.M. to 1.00 P.M. on all working days.
  14. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ('the Act')

#### Items No. 5 and 6

Shri J P Chowdhary was re-appointed as Executive Chairman w.e.f. 8th January, 2012 for a term of five years. He is liable to retire by rotation pursuant to the provision of Section 152 of the Act and is eligible for re-appointment.

Shri Umesh Chowdhary was appointed Vice Chairman & Managing Director w.e.f. October 01, 2010 for five years and his current term ends on September 30, 2015. The Board has at its meeting held on May 22, 2015 approved his appointment for another term of five [5] years after approval of the proposal by the Nomination & Remuneration Committee (NRC).

Remuneration of the abovenamed managerial personnel are same as their respective existing service agreements, gist whereof is set out hereunder:

## Notice

Name	<b>Shri J P Chowdhary, Executive Chairman (EC)</b>	<b>Shri Umesh Chowdhary, Vice-Chairman and Mg. Director (VCMD)</b>
Basic Salary	Rs. 8,00,000 per month	Rs.7,50,000 per month
Performance Bonus	Based on net profit of the Company such that the aggregate of salary, perquisites and performance bonus shall not exceed 5% per annum of the net profit of the Company computed in accordance with the applicable provisions of the Act	Based on net profit of the Company such that the aggregate of salary, perquisites and performance bonus shall not exceed 3.5% per annum of the net profit of the Company computed in accordance with the applicable provisions of the Act
Perquisites/Benefits	<ul style="list-style-type: none"> <li>- House rent allowance of upto 60% of the basic salary or a furnished accommodation.</li> <li>- Expenditure on gas, electricity, water and furnishing at the market value to be evaluated in terms of the Income Tax Rules, 1962.</li> <li>- Company's contribution to Provident Fund to the extent the same is not taxable under the Income Tax Act, 1961.</li> <li>- Gratuity payable at the rate not exceeding 15 (fifteen) days' salary for each completed year of service.</li> <li>- Encashment of Leave at the end of tenure will be permitted in accordance with the rules of the Company.</li> <li>- Use of the Company owned car(s) with driver(s) for official duties.</li> <li>- Provision of mobile and telephone at residence for official use.</li> <li>- Medical Expenses and hospitalization expenses on self and spouse incurred in India or abroad.</li> <li>- Club Fees: Fees of clubs subject to a maximum of two clubs. This will not include admission and life membership fees.</li> <li>- Leave Travel Concession: For him and his family (family includes spouse) once in a year incurred in accordance with the rules of the Company.</li> <li>- Personal Accident Insurance with an annual premium on the policy as per the Rules of the Company.</li> <li>- Any other perquisite(s) or benefit(s) in accordance with the Rules of the Company provided the same together with Salary, Perquisites and Performance Bonus are within the overall limit of 5% per annum for EC and 3.5% per annum for VCMD of the net profits of the Company.</li> <li>- The perquisites/benefits shall be valued as per the Income Tax Act, 1961, wherever applicable.</li> <li>- The Company shall reimburse actual entertainment and travelling expenses incurred by EC and VCMD for the Company's business.</li> <li>- Will not receive sitting fees for attending meetings of the Board of Directors and/or Committees thereof, as the case may be, of the Company as well as of its subsidiaries.</li> </ul>	
Minimum Remuneration	In the event of inadequacy or absence of net profits in any year during his tenure, they shall be paid minimum remuneration as may be prescribed by the Schedule V and/or other applicable provisions of the Act.	
Equity Shares*	1,56,540	77,530
Equity Shares* held by	Smt. Rashmi Chowdhary	1,28,16,105
	Smt. Savitri Devi Chowdhary	1,81,16,035
	Smt. Vinita Bajoria	80
Other particulars stipulated by Clause 49 are annexed to this Notice.		

\*Equity shares of Rs.2 each fully paid up

The Directors recommend passing of the Resolution.

Except Shri J P Chowdhary, Shri Umesh Chowdhary and Smt. Rashmi Chowdhary being related to each other and thus interested in the appointment, none of the Directors or Key Managerial Personnel or their relatives except Smt. Vinita Bajoria, being related to the said managerial personnel is interested in the Resolutions set out at Items No. 5 and 6.

### Items No. 7 and 8

The members of the Company by way of Postal Ballot results whereof declared on 16th December, 2009, had approved the payment of commission to non-executive Directors of the Company not exceeding one percent per annum of the net profits of the Company for a period of five years commencing from 1st October, 2009.

According to Section 197 of the Act the shareholders' approval is required for the payment of remuneration/ commission to the non-executive directors (directors other than Managing Director and Whole-time Directors). Further, clause 49(II)(c) of the Listing Agreement entered into with the Stock Exchanges stipulates that all fees/compensation (other than the sitting fees) payable to non-executive directors require prior approval of the members.

Today the Regulatory environment, particularly for the listed companies entrusts new responsibilities on the directors and has widened their duties and enhanced their liabilities. In view of the valuable contribution made by the Directors it is proposed to continue the payment of remuneration/ commission to the Directors of the Company (other than the Executive Chairman, Managing Director and Whole-time Directors).

Further, subject to skills, knowledge, experience and expertise of a member of the Board, the Company may avail of their professional services for the Company's business and with approval of Nomination and Remuneration Committee and Board, pay fees and/or reimburse suitable amounts to such director(s).



## Notice

Accordingly, the Resolutions at 7 and 8 respectively seek approval of the members of the Company for payment of remuneration /commission for a period of 5 years commencing from 31st March, 2015, at the rate not exceeding one percent per annum of the net profits of the Company computed in accordance with Section 198 of the Act whose distribution shall be decided by the Board; and to authorise the Board to pay fees and/or reimburse amounts to the directors concerned who render professional services from time to time, respectively.

The Independent and Non-Executive Directors of the Company i.e. the directors other than Managing Director, Wholtime Director and the Key Managerial Personnel and their relatives are deemed concerned or interested in the Resolutions No. 7 and 8 of the Notice to the extent of the commission/fees/reimbursement as the case may be, for professional services, if any, payable to them.

The Board recommends the said Resolutions for your approval.

Save and except such directors, no other director or KMP or their relatives is considered interested in the Resolutions No. 7 and 8.

### Item No. 9

The Company with the recommendation of Audit Committee and approval of the Board at its meeting held on 18th April, 2015, has appointed M/s. D Radhakrishnan & Co; Cost Accountants as Cost Auditor of the Company for the financial year 2015-16 at a remuneration of Rs.65,000/-. Pursuant to Section 148 of the Act read with The Companies (Audit and Auditors) Rules, 2014 the remuneration of the Cost Auditor, duly approved by the Board is to be ratified by the consent of shareholders.

The Board recommends the resolution set forth at this Item for approval of the members. None of the Directors or Key Managerial Personnel (KMP) or their relatives is in any way concerned or interested in the Resolution.

#### Registered Office:

1-B, Aster Court,  
3, Loudon Street, Kolkata -700017  
12th August, 2015

By Order of the Board  
**D. Arya**  
Company Secretary

#### Detail of Directors seeking Appointment/Re-appointment at the Annual General Meeting

Particulars	Shri J P Chowdhary	Shri Umesh Chowdhary
Date of Birth	23.09.1940	24.04.1974
Date of Appointment as director	08.01.2007	01.07.2002
Qualifications	B.COM.	B.COM (Hons)
Expertise in Specific Functional Areas	About 53 years experience in railways sector/ heavy engineering industry.	About 22 years of experience in the manufacturing sector.
Directorship held in other companies (excluding foreign companies)	<ul style="list-style-type: none"> <li>Cimmco Limited</li> <li>Titagarh Capital Management Services Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>Cimmco Limited</li> <li>Titagarh Capital Management Services Private Limited</li> </ul>
Memberships/ Chairmanships of Committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee)	NIL	Stakeholders' Relationship Committee <ul style="list-style-type: none"> <li>Cimmco Limited</li> </ul>
No. of shares held in the Company	1,56,540 equity shares of Rs.2/- each	77,530 equity shares of Rs.2/- each

# Directors' Report and Management Discussion and Analysis

*Dear Shareholders,*

The Directors are pleased to present their Eighteenth Annual Report and Audited Accounts for the year ended the 31st March, 2015.

## 1. Profit, Retention & Dividend

Your Company's financial performance was as follows :

(Rs. in Lacs)

Particulars	2014-15		2013-14	
Turnover	37613.73		26123.92	
Profit Before Interest, Depreciation, Tax & Amortisation (EBIDTA)	3391.88		654.12	
Less: Depreciation	909.57		695.71	
: Interest/Finance Cost	631.36	1540.93	597.59	1293.30
: Exceptional Items	1710.15		-	
Add : Interest Income	1362.89		1236.19	
Profit Before Tax	1503.69		597.01	
Less : Provision For Taxation	517.98		221.07	
Profit After Taxation	985.71		375.94	
Balance Brought Forward from Last Account	28913.65		29514.43	
Amount available for Appropriation	29899.36		29890.37	
Appropriations				
Transfer to General Reserve	100.00		38.00	
Dividend on Equity	802.36		802.36	
Tax on Dividend	163.34	1065.70	136.36	976.72
Net Surplus in Statement of Profit and Loss	28833.66		28913.65	

## 2. Company's Performance

The Company's financial performance during the year under review improved substantially as compared to the previous financial year ended March 31, 2014 with noteworthy increase in EBIDTA and Profit Before Tax despite the loss amounting to Rs.1710.15 lacs incurred due to 'onerous contract' for Wagons procurement by the Indian Railways, the Company's largest customer, as reflected in the Exceptional Items in conformity with the applicable accounting standards. Profit After Tax went up by 162.1% and Earning Per Share (EPS) at Rs.4.91 per share increased by 162.5% over the corresponding numbers in the previous fiscal. Turnover improved by 43.9% with EMU (Rail Coaches) contributing majorly to the topline as well as bottomline and in fact the key performance indicators would have been significantly better had the order from Indian Railways been not so non-remunerative.

Your Company's leadership in Rail Coaches, Defence Wagons, Bailey Bridges, Special Projects for the country's defence sector is manifested in the repeat orders for these special projects/products having been awarded to the Company. The contract by Metro Railway, Kolkata for refurbishment of Metro Coaches is under execution and should enable your Company's foray into manufacture of metro coaches in future. Having successfully exported wagons to neighbouring countries, the Company has finalised fresh orders to manufacture freight cars for other overseas markets. Further, the demand for custom designed wagons in the domestic market is firming up.

Recent entry into building of ships, trawlers and vessels including barges for the Indian Navy presents significant opportunities.

Your Directors are pleased to inform you that the Government of India has issued an Industrial License to your Company dated 1st July, 2015 for manufacture of various products for defence sector of the country and the necessary steps are being taken in this regard.

Your Company has, in July, 2015 successfully concluded acquisition of business and assets of a company in Italy engaged in the manufacture of inter alia Electric Trains, Coaches, Shunting Locomotives for which the Board approved investment of upto Euro 25 million. Your Company has set up a special purpose vehicle, Titagarh Firema Adler SpA in Italy for the said acquisition which makes Titagarh Wagons Limited the first Indian company to own the technology required for manufacture of metro coaches in India presenting huge opportunity in the segment.

Overall the outlook appears to be encouraging for improved performance during the current financial year.

Pursuant to the approval of shareholders, 15089025 equity shares of Rs.2/- each were allotted to Qualified Institutional Buyers on July 15, 2015 at a price of Rs.99/41 per share i.e. at a premium of Rs. 97/41 per share (Issue Size: Rs.150 crores), which have been duly listed at the BSE and NSE. As a result of the said Qualified Institutional Placement (QIP), your Company's paid up capital has increased to Rs. 23,07,68,740/- consisting of 11,53,84,370 equity shares of Rs.2/- each full paid as on July 15, 2015 thereby diluting the promoters' total stake by 6.94%. The QIP has inter alia paved the way for availability of larger floating stock at the bourses. The object of the amount raised by QIP is to augment infrastructural capabilities for expansion, pursue growth and combat competition both locally and globally.

## Directors' Report and Management Discussion and Analysis

### 3. Dividend

The Board of Directors has recommended a dividend of Forty percent i.e. Re. 0.80 per share on 11,53,84,370 equity shares of Rs. 2/- each fully paid up for the Financial Year under review subject to approval of the members at the ensuing Annual General Meeting.,

### 4. Business Segments

#### Wagons

Average realization per unit declined by 11.2% even as production and sales volume at 770 and 854 units of Wagons increased by 12.2% and 14.9% respectively during the year under review and operating profit (PBIT) at Rs. 1693.89 lacs from the Wagons business was down 26.6% when compared to the corresponding numbers in the previous fiscal.

Despite various announcements in the annual Indian Railways ("IR") budgets of higher planned outlay, enhanced load carrying and obvious opportunities presented by distinctively cost effective movement of cargo by railway network as compared to roads, Wagons industry has been witnessing successive decline in the recent past mainly due to erratic schedule and low quantity of procurement by the IR compounded by unhealthy competition by way of predatory pricing by some of the private sector manufacturers rendering orders by the IR becoming non-remunerative. However, with the demand from private sector buyers for Wagons expected to improve, the outlook from this business is cautiously optimistic.

#### Coaches

Eleven rakes of EMU (Coaches) were manufactured and despatched generating net sale of about Rs.12758 lacs and PBIT of Rs. 4140.50 lacs respectively which represents 33.9% of the total net sales and is more than the total EBIDTA of the Company during the year ended March 31, 2015.

Metro Railways/Mass Rapid Transport System ("MRTS") in major cities across the country is essential to cater to the transportation needs of urban/semi urban commuters and the potential for self-propelled railway passenger vehicles such as EMUs, Main Line Electrical Multiple Units (MEMUs) and Diesel Multiple Units (DMUs) and metro coaches is huge.

The order for 12 rakes of MEMUs is under execution and benefits from it would flow during the current year. Heavy Engineering Division (HED) of the Company is equipped to turn out a fairly large number of Coaches per month and geared to promptly fulfill the requirement of Indian Railways. Various initiatives being taken by the Government for building "smart cities" in the country would further spur the demand for coaches which augurs well for this vertical.

#### Others

The segment consists of other products viz. Heavy Earth Moving Machinery, Bailey Bridges etc. which represented less than ten percent of the total revenue on individual basis during the financial year ended March 31, 2015. Steel Castings business continues to contribute to captive consumption of vital components in manufacture of Wagons by the Company.

### 5. Risks and Concerns

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

#### Dependence on the Indian Railways

The Company's wagon manufacturing business is dependent upon the policies of Indian Railways and any change whether positive or adverse, has a direct impact on the Company's business and therefore, development of other verticals viz. special projects for defence, emphasis on securing orders for custom designed wagons for private sector in India and abroad, preparation for entry into metro coaches, expansion through inorganic route etc. through suitably aggressive policies has been undertaken by the Board to mitigate the risk.

#### Performance guarantee, product warranty and liquidated damages

Some of the contracts for supply involve warranty periods varying from 12-24 months against manufacturing defects notwithstanding the warranties on certain components extended by the respective third party suppliers; enforcement of these may not be always feasible. Further, certain contracts carry performance guarantee clause up to 10% of the contract value, valid for the duration of the warranty period, which can be invoked in the event of there being manufacturing defects that are not rectified by the Company to the customers' satisfaction resulting in loss of reputation.

#### Growth through organic and inorganic routes

Expansion of the operations and diversification measures undertaken by the Company inter alia, involve financial, managerial and other risks to precious resources in execution and loss of services of senior management personnel can affect the Company's plans to grow. Measures including succession planning have been kept at the core of approach to the Risk management framework adopted by the Board.

### 6. Subsidiary Companies

A report containing the details required under Section 134 read with Rule 8(1) of Chapter IX Rules of the Companies Act, 2013 ('the Act') in respect of performance and financial position for the financial year ended March 31, 2015, of wholly owned subsidiaries: Cimco Equity Holdings Private Limited (including its subsidiary Cimmco Limited), Titagarh Capital Private Limited, Titagarh Marine Limited (including its subsidiaries viz. Corporated Shipyard Private Limited and Times Marine Enterprises Private Limited), Titagarh Wagons AFR, France and Titagarh Singapore Pte. Ltd., Singapore; and subsidiaries: Titagarh Agrico Private Limited included in the Consolidated Financial Report (CFS) in the Form AOC-1 is annexed to this Report and marked as **Annexure DR-1**. The CFS is attached to the Annual Report and Accounts.

The Board has at its meeting held on August 12, 2015 accorded in principle approval to the amalgamation of the following wholly owned subsidiaries; Cimco Equity Holdings Private Limited, Titagarh Capital Private Limited, Titagarh Marine Limited, Corporated Shipyard Private Limited and Times Marine Enterprises Private Limited with itself subject to compliance with applicable provisions of law.

## Directors' Report and Management Discussion and Analysis

### 7. Extract of Annual Return

The details forming part of the extract of the annual return in the Form MGT-9 are annexed and marked as **Annexure DR-2**.

### 8. Number of Board Meetings

The Board of Directors met Ten (10) times during the financial year 2015 as per the details provided in the Corporate Governance Report forming part of Annual Report.

### 9. Changes in Share Capital

Authorised Capital consisting of 9,60,00,000 equity shares of Rs.10 each was sub-divided into 48,00,00,000 equity shares of Rs.2 each and Issued, Subscribed and Paid up equity capital of the Company consisting of 2,00,59,069 equity shares as at March 31, 2015 was split into 10,02,95,345 equity shares of Rs.2 each fully paid up on and from April 23, 2015 and increased to 11,53,84,370 equity shares consequent upon allotment of shares under QIP on July 15, 2015.

### 10. Loans, Guarantees and Investments

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

### 11. Significant and material orders

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

### 12. Composition of Audit Committee

The Board has constituted the Audit Committee comprising Shri D N Davar as Chairman and Shri Sunirmal Talukdar and Shri Manoj Mohanka as the members and the details are provided in the Corporate Governance Report.

### 13. Related Party Transactions

All related party transactions (RPTs) are entered in compliance with the applicable laws and also in accordance with the policy on the subject adopted by the Board. Audit Committee reviews and approves all the RPTs as stipulated by the Listing Agreement and based thereon final approval of the Board is obtained. RPTs as approved by the Board during the financial year 2015 are disclosed in the Form AOC 2 annexed hereto and marked as **Annexure DR-3**.

### 14. Corporate Governance Report

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

### 15. Internal Control System

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

- that its assets are safeguarded
- that transactions are authorised, recorded and reported properly; and
- that the accounting records are properly maintained and its financial statements are reliable.

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

### 16. Vigil Mechanism

A fraud free and corruption free environment as part of work culture of the Company cannot be over emphasized and with that objective a Vigil Mechanism policy has been adopted by the Board and is uploaded on the web site of the Company at [www.titagarh.biz](http://www.titagarh.biz). No complaint of this nature was received by the Audit Committee during the year under review.

### 17. Internal Complaints Committee

As per the requirement of Section 4 of The Sexual Harassment of Women At Workplace (Prevention, Prohibition and Redressal) Act, 2013 an Internal Complaints Committee has been formed by the Company, the details of which are given in the Corporate Governance Report. No complaint was been lodged with the Committee during the financial year 2014-15.

### 18. Directors

#### Cessation

Shri N K Mittal, Non-Executive Director resigned from the Board w.e.f. 12th April, 2014 and Shri Nandan Bhattacharya, Shri Abhas Sen and Shri Alope Mookherjee, Independent Directors ceased to be Directors of the Company w.e.f. 29th May, 2014.

#### Retirement by rotation

Shri J P Chowdhary, Executive Chairman retires by rotation pursuant to the provisions of Section 152 of the Act and is eligible for re-appointment.

#### Appointment

Shri Umesh Chowdhary's term as Vice Chairman & Managing Director (VCMD) ends on September 30, 2015. The Board at its meeting held on May 22, 2015 has subject to approval of the shareholders reappointed him for five years w.e.f. October 01, 2015 at the remuneration approved by the Remuneration Committee and detailed in the Notice of ensuing Eighteenth Annual General Meeting.



## Directors' Report and Management Discussion and Analysis

Shri Shekhar Datta (DIN: 00045591), Independent Director and Shri Sudipta Mukherjee (DIN: 06871871), Director (Wagons Operations) were appointed as Additional Directors of the Company w.e.f. 12th April, 2014 and 15th May, 2014 respectively. Smt. Rashmi Chowdhary (DIN: 06949401), Non-Executive Director was appointed w.e.f. 14th August, 2014 in conformity with the regulations applicable to a listed company regarding appointment of woman director.

The information prescribed by Clause 49 of the Listing Agreement in respect of the above named Directors is given in the Notice of Eighteenth Annual General Meeting.

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

In compliance with the Act and Clause 49 of the Listing Agreement, the performance evaluation of the Board, Committees and Individual Directors was carried out during the year under review as per the details in Corporate Governance Report.

### 20. Declaration by Independent Directors

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

### 21. Remuneration Policy and remuneration

A policy approved by the Nomination and Remuneration Committee and the Board is followed by the Company on remuneration of Directors and Senior Management Employees, as per the details provided in the Corporate Governance Report.

### 22. Directors' Responsibility Statement

The Directors state that :

- Appropriate Accounting Standards as are applicable to the Annual Statement of Accounts for the financial year ended March 31, 2015 have been followed in preparation of the said accounts and there were no material departures therefrom requiring any explanation;
- The Directors have selected and followed the accounting policies as described in the Notes on Accounts and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year and of the profit and loss statement of the Company for that period;
- Proper and sufficient care has been taken for maintaining adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Annual Accounts have been prepared on a going concern basis; and
- The Directors have laid down internal financial controls (IFC) to be followed by the Company and that such IFC are adequate and operating effectively.

### 23. Statutory Auditors

Messrs S R Batliboi & Co. LLP, Chartered Accountants, Auditors of the Company were appointed at the 17th AGM until the conclusion of Twentieth AGM subject to ratification of their appointment at the AGM every year and the Board recommends the same.

### 24. Consolidated Financial Statements

In accordance with Accounting Standards 21, 23 and 27 issued by the Institute of Chartered Accountants of India, consolidated financial accounts prepared on the basis of financial statements received from subsidiary companies as approved by their respective Boards, form part of this Report & Accounts. As regards the qualified opinion expressed by Statutory Auditors in their Report, while the Notes No. 15(a), 13(a) and 11 in the Notes on Accounts are self-explanatory, requiring no further specific response from the Directors at this stage, the subsidiary concerned has from out of three entities recovered from one of them the amount receivable during the year and the remaining recoverable amount aggregating Rs.2796.26 lacs is subject to ongoing legal proceedings which are being closely monitored and expedited to the extent within the Company's control.

### 25. Cost Auditors

Messrs D. Radhakrishnan & Co., Cost Accountants have been re-appointed as Cost Auditors to conduct cost audit of the accounts maintained by the Company in respect of the products manufactured by the Company, for the Financial Year 2015-16 subject to ratification of their remuneration by the shareholders in accordance with the provisions of Section 148 of the Act and the Companies (Cost Records and Audit) Rules, 2014. The Cost Audit Report for the financial year ended 31st March, 2014 has been filed as stipulated by the applicable provisions of law.

### 26. Secretarial Auditor

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

### 27. Fixed Deposits

The Company did not accept any deposits during the financial year ended March 31, 2015.

### 28. Personnel

#### Human Resources

#### A. Empowering the employees

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

## Directors' Report and Management Discussion and Analysis

### B. Industrial Relations

Industrial relations at all sites of the Company remained cordial.

### C. No. of Employees

Manpower employed as at March 31, 2015 was 628.

The Directors express appreciation of the efficient services rendered by the employees at all levels.

### 29. Particulars of Remuneration of Directors/KMP/Employees

The disclosure stipulated by Section 197(12) of the Companies Act, 2013 read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is not applicable.

Disclosure pertaining to Remuneration and other details as required under Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed and marked as **Annexure DR-5**.

### 30. Employee Stock Options Scheme

Pursuant to approval of the shareholders, Nomination and Remuneration Committee at its meeting held on March 4, 2015 in accordance with the TWL Employees Stock Options Scheme, 2014 (ESOS) extended 5,00,000 (Post Stock Split: 25,00,000) options to be converted into equivalent number of equity shares of Rs.2 each fully paid as per the ESOS.

### 31. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A statement pursuant to Section 134 (3) (M) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 on conservation of energy, technology absorption, foreign exchange earnings and outgo is annexed to and marked as **Annexure DR-6**.

### 32. Corporate Social Responsibility

Corporate Social Responsibility (CSR) Committee constituted by the Board met on March 4, 2015 and after taking into consideration all the relevant aspects decided on pursuing promotion of education, enhancing vocational skills, child health and empowering of women and/or other similar or ancillary activities with emphasis on the local areas adjoining the Company's plants in Titagarh and pursuant to Section 135 of the Act a sum of Rs.121.58 lacs was earmarked for the purpose (CSR Amount). As the work on the aforesaid activities including identification of suitable land, action in connection therewith etc., is time consuming, the CSR Amount is yet to be spent. However, the Annexure stipulated in said section is attached marked as **Annexure DR-7**.

Apart from the above, your Company contributes inter alia by donations to the charitable institutions directly and through philanthropic organisations engaged in providing medical, education and other reliefs to the poor sections of the society. The campus of Industrial Training Institute (the "ITI") set up on your Company's land at Titagarh plant situated in Barrackpore, North 24 Parganas under Private Public Partnership (PPP) with access to the tools, equipments and machinery together with experienced skilled officers as faculty provided by the Company imparts hands-on training. More than 400 students in various batches have passed and significant number of them engaged in various jobs in the industry. The ITI is recognised by the State Government as one of the best in the country and caters to the requirement of skilled workmen by industrial units.

### 33. Listing

The Company's Equity Shares are listed at the Bombay Stock Exchange Limited (BSE) and The National Stock Exchange of India Limited (NSE). The listing fees for the financial year ending on March 31, 2016 have been duly paid.

### 34. Discussion on Financial Performance with respect to Operational Performance

To mitigate the risk factors referred to hereinabove impacting the operations, better manufacturing processes, improved productivity and focus on optimization of resource deployment are undertaken for a reasonable performance, viewed in the backdrop of the trends witnessed in the industries in which the Company operates.

### 35. Forward Looking Statement

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

### 36. Acknowledgement

Your Directors place on record their appreciation of the cooperation and support extended by the Government, Banks/Financial Institutions and all other business partners.

For and on behalf of the Board

Kolkata  
August 12, 2015

**J P Chowdhary**  
Executive Chairman

## Annexure to Directors' Report

### ANNEXURE DR-1

### Form AOC-1

[Pursuant to first proviso to sub-section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures

#### Part - A : Subsidiaries

Sl. No.	1	2	3	4	5	6	7	8	9
Name of the subsidiary	Titagarh Capital Pvt. Ltd.	Titagarh Marine Limited	Cimco Equity Holdings Pvt. Ltd.	Titagarh Agrico Pvt. Ltd.	Cimmco Limited	Corporated Shipyard Pvt. Ltd.	Times Marine Pvt. Ltd.	Titagarh Wagons AFR, France	Titagarh Singapore Pte. Ltd.
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1.4.2014 to 31.3.2015								
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	Rs./Lacs								
Share capital	4000	455.00	6500.00	1400.00	6014.85	495.00	5.43	3007.57	476.37
Reserves & surplus	(1288.48)	(405.75)	(2136.75)	(68.71)	11029.44	(188.40)	(33.24)	1224.44	13.04
Total assets	3086.13	4315.55	4409.40	2158.24	27487.23	3494.40	82.00	19443.88	491.48
Total Liabilities	3086.13	4315.55	4409.40	2158.24	27487.23	3494.40	82.00	19443.88	491.48
Investments	1995	823.21	4402.70	0.20	.05	-	-	-	476.81
Turnover	93.58	13.67	0.42	-	3421.72	199.92	-	36968.13	-
Profit before taxation	2.18	(119.51)	(6.70)	(43.46)	(2543.56)	(140.46)	(20.31)	1109.93	(36.08)
Provision for taxation	0.02	-	-	-	34.41	43.41	-	118.86	-
Profit after taxation	2.16	(119.51)	(6.70)	(43.46)	(2577.97)	(97.05)	(20.31)	991.07	(36.08)
Proposed Dividend	NIL								
% of shareholding	100	100	100	96.43	-	-	-	90	100

Notes :

- Names of subsidiaries which are yet to commence operations - Titagarh Agrico Private Limited.
- Names of subsidiaries which have been liquidated or sold during the year - Greysam.
- Cimmco Limited is a Subsidiary of CEHPL.
- Corporate Shipyard Private Limited and Times Marine Enterprises Private Limited are Subsidiaries of Titagarh Marine Limited.

For and on behalf of the Board

Kolkata

August 12, 2015

**J P Chowdhary**  
Executive Chairman

## Annexure to Directors' Report

### ANNEXURE DR-2

### Form No. MGT-9

#### EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2015

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

#### I. REGISTRATION AND OTHER DETAILS

1	CIN	L27320WB1997PLC084819
2	Registration Date	03.07.1997
3	Name of the Company	Titagarh Wagons Limited
4	Category/Sub-category of the Company	Public Company Limited by Shares
5	Address of the Registered office and contact details	1B Aster Court, 3, Loudon Street, Kolkata -700017 Contact: +91 33 40190800, Fax: +91 33 40190823 E Mail: investors@titagarh.in
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent	Karvy Computer Share Private Limited Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032, Telephone: +91 040 67161563

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated (Based on Audited Financial Results 2014-15)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Wagons & Coaches	3020	97.18%

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

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Names and Address	CIN	Holding/Subsidiary/ Associate	Percentage of Shares held	Applicable Section
1	Titagarh Capital Private Limited 1B Aster Court, 3 Loudon Street, Kolkata-700017	U01122WB1994PTC138832	Subsidiary	100%	2(87)
2	Titagarh Marine Limited 1B Aster Court, 3 Loudon Street, Kolkata-700017	U70109WB2008PLC128968	Subsidiary	100%	2(87)
3	Cimco Equity Holdings Private Limited 756 Anandapur, E.M Bypass, Kolkata-700107	U67120WB2008PTC129301	Subsidiary	100%	2(87)
4	Titagarh Singapore Pte Ltd 391B Orchard Road, #23-01 Ngnee Ann City Tower-B, Singapore-238874	Foreign Company	Subsidiary	100%	2(87)
5	Titagarh Wagons AFR 12 rue de la Chaussee d Antin, Paris-750009	Foreign Company	Subsidiary	90%	2(87)
6	Titagarh Agrico Private Limited 756 Anandapur, E.M Bypass, Kolkata-700107	U74999WB2012PTC177154	Subsidiary	96.43%	2(87)
7	Times Marine Enterprises Private Limited 452 Fore Shore Road, Botanical Garden Howrah-711103	U45209WB1995PTC068148	Step-Down Subsidiary	-	2(87)
8	Corporated Shipyard Private Limited 'Diamond Chamber', 3rd Floor, Flat No. 3A & 3B , 4, Chowringhee Lane, Kolkata- 700016	U45201WB1981PTC033733	Step-Down Subsidiary	-	2(87)
9	Cimmco Limited 756, Anandapur, E M Bypass, Kolkata- 700107	L28910WB1943PLC168801	Step-Down Subsidiary	-	2(87)



## Annexure to Directors' Report

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

#### i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2014				No. of Shares held at the end of the year 31.03.2015				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1. Indian</b>									
a. Individual/HUF	6250076	Nil	6250076	31.16	6233828	Nil	6233828	31.08	(0.08)
b. Central Govt.	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
c. State Govt.	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
d. Bodies Corp.	4407589	Nil	4407589	21.97	4407589	Nil	4407589	21.97	Nil
e. Bank/FI	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
f. Any other	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
<b>Sub-Total-A(1)</b>	<b>10657665</b>	<b>Nil</b>	<b>10657665</b>	<b>53.13</b>	<b>10641417</b>	<b>Nil</b>	<b>10641417</b>	<b>53.05</b>	<b>(0.08)</b>
<b>2. Foreign</b>									
a. NRI-Individuals	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
b. Other Individuals	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
c. Body Corporate	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
d. Bank/FI	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
e. Any Other	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
<b>Sub-Total-A(2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>N.A</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>N.A</b>	<b>N.A</b>
<b>Total Shareholding of Promoters (1+2)</b>	<b>10657665</b>	<b>Nil</b>	<b>10657665</b>	<b>53.13</b>	<b>10641417</b>	<b>Nil</b>	<b>10641417</b>	<b>53.05</b>	<b>(0.08)</b>
<b>B. Public Shareholding</b>									
<b>1. Institution</b>									
a. Mutual Funds	438096	Nil	438096	2.18	1840543	Nil	1840543	9.17	6.99
b. Bank/FI	159213	Nil	159213	0.79	95853	Nil	95853	0.48	0.31
c. Cent. Govt.	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
d. State Govt.	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
e. Venture Capital	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
f. Insurance Co.	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
g. FIs	614662	Nil	614662	3.07	727979	Nil	727979	3.63	0.56
h. Foreign Portfolio Corporate	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
i. Foreign Venture Capital Fund	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
j. Others	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
<b>Sub Total B(1)</b>	<b>1211971</b>	<b>Nil</b>	<b>1211971</b>	<b>6.04</b>	<b>2664375</b>	<b>Nil</b>	<b>2664375</b>	<b>13.28</b>	<b>7.24</b>
<b>2. Non-Institution</b>									
a. Body Corp Indian Overseas	879122	Nil	879122	4.38	1701879	Nil	1701879	8.48	4.10
b. Individual									
i. Individual Shareholders holding nominal share capital up to Rs. 1 Lakh.	2566978	8638	2575616	12.85	1632981	8563	1641544	8.18	(4.67)
ii. Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh.	888982	Nil	888982	4.43	705357	Nil	705357	3.52	(0.91)
c. Others									
(i) Clearing Members	152693	Nil	152693	0.76	137108	Nil	137108	0.68	(0.08)
(ii) Foreign Bodies	818700	Nil	818700	4.08	Nil	Nil	Nil	N.A	(4.08)
(iii) Foreign Bodies Corporate	2543830	17612	2561442	12.77	2459499	17612	2477111	12.35	(0.42)
(iv) Non Resident Indians	127450	12	127462	0.64	89614	12	89626	0.45	(0.21)
(v) Trust	185416	Nil	185416	N.A	151	Nil	151	Nil	N.A
<b>Sub-Total-B(2)</b>	<b>8163171</b>	<b>26262</b>	<b>8189433</b>	<b>40.83</b>	<b>6727090</b>	<b>26187</b>	<b>6753277</b>	<b>33.67</b>	<b>(7.16)</b>
<b>Net Total (1+2)</b>	<b>9375142</b>	<b>26262</b>	<b>9401404</b>	<b>46.87</b>	<b>9417652</b>	<b>26187</b>	<b>9391465</b>	<b>46.95</b>	<b>0.08</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
<b>Grand Total (A+B+C)</b>	<b>20032807</b>	<b>26262</b>	<b>20059069</b>	<b>100.00</b>	<b>20032882</b>	<b>26187</b>	<b>20059069</b>	<b>100%</b>	

## Annexure to Directors' Report

### ii) Shareholding of Promoters

Sl. No.	Share Holders' Names	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total shares	
1	Titagarh Capital Management Services Private Limited	4334033	21.61	Nil	4334033	21.61	Nil	N.A
2	Smt. Savitri Devi Chowdhary	3623207	18.06	Nil	3623207	18.06	Nil	N.A
3	Smt. Rashmi Chowdhary	2563221	12.78	Nil	2563221	12.78	Nil	N.A
4	Shri J P Chowdhary	31308	0.16	Nil	31308	0.16	Nil	N.A
5	Shri Umesh Chowdhary	15506	0.08	Nil	15506	0.08	Nil	N.A
6	Titagarh Logistics Infrastructures Private Limited	30000	0.15	Nil	30000	0.15	Nil	N.A
7	Singhal Contractors & Builders Private Limited	4691	0.02	Nil	4691	0.02	Nil	N.A
8	Tecalemit Industries Limited	2531	0.01	Nil	2531	0.01	Nil	N.A
9	Navyug Business Private Limited	2375	0.01	Nil	2375	0.01	Nil	N.A
10	Simplex Development Private Limited	3607	0.02	Nil	3607	0.02	Nil	N.A
11	Traco International Investment Private Limited	30352	0.15	Nil	30352	0.15	Nil	N.A
12	Shri Sanjay Kumar Bajoria	5899	0.03	Nil	Nil	N.A	Nil	(100.00)
13	Smt. Vinita Bajoria	5016	0.03	Nil	16	0.00	Nil	(99.99)
14	Smt. Sumita Kandoi	3217	0.02	Nil	17	0.02	Nil	(99.99)
15	Shri Saket Kandoi	1693	0.01	Nil	193	0.01	Nil	(88.80)
16	Shri Subhash Kandoi	69	0.00	Nil	Nil	N.A	Nil	(100.00)
17	Shri Sushil Kumar Saraogi	580	0.00	Nil	Nil	N.A	Nil	(100.00)
18	Smt. Bimla Kajaria	360	0.00	Nil	360	0.00	Nil	N.A
	<b>Total</b>	<b>10657665</b>	<b>53.13</b>	<b>Nil</b>	<b>10641417</b>	<b>53.05</b>	<b>Nil</b>	<b>(0.08)</b>

### iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	At the beginning of the year	10657665	53.13	10657665	53.13
2.	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity etc)	1) 4000 and 1000 shares sold by Smt. Vinita Bajoria on 26/02/2015 and 27/02/2015 respectively. 2) 5899 shares sold by Shri Sanjay Bajoria on 26/02/2015. 3) 3200 shares sold by Smt. Sumita Kandoi on 14/03/2015. 4) 1569 shares sold by Shri Saket Kandoi on 14/03/2015. 5) Transfer of 580 shares of Shri Sushil Kumar Saraogi since deceased. Total : 16248 (Decrease)	0.08	10641417	53.03
3.	At the end of the year	10641417	53.05	10641417	53.05

## Annexure to Directors' Report

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

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year 1.04.14		Change in the Share holding during the year	Shareholding at the end of the year 31.03.15	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
1.	GE Capital International (Mauritius)	2543830	12.68	84331 (Decrease)	2459499	12.26
2.	HDFC Trustee Company Limited-HDFC Prudence Fund	Nil	N.A	992727 (Increase)	992727	4.94
3.	Reliance Capital Trustee Co Ltd-A/c Reliance Mid & Small Cap Fund	Nil	N.A	513358 (Increase)	513358	2.56
4.	Max Life Insurance Company Limited-A/c ULIF0012	Nil	N.A	494502 (Increase)	494502	2.46
5.	Akash Bhanshali	287149	1.43	Nil	287149	1.43
6.	Max Life Insurance Company Limited-A/c ULIF01108	Nil	N.A	186913 (Increase)	186913	0.93
7.	Amundi Funds A/c Amundi Funds-Equity India Infra	Nil	N.A	180000 (Increase)	180000	0.89
8.	L&T Mutual Funds Trustee Limited-L&T Business Cycle	Nil	N.A	147500 (Increase)	147500	0.73
9.	Morgan Stanley Asia (Singapore) Pte	Nil	N.A	131211 (Increase)	131211	0.65
10.	Aadi Financial Advisors LLP	Nil	N.A	126304 (Increase)	126304	0.63

### v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year 1.04.14		Change in the Share holding during the year	Shareholding at the end of the year 31.03.15	
		No. of Shares	% of total shares of the Company		No. of Shares	% of total shares of the Company
1.	Shri J P Chowdhary	31308	0.16	Nil	31308	0.16
2.	Shri Umesh Chowdhary	15506	0.08	Nil	15506	0.08
3.	Shri Sudipta Mukherjee	Nil	N.A	Nil	Nil	N.A
4.	Shri Anil Kumar Agarwal	Nil	N.A	Nil	Nil	N.A
5.	Shri Dinesh Arya (Karta)	50	Negligible	Nil	50	Negligible

## V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	6798.09			6798.09
ii) Interest due but not paid	Nil	Nil	Nil	
iii) Interest accrued but not due	Nil	Nil	Nil	
<b>Total of (i+ii+iii)</b>	<b>6798.09</b>			<b>6798.09</b>
<b>Change in Indebtedness during the financial year</b>				
+ Addition	1459.48	Nil	Nil	1459.48
- Reduction	6798.09	Nil	Nil	6798.09
<b>Net Change</b>	<b>-5338.60</b>			<b>-5338.60</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1459.48	Nil	Nil	1459.48
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total of (i+ii+iii)</b>	<b>1459.48</b>			<b>1459.48</b>

## Annexure to Directors' Report

### VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WT/ Manager			Total Amount
		Shri J. P. Chowdhary	Shri Umesh Chowdhary	Shri Sudipta Mukherjee	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	Rs 51,60,000/-	Rs 45,15,000/-	Rs 29,72,808/-	Rs 1,26,47,808/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	
2.	Stock Option	Nil	Nil	Nil	
3.	Sweat Equity	Nil	Nil	Nil	
4.	Commission	Rs. 33,23,000/-	Rs.14,23,000/-	Nil	Rs. 47,46,000/-
	- as % of profit				
	- others, specify...				
5.	Others, please specify	Nil	Nil	Nil	
	<b>Total (A)</b>	<b>Rs 84,83,000/-</b>	<b>Rs 59,38,000/-</b>	<b>Rs 29,72,808/-</b>	<b>Rs. 1,73,93,808/-</b>
	Ceiling as per the Act				

#### B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors					Total Amount
	Independent Directors					
Name of the Directors	Shri D. N. Davar	Shri Manoj Mohanka	Shri Shekhar Datta	Shri Sunirmal Talukdar	Shri Sudev Chandra Das	
Fee for attending board committee meetings	Rs. 4,90,000/-	Rs 4,70,000/-	Rs 2,70,000/-	Rs 3,50,000/-	Rs 1,90,000/-	Rs 17,70,000/-
Commission	Rs. 3,75,000/-	Rs 1,50,000/-	Rs 2,00,000/-	R 1,75,000/-	Rs 1,00,000/-	Rs 10,00,000/-
Others	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total (1)</b>	<b>Rs. 8,65,000/-</b>	<b>Rs 6,20,000/-</b>	<b>Rs 4,70,000/-</b>	<b>Rs 5,25,000/-</b>	<b>Rs 2,90,000/-</b>	<b>Rs 27,70,000/-</b>
	Non-Executive Director					
Name of Directors	Smt. Rashmi Chowdhary					
Fee for attending board committee meetings	Rs. 1,00,000/-					
Commission	Nil					
Others	Nil					
<b>Total (2)</b>	<b>Rs. 1,00,000/-</b>					<b>Rs.1,00,000/-</b>
<b>Total (B)=(1+2)</b>						<b>Rs.28,70,000/-</b>
<b>Total Managerial Remuneration (A+B)</b>						<b>Rs.2,02,63,808/-</b>
Overall Ceiling as per the Act						

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

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
		Mr. Anil Kumar Agarwal (CFO)	Mr. Dinesh Arya (CS)	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	Rs 29,72,808/-	Rs 19,67,038/-	Rs 49,39,846/-
	(b) Value of Perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission			
	- as % of profit			
	- others, specify...	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	<b>Total</b>	<b>Rs 29,72,808/-</b>	<b>Rs 19,67,038/-</b>	<b>Rs 49,39,846/-</b>

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

For and on behalf of the Board

Kolkata  
August 12, 2015

**J P Chowdhary**  
Executive Chairman



## Annexure to Directors' Report

### ANNEXURE DR-3

#### Form AOC-2

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

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

#### Details of Material Contract, Arrangement or Transaction at Arm's Length Basis

Sl. No.	Name (s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date (s) of approval by the Board, if any:	Amount paid as advances, if any:
1	Cimmco Limited (Subsidiary)	Investment upto Rs. 50 Crores in Non-Cumulative, Non-Convertible Redeemable 8% Preference Shares in one or more tranches	Redeemable within 5 years	1) Amount paid up in full on allotment 2) Redeemable within 5 years 3) Subscription upto Rs. 50 crores resolved, total investment made Rs. 40 crores.	12.04.2014	Nil
2	Titagarh Singapore Pte. Limited (Subsidiary)	Remittance of USD One Million in two tranches of USD 500000 each or such other tranches as may be decided by the Management	One time	1) Amount paid against allotment of equity shares by TSPL. 2) Paid up value per share USD 1 3) Amount upto USD 1 mn	12.04.2014	Nil
3	Cimmco Limited (Subsidiary)	Continuing Contract for sale/purchase of goods/materials in the ordinary course of business with a ceiling of supply value of Rs. 60 crore per year	3 Financial years w.e.f 24th May, 2014 to 23rd May, 2017	Upto Rs. 60 Crores on the following terms and conditions: a) Delivery terms: Free delivery to the factory of the Company b) Freight charges: To be paid by supplier c) Packing charges: To be paid by supplier d) Loading charges: To be paid by supplier e) Payment: Within 30 days f) Amount payable will include Sales Tax, Excise Duty, Cess on Excise duty, Cenvat etc. as applicable g) Other terms and conditions as may be mutually agreed by TWL and Cimmco h) The terms and conditions stated above are standard in nature and subject to mutually agreed modifications in accordance with purchase order /requisition.	24.05.2014	Nil
4	Titagarh Agrico Private Limited (Subsidiary)	Use of about 119 Sq. Mt. equivalent to 1280 sq. ft. i.e. 50% of the area of the premises owned by TWL at Gurgaon – 122 001, Haryana	Two years from 1st January, 2015 (Renewable subject to mutual consent)	1) Rent to be Rs. 51,200/- p.m. 2) Rent to be increased by 5% p.a. or pro rata in the event of tenacy extending beyond one year. 3) TAPL to pay 3 months' rent as interest free rent deposit to TWL i.e. Rs.153,600/- 4) In the event of delay in payment of rent by TAPL beyond due date, TWL shall be entitled to interest @ 15% p.a. on the amount outstanding.	31.01.2015	Nil

#### List of Subsidiaries

##### 1. Titagarh Wagons AFR, France ("TWAFR")

TWAFR is a railway rolling stock manufacturing company based in Douai, France and was acquired by TWL in 2010. TWAFR has strong research and design competencies. TWAFR has a manufacturing capacity of 2,000 wagons per annum. TWL along with TSPL own 100% of the equity share capital of TWAFR.

##### 2. Cimmco Limited ("Cimmco")

Cimmco, a step down subsidiary of the Company, was incorporated on September 8, 1943 with the primary objective of business of manufacturing machinery, engines, turbines, tanks, ships, bodies, tools, implements, equipments, and other materials and products. Cimmco has a manufacturing facility at Bharatpur, Rajasthan spread over approximately 200 acres. The facility has assessed capacity to manufacture 2,400 wagons per annum and has also obtained Industrial License for manufacturing certain items viz. armoured vehicles, etc. Cimco Equity Holdings Private Limited, a wholly owned subsidiary owns 74.76% of the equity share capital of Cimmco.

## Annexure to Directors' Report

3. **Titagarh Agrico Private Limited ("TAPL")**  
Titagarh Agrico Private Limited, a subsidiary of TWL, was originally incorporated as Silkhdhan Construction Private Limited ("SCPL") on March 24, 2012 and was subsequently granted a fresh certificate of incorporation on January 3, 2014, following a change in its name from SCPL to TAPL. The primary object of TAPL is to carry on the business of manufacturing tractors and other agricultural equipment/implements. TAPL is in the process of setting up facilities for manufacture of 6,000 tractors per annum. TWL holds 96.43% of the paid-up equity share capital of TAPL.
4. **Titagarh Marine Limited ("TML")**  
TML, a subsidiary of the Company, was originally incorporated as Titagarh Shipyard Limited on September 1, 2008 and was subsequently granted a fresh certificate of incorporation on October 10, 2011 following a change in its name from Titagarh Shipyard Limited to TML. The primary object of TML is to carry on the business of shipbuilding, ship breaking and small vessels and barges for Indian Navy. TWL holds 100% of the paid-up equity share capital of TML.
5. **Titagarh Capital Private Limited ("TCPL")**  
TCPL, a subsidiary of TWL, was originally incorporated as Flourish Securities and Finance Private Limited ("FSFPL") on May 10, 1994 and was subsequently granted a fresh certificate of incorporation on April 18, 2012, following a change in its name from FSFPL to TCPL. The primary object of TCPL is to carry on the business of finance, hire purchase, lease and sale of buildings, plants, machinery and equipment. TWL holds 100% of the paid-up equity and preference share capital of TCPL.
6. **Corporated Shipyard Private Limited ("CSPL")**  
CSPL, a step down subsidiary of the Company, was originally incorporated as Corporated Consultancy and Engineering Enterprises Private Limited ("CCEEPL"), on June 2, 1981 and was subsequently granted a fresh certificate of incorporation on January 4, 2008, following a change in its name from CCEEPL to CSPL. The primary object of CSPL is to carry on the business of manufacture, construction, repair and renovation of ships, vessels and other floating structures. CSPL is an approved manufacturer to Indian Navy. TML holds 100% of the paid-up equity share capital of CSPL.
7. **Times Marine Enterprises Private Limited ("TMEPL")**  
TMEPL, a step down subsidiary of TWL, was incorporated on February 8, 1995 in order to takeover and acquire as a going concern, the business carried on by the company named Times Engineering Enterprise and to manage, repair and re-sell ships, vessels and other floating vehicles. In addition, the business of TMEPL also includes consultancy. TML holds 100% of the paid-up equity share capital of TMEPL.
8. **Cimco Equity Holdings Private Limited ("CEHPL")**  
Cimco Equity Holdings Private Limited, a subsidiary of the Company, was incorporated on September 12, 2008 with the primary objective of infusing funds for revival of Cimco Limited then under Board for Industrial and Financial Reconstruction (BIFR). TWL holds 100% of the paid up equity share capital of CEHPL. CEHPL is the holding company of Cimco.
9. **Titagarh Singapore Pte. Limited ("TSPL")**  
TSPL, a wholly owned subsidiary of the Company has been incorporated under the laws of Singapore and is the investment arm of the Titagarh group, for investing in overseas companies. TSPL holds 10% of the equity share capital in TWAFR.
10. **Greysham and Co. Private Limited (Greysham)**  
The joint venture agreement (JVA) pursuant where to Greysham as a part of backward integration had been set up for manufacture of Air Brakes and Slack Adjusters, the critical components for production of Wagons, was terminated on January 07, 2015 and Greysham treated as a subsidiary of the Company by virtue of the right to appoint majority of directors on its board, ceased to be a subsidiary and the Company's entire stake of Rs.35.50 lacs in the equity of Greysham was subsequently sold.

For and on behalf of the Board

Kolkata  
August 12, 2015

**J P Chowdhary**  
Executive Chairman

### ANNEXURE DR-4

### Secretarial Audit Report

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

### FOR THE FINANCIAL YEAR 2014-15

#### Foreword

I/We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Titagarh Wagons Limited, (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me/us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my/our verification of the Titagarh Wagons Limited books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

I/We have examined books, papers, minutes books, forms and returns filed and other records maintained by Titagarh Wagons Limited ("the Company") for the financial year ended on 31st March 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder ;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the applicable rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

## Annexure to Directors' Report

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Since no buyback during the audit period, N.A.);
- (vi) The other laws applicable specifically to the auditee company :
  - a. Factories Act, 1948
  - b. The Contract Labour (Regulation & Abolition) Act, 1970
  - c. The Minimum Wages Act, 1948
  - d. The Equal Remuneration Act, 1976
  - e. The Workmen Compensation Act, 1923
  - f. The Industrial Disputes Act 1947 & Industrial Disputes (Central) Rules, 1957.
  - g. The Industrial Employment (Standing Orders) Act, 1946
  - h. The Apprenticeship Act, 1961 & Rules 1991
  - i. The Environment (Protection) Act, 1986
  - j. Indian Standard Code of Practice for Selection, Installation & Maintenance of Portable First Aid Fire Extinguishers
  - k. Water (Prevention & Control of Pollution) Cess Act, 1977 & Water (Prevention & Control of Pollution) Cess Rules, 1977
  - l. The Employees Compensation Act, 1923
  - m. The Employment Exchange (Compulsory Notification on Vacancies) Act, 1959
  - n. The Payment of Bonus Act, 1965 & Bonus Rules, 1975
  - o. The Apprenticeship Act 1961 & Rules 1991
  - p. Motor Vehicles Act 1988 & Central Motor Vehicles Rules, 1989
  - q. Finance Act 1994 & Works Contract (Composition Scheme for payment of Service Tax) Rules, 2007
  - r. The Maternity Benefit Act, 1961
  - s. The Payment of Gratuity Act, 1972
  - t. The Employees State Insurance Act, 1948
  - u. The Service Tax
  - v. Income Tax Act, 1961
  - w. The Employees Provident Fund & Misc Provisions Act, 1952
  - x. The Information Technology Act, 2000

I/We have also examined compliance with the applicable clauses of the following :

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange & National Stock Exchange of India Ltd.;

In view of the clarifications offered vide General Circular No 08/2014 (Reference No 1/19-2013-CL-V) dated 04.04.2014, MCA notified that the financial statements (& documents required to be attached thereto), auditors report & Boards report in respect of FYs that commenced earlier than 1st April 2014 shall be governed by the relevant provisions/Schedules/rules of the Companies Act, 1956 & that in respect of FYs commencing on or after 1st April 2014, the provisions of the new Act shall apply.

During the period under review, based on my examination and verification of the books, papers, minute books, forms and returns filed and other records produced to me and according to information and explanations given to me by the Company, I report that the Company has in my opinion, complied with the provisions of the Companies Act, 2013 (Act) and the Rules made thereunder, the Memorandum and Articles of Association of the Company and also applicable provisions of the aforesaid laws, standards, guidelines, agreements, etc., subject to the following observations : NIL

### I/We report that, during the year under review :

1. The status of the Company during the financial year has been that of a Listed Public Company.
2. The Company is a holding of other company(ies).
3. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.
 

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
4. The Company has complied with the provisions of the Act and Rules made under that Act in carrying out the following changes:
  - (a) Name of the Company
  - (b) Registered Office
  - (c) Principal business in conformity with the Objects
  - (d) Particulars of holding and subsidiary companies
  - (e) Promoters
  - (f) Auditors
  - (g) Directors
  - (h) Managerial Remuneration
  - (i) Officers in default
  - (j) Share Capital (authorized, issued, subscribed, paid-up, conversion/redemption, reclassification, sweat).
  - (k) The changes in the provisions of :
    - (i) The Memorandum of Association.
    - (ii) The Articles of Association.
5. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the code of Business Conduct & Ethics for Directors and Management Personnel.

## Annexure to Directors' Report

6. The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings/debenture holdings and directorships in other companies and interests in other entities.
7. The Company has advanced loans, given guarantees and provided securities to companies in which directors were interested, and has complied with the provisions of the Companies Act, 2013.
8. The Company has made loans and investments; or given guarantees or provided securities to other business entities and has complied with the provisions of the Companies Act, 2013 and any other statutes as may be applicable.
9. The amount borrowed by the Company from its directors, members, bank(s)/ financial institution(s) and others were within the approved borrowing limits of the Company. Such borrowings were made by the Company in compliance with applicable laws.
10. The Company has not defaulted in the repayment of public deposits, unsecured loans and debentures, facilities granted by bank(s)/financial institution(s) and nonbanking financial companies.
11. The Company has created, modified or satisfied charges on the assets of the Company and complied with the applicable laws.
12. All registrations under the various state and local laws as applicable to the Company are valid as on the date of report.
13. The Company has issued and allotted the securities to the persons-entitled thereto and has also issued letters, coupons, warrants and certificates thereof as applicable to the concerned persons and also redeemed its preference shares/debentures and bought back its shares within the stipulated time in compliance with the provisions of the Companies Act, 2013 and other relevant statutes.
14. The Company has declared and paid dividends to its shareholders as per the provisions of the Companies Act, 1956 and other relevant statutes.
15. The Company has credited and paid to the Investor Education and Protection Fund within the stipulated time, all the unpaid dividends, refund of application money, repayment of principal and interest on debentures, repayment of principal and interest on fixed deposits as required to be so credited to the Fund.
16. The Company has paid all its Statutory dues and satisfactory arrangements have been made for arrears of any such dues.
17. The Company (being a listed entity) has complied with the provisions of the Listing Agreement.
18. The Company has provided a list of statutes in addition to the laws as mentioned above and it has been observed that there are proper systems in place to ensure compliance of all laws applicable to the Company.
19. The MCA, SEBI, (any other regulatory authority) carried out inspection of the Company during the year and there are no major findings/and the major findings are given below – N.A.:
20. During the year the Company has not become a sick company nor has amalgamated etc.
21. Applications for renewal of Factory licenses 10800, 12490 & 14006 have been made. However, renewed licenses awaited.
22. The Company is required to spend 2% of its net profits towards CSR activities. The Company has earmarked this amount and kept it aside in fixed deposit. However, the Company has not spent the amount towards the CSR activities till date. Explanation provided "the Company has earmarked the amount. However, the Company has not spent the amount on CSR activities during the financial year pending finalisation of related details pertaining to the aforesaid activities."
23. Some of the registers are being maintained in electronic form. The Company is in the process of ensuring satisfactory safety procedures inbuilt in the system as prescribed by law. At present, the Company has converted the electronic record in pdf format (with the password in the control of the Company Secretary), till such time as a proper system with safety features are created.

### **I/We further report that :**

- (a) the Company has complied with the provisions of Corporate Governance Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs, Government of India;
- (b) the Company has complied with the provisions of Corporate Social Responsibility Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs, Government of India;
- (c) the Company has followed the Secretarial Standards issued by the Institute of Company Secretaries of India;
- (d) the Company has complied with the provisions of Equity Listing Agreements entered into with Bombay & National Stock Exchange(s);
- (e) the Company has complied with the provisions of The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the Regulations;
- (f) the Company has complied with the provisions of The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the Regulations;
- (g) the Company has complied with the provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (h) the Company has complied with the provisions of The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 with regard to grant of Stock Options and implementation of the Schemes;
- (i) the Company has complied with the provisions of The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 – N.A.;
- (j) the Company has complied with the provisions of the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (k) the Company has complied with the provisions of The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 with regard to delisting of Equity shares from the Exchange(s) – N.A. ;
- (l) the Company has complied with the provisions of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 with regard to buy back of Equity shares – N.A.

### **I/We further report that :**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

## Annexure to Directors' Report

### I/We further report that :

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

### I/We further report that :

During the audit period the Company has effected the following activities/events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above :-

- (i) Amended the Objects clause in the Memorandum of Association.
- (ii) Appointed Directors, Key Managerial Personnel including Whole Time Director
- (iii) The Company also went in for Stock Split.
- (iv) Framed scheme for issuance of shares under the Employees Stock Options Scheme
- (v) Made Related Party Transactions as below:
  - a. Further investments in Preference Shares in Cimmco Ltd
  - b. Resolved to invest further funds in Titagarh Capital Pvt Ltd (a wholly owned subsidiary)
  - c. Purchased shares of Cimmco Equity Holdings Pvt Ltd from Janardhan Trading Company Limited.
- (vi) Sold its investments (entire shares) in Greysham And Co Pvt Ltd to Simplex Development Pvt Ltd.
- (vii) Granted put option in favour of ICICI Bank as part of security for a loan granted to Cimmco Ltd (a subsidiary company)
- (viii) Provided corporate guarantee to ICICI Bank for its subsidiary, Titagarh Wagons, AFR – France.
- (ix) Resolved to keep the minutes and other records at the Corporate Office
- (x) Given on rent a part of its property at Gurgaon to Titagarh Agrico Pvt Ltd.
- (xi) Taken on lease a flat at Hailey Road, Noida, Uttar Pradesh
- (xii) Considered the acquisition of two residential flats at Godrej Parkriti, Sodepur, Kolkata to accommodate eligible employees.
- (xiii) Approved the scheme of amalgamation of its subsidiaries viz. Titagarh Marine Ltd, Corporated Shipyard Pvt Ltd; Times Marine Enterprises Pvt. Ltd & Cimmco Equity Holdings Pvt Ltd.
- (xiv) Setting up a super annuation fund for the Company's employees.

Place: Mumbai  
Date: 22nd May 2015

**Vanita Sawant & Associates**  
Practising Company Secretary  
FCS 6210. CP No. 10622

Note: This report is to be read with our letter of even date, which is annexed as Annexure A and forms an integral part of this report.

### ANNEXURE-A

To  
The Members  
Titagarh Wagons Limited  
1-B Aster Court, 3 Loudon Street,  
Kolkata 700 017

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Mumbai  
Date: 22nd May 2015

**Vanita Sawant & Associates**  
Practising Company Secretary  
Membership No. 6210.  
Certificate of Practice No. 10622



## Annexure to Directors' Report

### ANNEXURE DR-5

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

Rule	Particulars				
(i)	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	a	Shri J P Chowdhary, Executive Chairman		27.03
		b	Shri Umesh Chowdhary, Vice Chairman & Managing Director		23.65
		c	Shri Sudipta Mukherjee, Director (Wagons Operations)		16.74
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.	a	Shri J P Chowdhary, Executive Chairman		Nil
		b	Shri Umesh Chowdhary, Vice Chairman & Managing Director		Nil
		c	Shri Sudipta Mukherjee, Director (Wagons Operations)		Nil
		d	Shri Anil Kumar Agarwal, Chief Financial Officer		Nil
		e	Shri Dinesh Arya, Company Secretary		Nil
(iii)	The percentage increase in the median remuneration of employees in the financial year.				4.24%
(iv)	The number of permanent employees on the rolls of the Company.				570
(v)	The explanation on the relationship between average increase in remuneration and company performance.		The Average increase is based on the objectives of Remuneration policy of the Company and all other relevant aspects pertaining to the period concerned.		
(vi)	Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company.		% Increase in Net Sales in 2014 -15 as compared to 2013 -14		43.48%
			% Increase in PAT in 2014 -15 as compared to 2013 -14		162.20%
			% Increase in EBIDTA in 2014 -15 as compared to 2013 -14		418.54%
			The comparison for the period is not applicable.		
(vii)	Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year and percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer.	Financial Year ended	Closing Share Price (BSE)	Market capitalization (Rs./crores)	Price Earning Ratio
		31.03.2015	Rs. 575.75	1154.90	117.26
		31.03.2014	Rs. 113.30	227.27	60.59
		Closing share price as on 31st March 2015 was Rs.575.75. TWL's offer price during its public issue in 2008 was Rs.540. However, the said data are not comparable since TWL has issued equity shares consequent to merger and to promoters upon conversion of warrants on private placement basis during the intervening period.			
(viii)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	There has been Nil increase in the remuneration of managerial personnel, while for others it is about 14.3%. This is based on other factors relevant for the purpose.			

## Annexure to Directors' Report

(ix)	Comparison of the each remuneration of the Key Managerial Personnel against the performance of the Company.	Name of the KMP	% increase in Remune-ration in 2014 15 as compared to 2013-14	% Increase in Net Sales in 2014-15 as compared to 2013 -14	% Increase in PAT in 2014 -15 as compared to 2013-14	% Increase in EBITDA in 2014 -15 as compared to 2013-14
		Shri J P Chowdhary, EC	Nil	43.48%	162.2%	418.54%
		Shri Umesh Chowdhary, VCMD	Nil	43.48%	162.2%	418.54%
		Shri Sudipta Mukherjee, WTD	Nil	43.48%	162.2%	418.54%
		Shri Anil Kumar Agarwal, CFO	Nil	43.48%	162.2%	418.54%
		Shri Dinesh Arya, CS	Nil	43.48%	162.2%	418.54%
		(x)	The key parameters for any variable component of remuneration availed by the Directors.	The key parameters are a) Net Sales b) PAT c) EBITDA d) Net Operating Cash Flow from Business		
(xi)	The ratio of the remuneration of the highest paid Director to that of the employees who are not Directors but receive remuneration in excess of the highest paid Director during the year.	None				
(xii)	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.					

Kolkata  
August 12, 2015

For and on behalf of the Board

**J P Chowdhary**  
Executive Chairman

## Annexure to Directors' Report

### ANNEXURE DR-6

Particulars required under Section 134(3)(m) read with Rule 8 of the Companies Act, 2015.

#### A. CONSERVATION OF ENERGY

##### i) Steps taken or impact on conservation of energy :

- a) Energy audit has been conducted and inter alia in accordance therewith-
  1. Use of transparent sheets in sheds to utilize sunlight for illumination and thus reducing electrical energy input for illumination.
  2. Installation of power saver compressor units replacing old and inefficient compressors.
  3. Installation of capacitor bank at load end to reduce Reactive Energy intake and thus improving Power Factor.
  4. Welding machines with power savers (inverter base) installed to save power.
  5. Use of HSD in DG sets.
- b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :
  1. Usage of CFL/Energy Efficient lighting system for shop floor illumination.
  2. Energy saving units being installed in lighting circuit to reduce consumption by 20%.
  3. One power efficient 500 cfm compressor to be installed replacing old and inefficient compressor.
  4. System being designed for reduction in No-Load Losses of Welding transformers, by automatically cutting off supply when not in operation.
  5. Replacement of rewound and inefficient drives.
  6. Water management by delinking industrial and domestic use.

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

The measures taken as above have resulted in saving of non renewable sources of power and energy which are scarce and expensive in the country thereby lowering the cost of production as well as saving the non renewable sources of energy.

##### iii) Capital investment on energy conservation equipments :

As per the Note 8 of the Financial Statements for the year ended 31st March, 2015.

#### B. TECHNOLOGY ABSORPTION

##### i) Efforts made towards technology absorption

Techno-commercial activity in advanced stage for development of the following special purpose Wagons:

- Railway Wagons of BCNA-HL specification;
- Roll-on Roll-off Wagons (Ro-Ro);
- Cars on Rail (CoR) Wagons for carrying automobiles;
- Defence Wagons of MBVT specifications.

A highly cost effective 'Break-van' for Freight Container Rake (BLCA) has been designed and the Company has obtained the Patent for 'Ro-Ro' Wagons. Applications submitted for patents pertaining to the 'COR' Wagons for carrying automobiles and 'Break-van' for Freight Container Rake are under consideration of the appropriate authority.

##### Efforts, in brief, made towards technology absorption, adaptation and innovation :

- a) A few critical wagon parts were produced by using specially developed Press Tools. More accurate parts by this innovative process have been achieved. Earlier these parts were produced by Plasma Cutting process.
- b) Saving a considerable amount of Man-hours after making a few innovative process changes during the fabrication of wagons has been attended. As a result, re-work was reduced considerably.
- c) After the implementation of various innovative press tools, our NBC (IFS) productivity as well as Quality, has been improved substantially.
- d) Some of the Hydraulic Tanks required chilling plant from outside sources which are very costly. Own innovative design has been made and two machines in place of Hydraulic Tanks installed. Results were very effective.

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

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

While implementation of the plans described hereinbefore is being pursued, the Company is focused on value addition in the manufacture & marketing of Wagons and Coaches. The Company has already set up an EMU manufacturing facility at its Uttarpara unit and a few rakes of the same have already been despatched.

## Annexure to Directors' Report

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

- The details of the technology imported : A large size VMC has been imported to machine co-co bogies in-house.
- Year of import : 2009-10
- Whether the technology been fully absorbed : Partially absorbed till date.
- If not fully absorbed, areas where this has not taken place, reasons thereof : Step by step absorption is taking place.

### iv) Expenditure on R & D :

(Rs. in lacs)

	2014-15	2013-14
Capital	Nil	Nil
Recurring	30.74	33.95
<b>Total</b>	<b>30.74</b>	<b>33.95</b>
<b>Total R &amp; D expenditure as a percentage of total turnover</b>	<b>0.08%</b>	<b>0.13%</b>

### C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- Activities relating to exports, initiatives taken to increase exports, development of new export markets and export plans :
  - A Memorandum of Understanding is proposed to be signed with the Government of India's agency RITE International for cooperation in respect of exclusive export market.
  - Efforts are being made to secure an order for limestone carrying wagons for Malaysian railway tracks.
- Total foreign exchange used and earned :  
As per Notes No. 33 & 36 of the Notes to Accounts.

For and on behalf of the Board

Kolkata  
August 12, 2015

**J P Chowdhary**  
Executive Chairman

## Annexure to Directors' Report

### ANNEXURE DR-7

### Report on CSR Activities

#### Annual Report on the CSR activities pursuant to Section 135 of the Companies Act, 2013 read with the Companies (Social Responsibility Policy) Rules, 2014

1. A brief outline of the Company's CSR Policy:

To actively contribute to the social and economic development of the communities in which we operate. In so doing participate in the endeavour to build a better, sustainable way of life for the weaker sections of society and raise the country's human development index. Education is vital for inclusive growth. As the education is the best possible way to attempt achievement of inclusive growth, due emphasis is on setting up/supporting imparting of basic education to the weaker sections of society, particularly girl child. In pursuit of sustainable livelihood focus on programmes aimed at providing appropriate vocational training is at the core of the CSR approach.

The Company has adopted a CSR Policy in compliance with the provisions of the Companies Act, 2013 which can be accessed on the Company's website through the following link: <http://www.titagarh.biz/TWL%20Policies.pdf>.

2. Composition of CSR Committee:

Sl. No.	Name	Designation	Category
1	Shri D N Davar	Chairman	Independent Director
2	Shri J P Chowdhary	Member	Executive Chairman
3	Shri Umesh Chowdhary	Member	Vice Chairman & Managing Director

3. Average net profit of the Company for last three years : Rs. 6079.06 Lacs

4. Prescribed CSR Expenditure (2% of the amount as in Sl. no. 3): Rs. 121.58 Lacs

5. Details of CSR spent during the financial year :

- Total amount to be spent for the financial year: Rs. 121.58 Lacs.
- Amount unspent: Rs. 121.58 Lacs.
- Manner in which the amount spent during the financial year is detailed below :

1)	2)	3)	4)	5)	6)	7)	8)
Sl. No	CSR Project or activity identified	Sector in which the project is covered	Projects and programs 1) Local area or other 2) Specify the state or district where project or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the project or programs Sub-heads : 1) Direct Expenditure on projects or programs 2) Overheads	Cumulative expenditure upto the reporting period	Amount spent; Direct or through implementing agency*
Please see response under Sl. No. 6 below							

\* Give details of implementing agency

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report :

As approved by the CSR Committee and Board, it was decided to pursue promotion of education, enhancing vocational skills, child health and empowering of women and/or other similar or ancillary activities with emphasis on the local areas adjoining the Company's plants in Titagarh and the CSR amount was earmarked for the purpose. As the work on the aforesaid activities including identification of suitable land, action in connection therewith etc., is time consuming, the CSR Amount is yet to be spent.

7. The CSR Committee affirms that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and policies of the Company.

Kolkata

Date : August 12, 2015

**Umesh Chowdhary**

Vice Chairman and Managing Director

**D N Davar**

Chairman, CSR Committee

# Corporate Governance Report

## Titagarh Wagons Limited (TWL's) Philosophy on Code of Governance

TWL's corporate culture is imbued with standards of integrity and transparency by adhering to the policies laid down by the Board of Directors. Corporate Governance with transparency is based on the two important principles of 'team-work' and 'professionalism' and the stakeholders are the basics of the total approach.

TWL's business objective is to manufacture and market the products where the quality deservingly is the focus of attention consistently with the ultimate aim of bringing full satisfaction to its customers.

## Board of Directors

TWL's Board as at March 31, 2015 comprised nine directors including Executive Chairman, Vice Chairman & Managing Director, Director (Wagons Operations) being the Executive Directors, five Independent Directors and one Women Director (Non-Executive). The composition of the Board also complies with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Managing Director(s) and the Non-Executive Directors (except Independent Directors) are liable to retire by rotation unless otherwise specifically approved by the shareholders.

### Composition, Attendance at the Board Meetings and the last Annual General Meeting ('AGM'), Outside Directorships and other Board Committees :

Sl.	Director	Category	No. of Board Meetings attended	Attendance at previous AGM on 11/09/2014	No. of Shares held (Face value of Rs. 2 each)#	No. of other directorships held		Chairmanship in other Committees	Membership in other Committees
						Total	Listed		
1	Shri J P Chowdhary DIN: 00313685	Promoter & Executive Chairman	7	Present	1,56,540	2	1	Nil	Nil
2	Shri Umesh Chowdhary DIN: 00313652	Promoter & Executive	9	Present	77,530	2	1	Nil	2
3	Shri Sudipta Mukherjee* DIN: 06871871	Director (Wagons Operations)	6	Present	Nil	1	Nil	Nil	Nil
4	Shri D N Davar DIN:00002008	Independent & Non-executive	8	Present	Nil	9	6	5	4
5	Shri Nandan Bhattacharya* DIN: 00313590	Independent & Non-executive	3	N.A.	Nil	N.A.	N.A.	N.A.	N.A.
6	Shri Abhas Sen* DIN: 01450642	Independent & Non-executive	3	N.A.	Nil	N.A.	N.A.	N.A.	N.A.
7	Shri Alok Mookherjee* DIN: 00174385	Independent & Non-executive	1	N.A.	Nil	N.A.	N.A.	N.A.	N.A.
8	Shri Manoj Mohanka DIN: 00128593	Independent & Non-executive	9	Present	Nil	8	3	5	4
9	Shri Sudev Chandra Das DIN: 01072628	Independent & Non-executive	8	Present	Nil	4	1	1	5
10	Shri Sunirmal Talukdar DIN: 00920608	Independent & Non-executive	10	Present	Nil	4	2	2	2
11	Shri Nand Kishore Mittal* DIN:00313622	Non- Independent & Non-executive	NIL	N.A.	450	N.A.	N.A.	N.A.	N.A.
12	Shri Shekhar Datta* DIN: 00045591	Independent & Non-executive	7	Present	Nil	5	3	2	2
13	Smt Rashmi Chowdhary* DIN: 06949401	Non-Independent & Non-executive	5	Present	128,16,105	Nil	Nil	Nil	Nil

# Shareholding post stock split on 23.04.2015.

\* Messrs Nandan Bhattacharya, Abhas Sen, Alok Mookherjee resigned from the Board w.e.f. 29th May, 2014.

\* Shri N K Mittal resigned from the Board w.e.f 12th April 2014.

\* Shri Sudipta Mukherjee has been appointed w.e.f 15th May, 2014.

\* Shri Shekhar Datta has been appointed w.e.f 12th April, 2014

\* Smt Rashmi Chowdhary has been appointed w.e.f 14th August, 2014.

Notes :

1. Shri Umesh Chowdhary is son of Shri J P Chowdhary. Smt. Rashmi Chowdhary is wife of Shri Umesh Chowdhary.
2. Independent Directors meet with criteria of their Independence as mentioned in Clause 49 (II)(B)(1) of the Listing Agreement.
3. Other directorships do not include directorship of Section 8 companies and of companies incorporated outside India.
4. Chairmanships/Memberships of Board Committees include Audit and Stakeholders' Relationship Committees only.

### Separate Meeting of Independent Directors :

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the Listing Agreement, a separate meeting of the Independent Directors of the Company was held on 4th March, 2015 to review the performance of Non-independent Directors (including the Chairman) and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.



## Corporate Governance Report

### Agenda:

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

### Invitees & Proceedings :

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

### Directors' Induction, Familiarization & Training of Board Members :

Pursuant to Clause 49 of the Listing Agreement, the Company is mandatorily required to provide suitable training to the Independent Directors to familiarize them with the Company, their role, nature of the industry in which the Company operates, business model of the Company etc. the details of such training imparted are also required to be disclosed in the Annual Report.

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

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

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

The details of such familiarization programmes have been placed on the website of the Company under the web link: [www.titagarh.biz/TWL%20Policies.pdf](http://www.titagarh.biz/TWL%20Policies.pdf)

### Evaluation of the Board's Performance:

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

### Board Meetings held during the Financial Year Ended the 31st March, 2015

During the Financial Year Ended the 31st March, 2015, Ten (10) Board Meetings were held on 12th April, 2014, 24th May, 2014, 29th May, 2014 (adjourned meeting of 24.05.14), 7th August, 2014, 11th September, 2014, 8th November, 2014, 15th November, 2014, 6th December, 2014, 31st January, 2015 and 4th March, 2015.

### Appointment/Re-appointment of Directors

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

### Board Committees

#### Audit Committee

The Audit Committee comprised Shri D N Davar, Shri Manoj Mohanka and Shri Sunirmal Talukdar (all Independent Directors). Shri Nandan Bhattacharya resigned and ceased to be a member of the Committee w.e.f 29th May, 2014 and Shri Sunirmal Talukdar has been inducted w.e.f 29th May, 2014. Shri D N Davar, Ex-Chairman of Industrial Finance Corporation of India who is an expert inter alia in banking, development banking, financial and internal control areas, is the Chairman of the Audit Committee. The Audit Committee at its meetings exercised the role and duties, which had been defined by the Board of Directors pursuant to provisions of the Companies Act read with Clause 49 of the Listing Agreement.

Shri J P Chowdhary, Executive Chairman and Shri Umesh Chowdhary, Vice Chairman and Managing Director are special invitees to the Committee.

#### Terms of Reference of Audit Committee are broadly as follows :

The terms of reference of the Audit Committee are as per the guidelines set out in the listing agreement with the stock exchanges read with Section 177 of the Companies Act, 2013. These broadly include (i) Develop an annual plan for Committee (ii) review of financial reporting processes, (iii) review of risk management, internal control and governance processes, (iv) discussions on and review of quarterly, half yearly and annual financial statements, (v) interaction with statutory, internal and cost auditors, (vi) recommendation for appointment, remuneration and terms of appointment of auditors and (vii) risk management framework concerning the critical operations of the Company.

## Corporate Governance Report

In addition to the above, the Audit Committee also reviews the following :

- (i) Matters included in the Director's Responsibility Statement.
- (ii) Changes, if any, in the accounting policies.
- (iii) Major accounting estimates and significant adjustments in financial statement.
- (iv) Compliance with listing and other legal requirements concerning financial statements.
- (v) Disclosures in financial statement including related party transactions,
- (vi) Qualification in draft audit report, if any.
- (vii) Scrutiny of inter-corporate loans & investments.
- (viii) Management Discussion and Analysis of the Company's operations.
- (ix) Valuation of undertakings or assets of the Company, wherever it is necessary.
- (x) Periodical Internal Audit Reports and the report of fraud/vigil mechanism.
- (xi) Findings of any special investigations carried out either by the Internal Auditors or by the external investigating agencies.
- (xii) Letters of Statutory Auditors to management on internal control weakness, if any.
- (xiii) Major non routine transactions recorded in the financial statements involving exercise of judgement by the management.
- (xiv) Recommend to the Board the appointment, re-appointment and, if required the replacement or removal of the statutory auditors and cost auditors considering their independence and effectiveness, and recommend the audit fees.
- (xv) Subject to further approval by the Board of Directors, review on quarterly basis, Related Party Transactions entered into by the Company pursuant to each omnibus approval, if any, given.

### Attendance at the Audit Committee Meetings held

During the year 9 meetings of the Audit Committee of the Company were held i.e. on 12th April, 2014, 24th May, 2014, 29th May, 2014 (adjourned meeting of 24.05.14), 7th August, 2014, 11th September, 2014, 8th November, 2014, 15th November, 2014, 6th December, 2014, and 31st January, 2015. The attendance of Directors at these meetings was as under :

Sl. No.	Name of Director	Designation	No. of meetings attended
1	Shri D N Davar	Chairman	7
2	Shri Nandan Bhattacharya*	Member	3
3	Shri Manoj Mohanka	Member	8
4	Shri Sunirmal Talukdar	Member	8

\* Shri Nandan Bhattacharya ceased to be a member and Shri Sunirmal Talukdar has been inducted w.e.f. May 29, 2014.

The previous Annual General Meeting (AGM) of the Company was held on 11th September, 2014 and was attended by Mr. D N Davar, Chairman of the Audit Committee.

### Stakeholders' Relationship Committee

Stakeholders' Relationship Committee is headed by Shri, Manoj Mohanka, an Independent Director with Shri Sudev Chandra Das and Shri Umesh Chowdhary being the other two members. Shri D N Davar is a Special Invitee, The attendance at and dates of Stakeholders' Relationship Committee meetings held and the Status of Investors' complaints are as follows :

### Attendance at the Stakeholders' Relationship Committee meetings

During the year 4 meetings of the Stakeholders' Relationship Committee of the Company were held i.e. on 24th May, 2014, 7th August, 2014, 8th November, 2014, and 7th February, 2015. The attendance of Directors at these meetings is as under :

Sl. No.	Name of Director	Designation	No. of meetings attended
1	Shri Nandan Bhattacharya*	Chairman	1
2	Shri Manoj Mohanka	Member	4
3	Shri Umesh Chowdhary	Member	4
4	Shri Sudev Chandra Das*	Member	3

\* Shri Nandan Bhattacharya ceased to be a member and Shri S C Das inducted w.e.f. May 29, 2014.

In aggregate 55 cases of Investors' Grievances (including routine queries) were received during the Financial year 2014-15 pertaining to Non-Receipts of Dividend Warrants, Annual Reports, Non-Receipt of Credit of share(s) which were duly redressed in time and no Investors' Grievance is pending as at 31st March, 2015. There was also no Investor complaint pending against the Company as at 31st March, 2015 on SCORES, the web based complaint redressal system of SEBI.

All valid requests for transfer of shares in physical mode received during the financial year ended the 31st March, 2015 have been acted upon by the Company and no such transfer is pending.

## Corporate Governance Report

### Nomination and Remuneration Committee (NRC)

Nomination and Remuneration Committee (NRC) comprised of Shri D N Davar, Shri Shekhar Datta and Shri Manoj Mohanka, all Independent Directors, and is headed by Shri D N Davar.

The NRC shall act in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013 and Clause 49 of the Listing Agreement and shall be responsible for :

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

During the year 7 meetings of the NRC of the Company were held i.e. on 12th April, 2014, 7th August, 2014, 11th September, 2014, 8th November, 2014, 31st January, 2015, 7th February, 2015 and 4th March, 2015 (adjourned meeting of 7th February, 2015).

The attendance of Directors at these meetings are as under :

Sl. No.	Name of Director	Designation	No. of meetings attended
1	Shri D N Davar	Chairman	7
2	Shri Shekhar Datta	Member	6
3	Shri Nandan Bhattacharya*	Member	1
4	Shri Manoj Mohanka	Member	6

\*Shri Nandan Bhattacharya ceased to be a member and Shri Shekhar Datta has been inducted w.e.f. May 29, 2014.

Remuneration policy of the Company is based on the need to attract the best available talent and is in line with the prevailing trends in the industry. The remuneration policy therefore is market led and aimed at leveraging the performance appropriately. The remuneration of Non-Executive Directors is decided by the NRC in accordance with the Remuneration Policy of the Company. The Remuneration Policy is attached hereto - **Annexure CG-2**.

Remuneration of Managing and Whole time Directors for the financial year ended the 31st March, 2015 and their shareholding in the Company : (Rs. in Lacs)

	Shri J P Chowdhary	Shri Umesh Chowdhary	Shri Sudipta Mukherjee
Salary and Perquisites	51.60	45.15	29.72
Commission	33.22	14.22	NIL
Total	84.82	59.37	29.72
Period of Appointment	5 years w.e.f 08.01.2012	5 years w.e.f 01.10.2010	5 years w.e.f. 15.05.2014
Appointment by shareholders on	15th AGM on 15th September, 2012	14th AGM on 27th July, 2011	17th AGM on 11th September, 2014
No. of Shares held	156540*	77530*	NIL

\* Shareholding post-stock split on 23.04.2015.

Remuneration of Non-Executive Directors : (Rs. in Lacs)

Name of the Director	Sitting Fees	Salary & Perquisites	Commission	Total
Mr. D N Davar	4.90	NIL	3.75	8.65
Mr. Manoj Mohanka	4.70	NIL	1.50	6.20
Mr. Shekhar Datta	2.70	NIL	2.00	4.70
Mr. Sunirmal Talukdar	3.50	NIL	1.75	5.25
Mr. Sudev Chandra Das	1.90	NIL	1.00	2.90
Mrs. Rashmi Chowdhary	1.00	NIL	NIL	1.00
Total	18.70	NIL	10.00	28.70

### Restructuring Committee

Restructuring Committee comprised Shri J P Chowdhary, Shri Umesh Chowdhary and Shri D N Davar as members and was headed by Shri J P Chowdhary, Executive Chairman. One meeting was held on 08.11.14 during the year ended 31st March, 2015 where all the members were present.

Restructuring Committee was merged with Merger and Acquisition Committee w.e.f. 8th November, 2014.

### Merger and Acquisition Committee

Merger and Acquisition Committee after reconstitution w.e.f. 8th November, 2014 comprises Shri J P Chowdhary, Shri Umesh Chowdhary, Shri D N Davar and Shri Manoj Mohanka. Shri J P Chowdhary, Executive Chairman is the Chairman of the Committee.

No meeting of the Committee was held during the year.

## Corporate Governance Report

### Committee of Directors

Committee of Directors comprised Shri J P Chowdhary, Chairman, Shri Umesh Chowdhary, Shri D N Davar and Shri Sunirmal Talukdar as members to exercise such powers as may from time to time be delegated to it by the Board. Shri Sunirmal Talukdar was inducted on the 12th April, 2014 and Shri Nandan Bhattacharya ceased to be a member w.e.f. May 29, 2014.

During the year 2 meetings of the Committee of Directors of the Company were held i.e. on 15th April, 2014 and 16th April, 2014 (adjourned meeting of 15th April 2014). Attendance of the Committee of the Directors' meetings is as under :

Sl. No.	Name of Director	Designation	No. of meetings attended
1	Shri J P Chowdhary	Chairman	2
2	Shri Umesh Chowdhary	Member	2
3	Shri D. N. Davar	Member	Nil
4	Shri Sunirmal Talukdar	Member	2
5	Shri Nandan Bhattacharya	Member	2

### Corporate Social Responsibility Committee

Shri D N Davar heads the Corporate Social Responsibility (CSR) Committee and Shri J P Chowdhary and Shri Umesh Chowdhary are the other members. CSR policy adopted by the Board is available on the web site of the Company - <http://www.titagarh.biz/TWL%20Policies.pdf>.

During the year 3 meetings of the CSR Committee of the Company were held i.e. on 24th May, 2014, 31st January, 2015 and 4th March, 2015 (adjourned meeting of 31st January, 2015). The attendance of Directors at these meetings is as under :

Attendance at the Corporate Social Responsibility Committee meetings :

Sl. No.	Name of Director	Designation	No. of meetings attended
1	Shri J P Chowdhary	Chairman	3
2	Shri Umesh Chowdhary	Member	2
3	Shri D N Davar	Member	3

### Internal Complaints Committee

The Committee has been formed by the Board as per the requirement of Section 4 of The Sexual Harassment of Women At Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Committee is headed by Smt. Vinita Bajoria as Presiding Officer, Smt. June Coelho, Smt. Tapati Chakraborty and Smt. Indira Lily Pichler - Member representing Family India Foundation & Calcutta Marudyan, NGO are the other members.

No complaints/grievances were received by the Committee during the year, therefore, no meeting of the Committee was held.

### Risk Management Committee

In compliance with the revised Clause 49 of the Listing Agreement the Risk Management Committee comprised of Shri J.P Chowdhary, Shri Umesh Chowdhary, Shri D N Davar and Shri Shekhar Datta. Shri D.N Davar, Independent Director is the Chairman of the Committee.

During the year 2 meetings of the Risk Management Committee of the Company were held i.e. on 7th February, 2015 and 4th March, 2015 (adjourned meeting of 7th February, 2015). The attendance of Directors at these meetings is as under :

Attendance at the Risk Management Committee meetings :

Sl. No.	Name of Director	Designation	No. of meetings attended
1	Shri D.N .Davar	Chairman	2
2	Shri J P Chowdhary	Member	2
3	Shri Umesh Chowdhary	Member	2
4	Shri Shekhar Datta	Member	2

### Compliance Officer

Shri D Arya, Company Secretary is the Compliance Officer and acts as the Secretary to all the Committees.

### General Body Meetings

Annual General Meetings held during the last three years are as follows :

Year	Annual General Meeting #	Venue	Date	Time	No. of Special Resolutions passed
2011-2012	15th	Kalakunj, 48, Shakespeare Sarani, Kolkata-700017	15.09.2012	10.30 A.M.	Three
2012-2013	16th	Kalakunj, 48, Shakespeare Sarani, Kolkata-700017	26.08.2013	12.30 P.M.	Nil
2013-2014	17th	Rotary Sadan, 94/2, Chowringhee Road, Kolkata-700020	11.09.2014	01.00 P.M	Four

During the year three Postal Ballot exercises have been conducted.

## Corporate Governance Report

### Postal Ballot-1

Sl. No.	Description	Votes in favour of the Resolution		Votes against the Resolution	
		No. of Votes	% of Votes	No. of Votes	% of Votes
1	Special Resolution for insertion of new Object Clause in the Main Objects of Memorandum of Association as per Section 13 of the Companies Act, 2013	11149091	99.975	2812	0.25
2	Special Resolution under Section 180(1)(a) of the Companies Act, 2013 to mortgage and/or create any charge on immovable and/or movable properties of the Company upto an amount not exceeding Rs. 900 Crores.	11146692	99.955	5037	0.045
3	Special Resolution under Section 180(1)(c) of the Companies Act, 2013 for borrowing money upto Rs. 500 Crores (Five Hundred Crores) over and above the aggregate of the Paid-up Share Capital and Free Reserves of the Company.	11147137	99.959	4567	0.041
4	Special Resolution under Section 186 of the Companies Act, 2013 to make investments, give loans, guarantees and provide securities upto Rs. 1000 Crores beyond the prescribed limits under Sub-Section (3) of the aforesaid Section.	11147184	99.959	4570	0.041

Salient Features of this postal ballot were:

- The Board of Directors of the Company at its meeting held on 24th May, 2014 appointed M/s. Sushil Goyal & Co., Practising Company Secretaries as the Scrutinizer for conducting Postal Ballot process.
- The Company completed the dispatch of notice and postal ballot form along with postage prepaid reply envelope by 9th August, 2014 under ordinary post to its members whose name(s) appeared on the Register of Members/list of beneficiaries as on 1st August 2014 as provided by RTA.
- The last date of receipt of postal ballot forms was 8th September, 2014
- The Report was submitted by the Scrutinizer to the Chairman on 10th September, 2014.
- Based on the said Report the Chairman declared the Result on 11th September, 2014.

### Postal Ballot-2

Sl. No.	Description	Votes in favour of the Resolution		Votes against the Resolution	
		No. of Votes	% of Votes	No. of Votes	% of Votes
1	Special Resolution for approval for grant of put option in favour of ICICI Bank as part of security for Rupee Term Loan of Rs 40 Crores to Cimmco Limited, a subsidiary of the Company.	1257480	99.954	573	0.046

Salient features of this postal ballot were :

- The Board of Directors of the Company at its meeting held on 6th December, 2014 appointed M/s. Sushil Goyal & Co; Practising Company Secretaries as the Scrutinizer for conducting Postal Ballot process.
- The Company completed the dispatch of notice and postal ballot form along with postage prepaid reply envelope by 29th December, 2014 under ordinary post to its members whose name(s) appeared on the Register of Members/list of beneficiaries as on 19th December, 2014 as approved by RTA.
- The last date of receipt of postal ballot forms was 28th January, 2015
- The Report was submitted by the Scrutinizer to the Chairman on 30th January, 2015.
- Based on the said Report the Chairman declared the Result on 31st January 2015.

### Postal Ballot-3

Sl. No.	Description	Votes in favour of the Resolution		Votes against the Resolution	
		No. of Votes	% of Votes	No. of Votes	% of Votes
1	Special Resolution : Issue of Equity Shares and/or other securities up to Rs 250 Crores in one or more tranches by way of Qualified Institutional Placement	12329045	99.998	303	0.002
2	Ordinary Resolution : Subdivision of 1(One) Equity Share of face value of Rs 10/- (Rupees Ten) in to 5(Five) Equity Shares of Rs 2/- (Rupees Two) each (Stock Split)	12602917	99.997	325	0.003
3	Special Resolution : Alteration of Memorandum of Association of the Company	12603144	99.998	233	0.002
4	Special Resolution : Alteration of Articles of Association of the Company	12325056	99.998	233	0.002

## Corporate Governance Report

Salient features of this postal ballot were:

- (i) The Board of Directors of the Company at its meeting held on 4th March, 2015 appointed M/s. Sushil Goyal & Co; Practising Company Secretaries as the Scrutinizer for conducting Postal Ballot process.
- (ii) The Company completed the dispatch of notice and postal ballot form along with postage prepaid reply envelope by 12th March, 2015 under ordinary post to its members whose name(s) appeared on the Register of Members/list of beneficiaries as on 6th March, 2015 as provided by RTA.
- (iii) The last date of receipt of postal ballot forms was 11th April, 2015
- (iv) The Report was submitted by the Scrutinizer to the Chairman on 13th April, 2015.
- (v) Based on the said Report the Chairman declared the Result on 14th April, 2015.

### Disclosures

#### (i) Related Party Transactions

All transactions entered into with related parties as defined under the Companies Act, 2013 and Clause 49 of the Listing Agreement during the financial year 2014-15 were in the ordinary course of business and on arm's length pricing basis. Suitable disclosures as required by Accounting standard (AS 18) have been made in the Financial Statements. The Board has approved a policy for related party transactions which can be accessed at the Company website link : [www.titagarh.biz/TWL%20Policies.pdf](http://www.titagarh.biz/TWL%20Policies.pdf)

#### (ii) Compliance with Accounting Standard

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

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

Details of transactions with the related parties as specified in Accounting Standard 18 have been reported in the Financial Statements. There was no transaction of a material nature with any of the related parties which was in conflict with the interest of the Company.

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

There was no such instance in the last three years.

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

In compliance with the provisions of Section 177(9) of the Companies Act, 2013 and Clause 49 of the Listing Agreement the Company has framed a Vigil Mechanism/Whistle Blower Policy and the same has also been placed in the website of the Company. The Company affirms that no personnel have been denied access to the Audit Committee.

#### (vi) Details of compliance with mandatory requirements and adoption of the nonmandatory requirements of this Clause

The Company is compliant with all the mandatory requirements of Clause 49 of the Listing Agreement for 2014-15.

The following non-mandatory requirements under Clause 49 of Listing Agreement to the extent they have been adopted are as mentioned below:

- a) The Internal Auditors of the Company make presentation to the Audit Committee on their reports.
- b) The Board of Directors periodically reviewed compliance reports of all laws applicable to the Company, prepared by the Company.

### Code of Conduct

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

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

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

#### Code of Conduct for Independent Directors

The Board has adopted the Code of Conduct for Independent Directors as per Schedule IV of the Companies Act, 2013 and revised Clause 49 of the Listing Agreement. Shri D. Arya, Company Secretary has been designated Compliance Officer in respect of compliance of the Code.

### Whistle Blower Policy/Vigil Mechanism

The Policy as mandated by revised Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013, has been duly adopted by the Board on April 12, 2014 for the safeguard of employees and Directors. The mechanism is under the surveillance of Audit Committee. No personnel has been denied access to the Audit Committee. Vigil Mechanism Policy is available on the web site of the Company - [www.titagarh.biz](http://www.titagarh.biz). No grievance has been reported to the Audit Committee during the year.

### Means of Communication

#### Half-yearly report to shareholders, Quarterly Results, Newspapers in which published, Website etc.

The Quarterly, Half-yearly and Annual Results are published by the Company generally in English (Business Standard and/or Mint) and Vernacular (Aajkal or Ekdin) dailies. Interim Results/reports are not sent to the household of shareholders since the same are posted on the web sites of the Company and BSE and NSE. The address of the Company's web site is [www.titagarh.biz](http://www.titagarh.biz).



# Corporate Governance Report

## General Shareholder Information

### Annual General Meeting

Date and Time	: 24th September, 2015
Venue	: Bharatiya Bhasha Parishad, 4th Floor, 36A, Shakespeare Sarani, Kolkata 700 017
Dividend Payment Date	: Shall be paid within the statutory time limit
Dates of Book Closure	: 19th September, 2015 to 24th September, 2015

### Financial Calendar

First Quarter Results	: 12th August, 2015
Second Quarter Results	: October/November, 2015
Third Quarter Results	: January/February, 2016
Fourth Quarter Results	: April/May, 2016

### Listing on Stock Exchanges and Stock Codes

Shares of the Company are listed at the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) [Scrip Codes 532966 & TWL (EQ) respectively]. Listing fees for the year 2015-16 have been paid to both BSE and NSE. ISIN for dematerialization is INE 615H01020.

### Details of unclaimed shares pursuant to Clause 5A of Listing Agreement

In accordance with newly inserted clause 5A of Listing Agreement, the Company has dematerialized 2774 equity shares comprised in 729 folios to those shareholders who have not responded to the reminder letters issued. The said shares are lying in electronic mode with the depository participant Karvy Stock Broking Limited.

Ten Equity shares of Rs. 10/- each of the Company allotted to an individual shareholder in the Initial Public Offer of the Company on April, 9, 2008 could not be credited to his account, both at the beginning and end of the Financial year since operation of the Demat account of the shareholder had been suspended. Despite reminders from the Company the shareholder has not got his account regularized and the voting rights on these shares shall remain frozen till the shareholder concerned claims the shares.

### Market Price Data : High/Low in each month of Financial Year

#### (A) Bombay Stock Exchange Limited

Month	High (Rs.)	Low (Rs.)	Quantity Traded (Shares)	Sensitive Index	
2014				High	Low
April	223.80	113.15	34,50,494	22,939.31	22,197.51
May	261.45	180.00	6,67,853	25,375.63	22,277.04
June	336.00	250.05	6,71,584	25,725.12	24,270.20
July	342.00	195.00	3,48,104	26,300.17	24,892.00
August	245.55	206.15	2,56,429	26,674.38	25,232.82
September	242.00	191.60	4,30,118	27,354.99	26,220.49
October	235.05	202.00	1,37,181	27,894.32	25,910.77
November	344.90	232.15	18,51,807	28,822.37	27,739.56
December	356.30	237.60	14,94,013	28,809.64	26,469.42
2015					
January	374.80	294.50	12,01,202	29,844.16	26,776.12
February	724.00	364.00	1,19,17,416	29,560.32	28,044.49
March	873.00	529.75	75,78,353	30,024.74	27,248.45

#### (B) National Stock Exchange of India Limited

Month	High (Rs.)	Low (Rs.)	Quantity Traded (Shares)	CNX NIFTY	
2014				High	Low
April	223.85	113.50	97,14,562	6,869.85	6,650.40
May	261.75	179.00	19,76,363	7,563.50	6,638.55
June	334.50	251.00	18,30,807	7,700.05	7,329.50
July	338.90	197.20	11,01,377	7,840.95	7,422.15
August	245.60	204.95	7,53,279	7,968.25	7,540.10
September	243.00	196.00	15,24,775	8,180.20	7,841.80
October	235.00	200.05	5,31,766	8,330.75	7,723.85
November	345.50	232.50	65,61,062	8,534.65	8,290.25
December	356.65	236.30	54,12,878	8,626.95	7,961.35
2015					
January	375.00	295.00	43,13,424	8,996.60	8,111.35
February	723.80	364.10	4,42,23,486	8,941.10	8,470.50
March	872.90	530.00	2,50,40,814	9,119.20	8,269.15

# Corporate Governance Report

## Share Transfer System & Registrars and Transfer Agent ('RTA')

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

## Categories of Shareholding as on the 31st March, 2015

Category	No. of Shares held	% of Total Shares
• Promoter & Promoter Group	1,06,41,417	53.05
• Indian Public		
Mutual Funds & UTI	18,40,543	9.18
Financial Institutions & Banks	99,853	0.49
Private Corporate Bodies	17,01,879	8.48
Individuals / Others	23,47,052	11.70
• Non-Residents		
• Foreign Institutional Investors/ Non-Residents	32,95,217	16.43
• Clearing Members	1,37,108	0.67
<b>TOTAL</b>	<b>2,00,59,069</b>	<b>100.00</b>

**Dematerialisation of shares and liquidity :** 99.87% of total equity shares of the Company have been dematerialised as on 31st March, 2015.

## Distribution of Shareholding as on 31st March, 2015

Range of Shares	Number of Shares	No. of Shareholders	% to Total Shares
1 to 5000	10,47,718	20,940	5.22
5001 to 10000	2,90,453	370	1.45
10001 to 20000	2,62,995	174	1.31
20001 to 30000	1,84,358	74	0.92
30001 to 40000	1,40,409	40	0.70
40001 to 50000	1,42,939	31	0.72
50001 to 100000	2,29,570	32	1.14
100001 & above	1,77,60,627	63	88.54
<b>TOTAL</b>	<b>2,00,59,069</b>	<b>21,724</b>	<b>100.00</b>

## Subsidiary Companies

The Company does not have any material non-listed Indian subsidiary whose networth exceeds 20% of the consolidated net worth of the holding company in the immediately preceding accounting year or generated 20% of the consolidated income of the Company during the previous financial year. However, in line with the requirements of the listing agreement a policy to determine a material subsidiary has been framed and the same may be accessed on the Company's website at the link: [www.titagarh.biz/TWL%20Policies.pdf](http://www.titagarh.biz/TWL%20Policies.pdf).

**Plant Locations :** The Company's plants are located at :

### Wagons Division

P.O.: Titagarh -743 188  
District : 24 Parganas (N), W. Bengal, India  
Fax : 91 33 2501 0736

### Steel Castings Division

1 Abdul Quddus Road, Titagarh-743 188  
District : 24 Parganas (N), W.Bengal, India  
Telephone : 91 33 2545 7067; Fax : 91 33 2545 7068

### Coaches/Heavy Engineering Division (HED)

Hind Motor-712 233  
District : Hooghly, W. Bengal, India  
Telephone : 91 33 2664 1755; Fax : 91 33 2664 7333

## Address for Correspondence :

### Corporate Office :

#### Titagarh Wagons Limited

Titagarh Towers  
756, Anandapur, E. M. Bypass, Kolkata 700 107  
Telephone : 91 33 4019 0800 Fax: 91 33 4019 0823  
Email : [corp@titagarh.in](mailto:corp@titagarh.in)

### Registrar & Transfer Agent (RTA) :

Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli,  
Financial District, Nanakramguda, Hyderabad 500 032, Phone : 91 40 6716 2222, Fax : 91 40 2300 1153  
Email for Investor complaints : [einward.ris@karvy.com](mailto:einward.ris@karvy.com)

### Registered Office :

#### Titagarh Wagons Limited

1B, Aster Court  
3, Loudon Street, Kolkata 700 017  
Telephone : 91 33 4019 0800 Fax: 91 33 4019 0823  
Email : [investors@titagarh.biz](mailto:investors@titagarh.biz)

For and on behalf of the Board

**J P Chowdhary**  
Executive Chairman

Place : Kolkata  
Date : May 22, 2015

# Corporate Governance Report

## Declaration Affirming Compliance of Provisions of the Code of Conduct

To the best of my knowledge and belief and on the basis of declarations given to me, I hereby affirm that all the Board members and the senior management personnel have fully complied with the provisions of the Code of Conduct for Directors and Senior Management Personnel during the financial year ended 31st March, 2015.

Kolkata  
Date : May 22, 2015

For Titagarh Wagons Limited  
**Umesh Chowdhary**  
Vice Chairman and Managing Director

## Certificate on Compliance of Corporate Governance

To  
The Members  
Titagarh Wagons Limited  
1B, Aster Court,  
3, Loudon Street, Kolkata 700 017

I have examined the compliance of conditions of Corporate Governance by Titagarh Wagons Limited, for the year ended on 31st March 2015, as stipulated in Clause 49 of the Listing Agreement of the said Company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination has been limited to a review of the procedures and implementation thereof adopted by the Company for ensuring compliance with the conditions of Corporate Governance as stipulated in the said Clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above-mentioned Listing Agreement.

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

Place: Mumbai  
Date: 22nd May 2015

**Vanita Sawant & Associates**  
Practising Company Secretary  
Membership No. 6210.  
Certificate of Practice No. 10622

## Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification

### The Board of Directors Titagarh Wagons Limited

Dear Sirs,

We have reviewed the financial statements read with the cash flow statement of Titagarh Wagons Limited for the year ended on the 31st day of March, 2015 and to the best of our knowledge and belief, we state that:

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

Kolkata  
Date : May 22, 2015

**Umesh Chowdhary**  
Vice Chairman and Managing Director & CEO

**Anil Kumar Agarwal**  
Chief Financial Officer

# Annexure to Corporate Governance Report

## ANNEXURE CG - 1

### Criteria For Performance Evaluation of Board & Independent Directors

#### 1. PREAMBLE

- 1.1. The Company is committed to adoption of the best practices in sync with its corporate governance philosophy based on the objective of fostering sustainable ethical conduct in fulfilling its responsibilities. The Board of Directors (the "Board") of Titagarh Wagons Limited (TWL) has adopted the following criteria pursuant to Clause 49 of the Listing Agreement to ensure compliance with the applicable provisions of the Listing Agreement.
- 1.2. The Nomination & Remuneration Committee of the Company shall lay out the criteria for performance evaluation of the Board & Independent Directors, which shall be approved by the Board. The evaluation shall be done by the entire Board (excluding the director being evaluated). The criteria shall be reviewed by the Nomination & Remuneration Committee and the Board from time to time.

#### 2. APPLICABLE COMPLIANCES UNDER COMPANIES ACT 2013

- 2.1. In the Board's Report, a statement is required to be given indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual Directors [Section 134 & Companies (Accounts) Rules 2014].
- 2.2. The Nomination and Remuneration Committee shall identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every Director's performance [Section 178 & Companies (Meetings of Board and its Powers) Rules 2014].
- 2.3. The performance evaluation of Independent Directors (as defined in these provisions) shall be done by the entire Board of Directors, excluding the director being evaluated. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director [Section 149 – Schedule IV & Companies (Appointment and Qualification of Directors) Rules 2014].
- 2.4. Code for Independent Directors has been laid down [Section 149 – Schedule IV].

#### 3. APPLICABLE COMPLIANCES UNDER CLAUSE 49 OF THE LISTING AGREEMENT

- 3.1. One of the key functions of the Board is to monitor and review Board Evaluation framework.
- 3.2. Performance evaluation of Independent Directors is stipulated.
- 3.3. The Nomination & Remuneration Committee shall lay down the evaluation criteria of the Independent Director and evaluation shall be done by the entire Board of Directors (excluding the director being evaluated).
- 3.4. The Criteria shall be disclosed in the Annual Report.
- 3.5. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

#### 4. INDIVIDUAL DIRECTOR EVALUATION & OVERALL BOARD EVALUATION PROCESS

- 4.1. The criteria are based for assessment of peer Directors and assessment of the overall performance of the Board.
- 4.1.1. Each Director has to complete a evaluation sheet by giving the appropriate rating number related to each of the criteria mentioned below that most closely reflects :-
  - performance of individual peer Directors, and
  - overall performance of the Board.
- 4.1.2. For each of the criteria, rating number ranges between 1 and 5 as follows:-
  - 01- indicating minimum positive.
  - 05- indicating maximum positive.
  - 00- indicating where the particular criterion is not applicable or Director does not have enough knowledge or information.
- 4.1.3. Separate sheet would be provided to each Director for evaluation.
- 4.1.4. The ratings will be compiled and placed before the Board for discussions and evaluation.
- 4.1.5. The evaluation exercise is to be completed within a time frame.

#### 5. RATING CRITERIA (Ratings from 1-5)

- 5.1. INDIVIDUAL PEER REVIEW (By all directors)
  - a) Whether the Directors uphold ethical standards of honesty and virtue?
  - b) Whether the Directors have appropriate qualifications to meet the objectives of the Company?
  - c) Whether they have financial/accounting or business literacy/skills?  
How actively and successfully do they refresh their knowledge and skill & are they upto-date with the latest developments in areas such as the corporate governance framework and financial reporting and market conditions?
  - d) How well prepared and well informed are they for Board/Committee meetings?
  - e) Do they show willingness to spend time and effort learning about the Company and its business?
  - f) Is the attendance of Directors at Board /Committee meetings satisfactory?
  - g) Do they actively participate in the Board /Committee meetings?
  - h) Can they present their views convincingly, yet diplomatically?
  - i) Do they listen to the views of others?
  - j) How cordial are their relationships with other Board/Committee members and Senior Management?
  - k) What has been the quality and value of Director's contribution at Board/Committee meetings?
  - l) What has been their contribution to the development of strategy and risk management and how successfully they have brought their knowledge and experience to bear in the consideration of these areas?
  - m) Where necessary, how resolute are they in holding to their views and resisting pressure from others?
  - n) How effectively have they followed up matters about which they have expressed concern?
  - o) How well do they communicate with other Board/Committee members, senior management and others?
- 5.2. BOARD/COMMITTEE VALUATION (By all directors):-
  1. Whether Board / Committee have diversity of experiences, backgrounds & appropriate composition?
  2. Whether Board / Committee monitor compliance with corporate governance, laws, regulations and guidelines?
  3. Whether Board / Committee demonstrate integrity, credibility, trustworthiness, an ability to handle conflict constructively, and the willingness to address issues proactively?

## Annexure to Corporate Governance Report

4. Whether Board / Committee dedicate appropriate time and resources needed to execute their responsibilities?
5. Whether Agenda and related information are circulated in advance of Board / Committee meetings to allow Directors sufficient time to study and understand the information?
6. Whether written materials provided to Board/Committee members are relevant and concise?
7. Whether the Chairman encourages inputs on agenda of Board / Committee meetings from their members, management, the internal auditors, and the independent auditor?
8. Whether meetings of Board / Committee are conducted effectively, with sufficient time spent on significant matters?
9. How well does management respond to request from the Board/ Committee for clarification or additional information?
10. Whether proper minutes are maintained of each meeting of Board / Committee?
11. Whether Board / Committee meetings are held with enough frequency to fulfil the Board's /Committee's duties?
12. Whether Board / Committee {as required} consider the quality and appropriateness of financial/ accounting and reporting, including the transparency of disclosures?
13. Whether Board / Committee consider the statutory audit plan and provide recommendations?
14. Whether Board / Committee ensure that management takes action to achieve resolution when there are repeat comments from statutory auditors?
15. Whether adjustments to the financial statements that resulted from the statutory audit are reviewed by the Audit Committee, regardless of whether they were recorded by management?
16. Whether Board / Committee oversee the role of the statutory auditors and have an effective process to evaluate the auditor's qualifications and performance?
17. Whether Board / Committee review the audit fees paid to the statutory auditors?
18. Whether Board/ Committee consider internal audit reports, management's responses, and steps toward improvement?
19. Whether Board/ Committee oversee the process and are notified of communications received from governmental or regulatory agencies related to alleged violations or areas of non-compliance?
20. Whether the contributions of the Board/ Committee to ensuring robust and effective risk management are adequate?

### 6. EVALUATION CRITERIA FOR INDEPENDENT DIRECTORS

- 6.1. Each Independent director shall be evaluated by all other Directors of the Board but not by the other Independent Directors themselves.  
Rating Criteria for PEER REVIEW {by all Directors} as stated hereinabove shall also apply to Independent directors to the extent there is no overlapping with the Rating Criteria of Independent Directors as stated hereinafter.  
Whether Independent Director/s {ID} follows professional conduct, carry out their roles and functions and duties as required in section 149 and Schedule IV of the Companies Act 2013 & given herein below?
- 6.2. Evaluation based on professional conduct
  - Whether ID upholds ethical standards of integrity and probity?
  - Whether ID acts objectively and constructively while exercising their duties?
  - Whether ID exercises his/her responsibilities in a bona fide manner in the interest of the Company?
  - Whether ID devotes sufficient time and attention to his/her professional obligations for informed and balanced decision making?
  - Whether ID not allow any extraneous considerations that will vitiate his/her exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making?
  - Whether ID does not abuse his/her positions to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person?
  - Whether ID refrains from any action that would lead to loss of his/her independence?
  - Where circumstances arise which make an independent director lose his/her independence, whether the independent director has immediately informed the Board accordingly?
  - Whether ID assists the Company in implementing the best corporate governance practices?
- 6.3. Evaluation based on Role and Functions
  - Whether ID helps in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct?
  - Whether ID brings an objective view in the evaluation of the performance of Board and management?
  - Whether ID scrutinises the performance of management in meeting agreed goals and objectives and monitor the reporting of performance?
  - Whether ID satisfies himself/herself on the integrity of financial information and that financial control and the systems of risk management are robust and defensible?
  - Whether ID has taken actions to safeguard the interests of all stakeholders, particularly the minority shareholders?
  - Whether ID balances the conflicting interest of the stakeholders?
  - Whether ID during the Board/ Committee meetings along with other members determines appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management?
  - Whether ID moderates and arbitrates in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest?
- 6.4. Evaluation based on Duties
  - Whether ID undertakes appropriate induction and regularly update and refresh his/her skills, knowledge and familiarity with the Company?
  - Whether ID seeks appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts?
  - Whether IDs strive to attend all meetings of the Board of Directors and of the Committees of which he/she is a member?
  - Whether ID participates constructively and actively in the Committees of the Board in which he/she is chairperson or member?
  - Whether ID strives to attend the general meetings of the Company?
  - Where ID has concerns about the running of the Company or a proposed action, whether he/she ensures that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting?
  - Whether ID does not unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board?

## Annexure to Corporate Governance Report

- Whether ID gives sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure himself/herself that the same are in the interest of the Company?
- Whether ID ascertains and ensures that the Company has an adequate and functional vigil mechanism and also ensures that the interests of a person who uses such mechanism are not prejudicially affected on account of such use?
- Whether ID reports concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct?
- Whether ID acts within his/her authority, assist in protecting the legitimate interests of the Company, shareholders and its employees?
- Whether ID does not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law?

### 7. COMPLIANCES

- All evaluation shall be done annually.
- Criteria and Evaluation shall be disclosed in the Annual Report of the Company.
- On the basis of the report of performance evaluation, it shall be determined by the Nomination & Remuneration Committee & Board whether to extend or continue the term of appointment of the Independent Director subject to all other applicable compliances.

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

### ANNEXURE CG - 2

## Remuneration Policy

### Policy on Remuneration of Directors, Key Managerial Personnel & Senior Employees

#### BACKGROUND

Titagarh Wagons Limited [including its subsidiaries, affiliates, associate(s), joint venture(s), group company (ies)] (hereinafter referred as the 'Company') practices a corporate culture imbued with highest standards of integrity and transparency by hering to the policies laid down by the Board of Directors where 'team-work' and 'professionalism' for maximum value creation for the stakeholders are the basic tenets of total approach.

#### BRIEF OVERVIEW UNDER COMPANIES ACT 2013

[Section 178 & Companies [Meetings of Board and its Powers] Rules 2014]

- Constitution of the Nomination and Remuneration Committee consisting of three or more non-executive directors out of which not less than one-half shall be independent directors
- The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall carry out evaluation of every director's performance.
- The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and senior management personnel i.e. employees at one level below the Board including functional heads.
- The Nomination and Remuneration Committee shall, while formulating the policy ensure that :
  - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.
- Such policy shall be disclosed in the Board's report.

#### BRIEF OVERVIEW OF THE REVISED CLAUSE 49 OF LISTING AGREEMENT

##### Nomination and Remuneration Committee

- The Company shall set up a Nomination and Remuneration committee which shall comprise at least three directors, all of whom shall be non-executive directors and at least half shall be independent. Chairman of the committee shall be an independent director.
- The role of the committee shall, inter-alia, include the following :
  - Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
  - Formulation of criteria for evaluation of Independent Directors and the Board;
  - Devising a policy on Board diversity;
  - Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal. The Company shall disclose the remuneration policy and the evaluation criteria in its Annual Report.

#### PRESENT POSITION OF DIRECTORS & KMP OF THE COMPANY

- The Company has constituted a Nomination and Remuneration Committee of the Board of Directors (Board).
- At present there are total nine directors on the Board of which six (6) are Non-Executive including one woman director & five (5) Independent and the remaining three (3) are Executive Directors.
- Key Managerial Personnel (KMP) consist of Executive Chairman, Vice Chairman & Managing Director, Director (Wagons Operations)- all executive directors and Chief Financial Officer and Company Secretary who are employees.

#### TERMS OF REFERENCE OF NOMINATION AND REMUNERATION COMMITTEE

- Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Act as Selection and Compensation Committee to evaluate suitability of candidates for various senior positions and determine appropriate compensation package for them. Selection of related persons whether or not holding place of profit in the Company to be carried out strictly on merit and where applicable, be subjected to review by the Audit Committee of and/or the Board with approval at each stage being obtained by disinterested Independent Directors only.



## Annexure to Corporate Governance Report

- Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Removal should be strictly in terms of the applicable law/s and in compliance of principles of natural justice.
- Formulation of criteria for evaluation of Independent Directors and the Board.
- Devising a policy on the Board diversity.
- Recommend to the Board, remuneration including salary, perquisite and commission to be paid to the Company's Executive Directors on an annual basis or as may be permissible by laws applicable.
- Recommend to the Board, the Sitting Fees payable for attending the meetings of the Board/Committee thereof, and, any other benefits such as Commission, if any, payable to the Non- Executive Directors.
- Setting the overall Remuneration Policy and other terms of employment of Directors, wherever required.

### CRITERIA FOR DETERMINING THE FOLLOWING :

#### Qualifications for appointment of Directors (including Independent Directors) :

- Persons of eminence, standing and knowledge with significant achievements in business, professions and/or public service.
- Their financial or business literacy/skills.
- Their railway/heavy engineering/infrastructure industry experience.
- Appropriate other qualification/experience to meet the objectives of the Company.
- As per the applicable provisions of Companies Act 2013, Rules made thereunder and Clause 49 of Listing Agreement.

The Nomination and Remuneration Committee shall have discretion to consider and fix any other criteria or norms for selection of the most suitable candidate(s).

#### Positive attributes of Directors (including Independent Directors) :

- Directors are to demonstrate integrity, credibility, trustworthiness, ability to handle conflict constructively, and the willingness to address issues proactively.
- Actively update their knowledge and skills with the latest developments in the railway/heavy engineering/infrastructure industry, market conditions and applicable legal provisions.
- Willingness to devote sufficient time and attention to the Company's business and discharge their responsibilities .
- To assist in bringing independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- Ability to develop a good working relationship with other Board members and contribute to the Board's working relationship with the senior management of the Company.
- To act within their authority, assist in protecting the legitimate interests of the Company, its shareholders and employees.
- Independent Directors to meet the requirements of the Companies Act, 2013 read with the Rules made thereunder and Clause 49 of the Listing Agreement as amended from time to time.

#### Criteria for appointment of KMP/Senior Management :

- To possess the required qualifications, experience, skills & expertise to effectively discharge their duties and responsibilities.
- To practice and encourage professionalism and transparent working environment.
- To build teams and carry the team members along for achieving the goals/objectives and corporate mission.
- To adhere strictly to code of conduct

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

- To ensure that the level and components of remuneration is reasonable and sufficient to attract, retain and motivate Directors, KMP and other employees of the quality required to run the Company successfully.
- No director/KMP/ other employee is involved in deciding his or her own remuneration.
- The trend prevalent in the similar industry, nature and size of business is kept in view and given due weightage to arrive at a competitive quantum of remuneration.
- It is to be ensured that relationship of remuneration to the performance is clear & meets appropriate performance benchmarks which are unambiguously laid down and communicated.
- Improved performance should be rewarded by increase in remuneration and suitable authority for value addition in future.
- Remuneration packages should strike a balance between fixed and incentive pay, where applicable, reflecting short and long term performance objectives appropriate to the Company's working and goals.
- Following criteria are also to be considered :
  - Responsibilities and duties ;
  - Time & efforts devoted;
  - Value addition;
  - Profitability of the Company & growth of its business;
  - Analyzing each and every position and skills for fixing the remuneration yardstick ;
  - Standards for certain functions where there is a scarcity of qualified resources.
  - Ensuring tax efficient remuneration structures.
  - Ensuring that remuneration structure is simple and that the cost to the Company (CTC) is not shown inflated and the effective take home remuneration is not low.
  - Other criteria as may be applicable.
- Consistent application of remuneration parameters across the organisation.
- Provisions of law with regard making payment of remuneration, as may be applicable, are complied.
- Whenever, there is any deviation from the Policy, the justification /reasons should also be indicated / disclosed adequately.

#### REVIEW

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

# Independent Auditor's Report

To

**The Members of Titagarh Wagons Limited**

## Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of Titagarh Wagons Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone 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, 2015, its profit, and its cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("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 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e) On the basis of written representations received from the directors as on March 31, 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of Section 164 (2) of the Act;

## Independent Auditor's Report

- f) 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:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 5(b)(i) and Note 30(A) to the financial statements;
  - The Company did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
  - There are no amounts which were required to be transferred, during the year to the Investor Education and Protection Fund by the Company.

For **S. R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 301003E

Place : Kolkata  
Dated : April 18, 2015

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

## Annexure to the Auditor's Report

### Referred to in our report of even date to the members of Titagarh Wagons Limited as at and for the year ended March 31, 2015

- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - All fixed assets have not been physically verified by the management during the year but there is a regular programme of verifying the fixed assets over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- The management has conducted physical verification of inventory at reasonable intervals during the year.
  - The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business. However, in the case of bulky material, like scrap where the weighment is not practically possible and it require volumetric measurement, we have relied on the report of independent technical expert about the quantity of such stock valued at Rs. 1,112.99 lacs.
  - The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations thereof, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- The Company has not accepted any deposit from the public.
- We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of wagons, coaches and engineering products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable to the Company have generally been regularly deposited with the appropriate authorities.
  - According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, 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.
  - According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows :

## Annexure to the Auditor's Report

Name of the statute	Nature of dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Disallowance under various sections	570.97	2002-2003 to 2010-2011	Deputy Commissioner / Commissioner of Income Tax
The West Bengal Sales Tax Act, 1944	Short payment of sales tax	5.24	2004-2005	West Bengal Taxation Tribunal
The Value Added Tax Act, 2003	Additional Demand of Sales tax under various sections, disallowance of input tax credit, levy of purchase tax etc.	210.96	2005-06, 2007-08, 2008-09, 2010-11	West Bengal Appellate & Revisional Board
The Value Added Tax Act, 2003	Additional Demand of Sales tax under various sections, disallowance of input tax credit, levy of purchase tax etc.	102.33	2011-12	Additional Commissioner Commercial Taxes
The Central Sales Tax Act, 1956	Non submission of C Forms	155.07	2005-06 to 2010-11	Appellate & Revisional Board
The Central Sales Tax Act, 1956	Additional demand of sales tax under various sections and non-submission of Form	326.89	2011-12	Additional Commissioner Commercial Taxes
The West Bengal Sales Tax Act, 1944	Interest on deferment of payment of tax for purchase of fixed capital assets	42.40	2004-05	Additional Commissioner Commercial Taxes
The Central Excise Act, 1944	Incorrect availment of cenvat credits, short payment of duty including interest etc.	10,134.24	November 2006 to March 2014	Commissioner of Central Excise and Service Tax (LTU)
		228.78	1996-97, 2006-07 to 2012 -13	Commissioner of Central Excise (Appeal)
		885.57	1995-96, 2003-04, 2006-07 to 2008-09	CESTAT, Kolkata
The Customs Act, 1962	Non-fulfilment of Export Obligation	1190.54	2006-2008	CESTAT, Kolkata
Foreign Trade Development and Regulation Act, 1992	Terminal excise duty for sale of wagons under EPCG scheme, earlier refunded	693.20	2008-10	DGFT, Kolkata

- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company, during the year in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to a bank. The Company did not have any outstanding dues in respect of a financial institution or debenture holders during the year.
- (x) According to the information and explanations given to us, the Company has given guarantees (including put option) for loans taken by subsidiary companies (refer Note 30 to the financial statements) which is in the same line of business, from a bank, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Company. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from financial institutions.
- (xi) The Company did not have any term loans outstanding during the year.
- (xii) We report that during the year under audit, as informed by the management, there was a fraud committed on the Company by external parties amounting to Rs 8.52 lacs. The Company has subsequently recovered the entire amount and accordingly there is no financial impact on the Company.

For **S. R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 301003E

Place : Kolkata  
Dated : April 18, 2015

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

## Balance Sheet as at March 31, 2015

(Rs. in Lacs)

	Notes	As at March 31, 2015	As at March 31, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	3	2,005.91	2,005.91
Reserves and surplus	4	60,998.11	61,279.28
		63,004.02	63,285.19
<b>Non-current Liabilities</b>			
Long term provisions	5	366.36	420.33
Deferred Tax Liabilities (net)	10	83.97	425.27
		450.33	845.60
<b>Current Liabilities</b>			
Short term borrowings	6	1,459.49	6,408.46
Trade payables	7.1	3,969.73	1,740.53
Other current liabilities	7.2	4,758.40	5,921.19
Short term provisions	5	2,527.31	1,411.32
		12,714.93	15,481.70
<b>TOTAL</b>		<b>76,169.28</b>	<b>79,612.29</b>
<b>II. ASSETS</b>			
<b>Non-current Assets</b>			
Fixed assets			
Tangible assets	8	11,256.46	11,588.35
Intangible assets	8	53.52	79.65
Capital work-in-progress		84.58	229.76
Intangible assets under development		165.69	150.46
Non-current investments	9	21,567.39	17,730.19
Loans and advances	11	3,123.97	1,746.47
Trade Receivables	12.1	-	921.64
Other non-current assets	12.2	167.74	161.61
		36,419.35	32,608.13
<b>Current Assets</b>			
Inventories	13	13,548.77	20,873.45
Trade receivables	12.1	7,863.42	4,889.94
Cash and bank balances	14	10,494.12	12,395.29
Loans and advances	11	5,917.59	7,292.63
Other current assets	12.2	1,926.03	1,552.85
		39,749.93	47,004.16
<b>TOTAL</b>		<b>76,169.28</b>	<b>79,612.29</b>
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  
ICAI Firm Registration No.: 301003E

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

Place : Kolkata  
Dated : April 18, 2015

For and on behalf of the Board of Directors

**J P Chowdhary**  
Executive Chairman

**D N Davar**  
Director

**Anil Kumar Agarwal**  
Chief Financial Officer

**Umesh Chowdhary**  
Vice Chairman & Managing Director

**Sunirmal Talukdar**  
Director

**Dinesh Arya**  
Company Secretary

## Statement of Profit and Loss for the year ended March 31, 2015

(Rs. in Lacs)

	Notes	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>INCOME</b>			
Revenue from operations (gross)	15	39,383.31	28,043.67
Less : Excise duty		1,769.58	1,919.75
Revenue from operations (net)		37,613.73	26,123.92
Other income	16.1	440.35	1,281.95
<b>Total Revenue (I)</b>		<b>38,054.08</b>	<b>27,405.87</b>
<b>EXPENSES</b>			
Cost of raw materials & components consumed	17	16,504.98	16,366.54
(Increase)/Decrease in inventories of finished goods, Work in progress and saleable scrap	18	5,788.02	(2,188.66)
Increase/(Decrease) in excise duty on inventories (Refer Note No. 39)		(50.49)	60.98
Employee benefits expenses	19	1,927.49	1,893.00
Other expenses { including prior period expenses (net) of Rs. 30.19 lacs (Rs. 30.88 lacs)}	20	10,492.20	10,619.89
<b>Total Expenses (II)</b>		<b>34,662.20</b>	<b>26,751.75</b>
<b>Earning before interest, tax, depreciation and amortization (EBIDTA) (I-II)</b>		<b>3,391.88</b>	<b>654.12</b>
Depreciation and amortization expenses	8	909.57	797.03
Less : Recoupment from revaluation reserve {Refer Note 2(b)(ii)}		-	101.32
		909.57	695.71
Interest income	16.2	(1,362.89)	(1,236.19)
Finance costs	21	631.36	597.59
<b>Profit before taxes &amp; exceptional items</b>		<b>3,213.84</b>	<b>597.01</b>
Exceptional items	22	1,710.15	-
<b>Profit before taxes</b>		<b>1,503.69</b>	<b>597.01</b>
<b>Tax expenses</b>			
Current tax [including Rs. Nil (Rs. 0.16 lacs) relating to earlier years]		719.62	244.10
Deferred tax credit		(201.64)	(23.03)
<b>Total tax expenses</b>		<b>517.98</b>	<b>221.07</b>
<b>Profit for the year</b>		<b>985.71</b>	<b>375.94</b>
<b>Earnings per equity share</b>			
<b>[Nominal value of share Rs. 10/- (Rs. 10/-)]</b>	23		
Basic & Diluted (in Rs.)		4.91	1.87
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  
ICAI Firm Registration No.: 301003E

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

Place : Kolkata  
Dated : April 18, 2015

For and on behalf of the Board of Directors

**J P Chowdhary**  
Executive Chairman

**D N Davar**  
Director

**Anil Kumar Agarwal**  
Chief Financial Officer

**Umesh Chowdhary**  
Vice Chairman & Managing Director

**Sunirmal Talukdar**  
Director

**Dinesh Arya**  
Company Secretary



## Cash Flow Statement for the year ended March 31, 2015

(Rs. in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit before taxation	1,503.69	597.01
<b>Adjustments for:</b>		
Depreciation and amortization expenses	909.57	695.71
Interest Expenses	421.41	367.68
Exchange Differences (unrealised)	1,088.62	(766.48)
Irrecoverable debts/ advances written off	64.06	10.72
Provision for doubtful debts and advances	11.71	423.49
Loss/(gain) on sale/discard of fixed assets (net)	16.57	(25.64)
Unspent liabilities / provisions no longer required written back	(211.12)	(185.78)
Interest on Deposits from banks/ loans, advances etc. (Gross)	(1,362.89)	(1,236.18)
<b>Operating Profit / (Loss) before Working Capital Changes</b>	<b>2,441.62</b>	<b>(119.47)</b>
<b>Movements in working capital:</b>		
Increase/(Decrease) in trade payables	2,405.07	(3,545.91)
Increase/(Decrease) in provisions	1,035.04	(6.97)
Increase/(Decrease) in other current liabilities	(1,119.25)	120.22
Decrease/ (increase) in trade receivables	(2,118.41)	4,583.17
Decrease in inventories	7,468.53	852.41
Decrease/(Increase) in loans and advances	(101.83)	1,325.45
Increase in other assets	(91.06)	(40.94)
<b>Cash Generated from Operations</b>	<b>9,919.71</b>	<b>3,167.96</b>
Taxes Paid	(828.03)	(744.62)
<b>Net Cash from Operating Activities</b>	<b>9,091.68</b>	<b>2,423.34</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets including Capital work in progress	(922.15)	(1,021.42)
Proceeds from sale of Fixed Assets	30.07	36.46
Loans to Subsidiary	(1,036.98)	(946.18)
Loan refunded by Subsidiary	66.67	-
Loan given to a Joint Venturer	-	(40.00)
Loans refunded by a related party	-	200.00
Investment in Subsidiaries	(3,725.97)	(99.00)
Sale of investment in associate company	1.27	-
Share application money to subsidiary company	-	(41.00)
Investment in Bank Fixed Deposits	(12,696.59)	(8,398.17)
Fixed Deposits encashed/matured	12,834.94	8,180.30
Interest Received	924.60	836.74
<b>Net Cash used in Investing Activities</b>	<b>(4,524.14)</b>	<b>(1,292.27)</b>

## Cash Flow Statement for the year ended March 31, 2015

(Rs. in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net increase in cash credit from banks	179.00	122.51
Net increase/(decrease) in Buyer's Credit	(5,124.78)	783.17
Interest Paid	(447.59)	(413.87)
Dividend Paid (including corporate dividend tax)	(937.19)	(930.89)
<b>Net Cash used in Financing Activities</b>	<b>(6,330.56)</b>	<b>(439.08)</b>
<b>Net Increase / (Decrease) in Cash &amp; Cash Equivalents (A+B+C)</b>	<b>(1,763.02)</b>	<b>691.99</b>
<b>Cash and Cash Equivalents - Opening Balance</b>	<b>2,181.23</b>	<b>1,489.24</b>
<b>Cash and Cash Equivalents - Closing Balance</b>	<b>418.41</b>	<b>2,181.23</b>
<b>Components of Cash &amp; Cash Equivalents :</b>		
Cash on hand	13.19	83.63
Balances with banks:		
On current accounts	382.05	75.96
On unpaid dividend account*	11.57	10.04
On Unpaid share application money*	0.48	0.48
On unpaid fractional share entitlement*	11.12	11.12
Deposits with original maturity of less than three months	-	2,000.00
<b>Total Cash and Cash Equivalents (Refer Note No. 14)</b>	<b>418.41</b>	<b>2,181.23</b>

\*The Company can utilize these balances only toward settlement of the respective unpaid dividend, unpaid share application money and unpaid fractional share entitlement.

As per our Report of even date  
For **S. R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 301003E

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

Place : Kolkata  
Dated : April 18, 2015

For and on behalf of the Board of Directors

**J P Chowdhary**  
Executive Chairman

**D N Davar**  
Director

**Anil Kumar Agarwal**  
Chief Financial Officer

**Umesh Chowdhary**  
Vice Chairman & Managing Director

**Sunirmal Talukdar**  
Director

**Dinesh Arya**  
Company Secretary

# Notes to Financial Statements as at and for the year ended March 31, 2015

## 1 CORPORATE INFORMATION

Titagarh Wagons Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 and existing under Companies Act 2013. Its shares are listed on Bombay Stock Exchange and National Stock Exchange. The Company is engaged in the manufacturing and selling of Railway Wagons, Steel Castings, Heavy Earthmoving and mining equipments, Bailey Bridges, EMU etc. The Company primarily caters to the domestic market.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a) Basis of preparation

The financial statements of the Company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention except in case of assets for which revaluation is carried out. The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year, except for the changes in accounting policy explained below.

### b) Changes in accounting policy

#### Depreciation on fixed assets

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

#### (i) Useful lives/ depreciation rates

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the financial statements.

Considering the applicability of Schedule II to the Companies Act 2013, the management has re-estimated useful lives and residual values of all its fixed assets and accordingly the depreciation charge for the current year is higher by Rs 202.34 lacs as compared to the previous year. Further, based on transitional provision provided in Note 7(b) of Schedule II, an amount of Rs 271.22 lacs (net of deferred tax of Rs. 139.66 lacs) has been adjusted with general reserve. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets.

#### (ii) Accounting for additional depreciation on account of revaluation of fixed assets

On 31st March 2009, the Company had revalued all its land, buildings, plant and machineries at Titagarh Steels Unit existing as on that date. Till year ended 31 March 2014, the Guidance Note on Treatment of Reserve Created on Revaluation of Fixed Assets issued by the ICAI allowed companies to transfer an amount equivalent to the additional depreciation arising due to upward revaluation of fixed assets from revaluation reserve to the statement of profit and loss. Accordingly, the Company was transferring an amount equivalent to additional depreciation arising due to upward revaluation of fixed assets from revaluation reserve to the statement of profit and loss. In contrast, Schedule II to the Companies Act, 2013 applicable from the current year, states that depreciable amount of an asset is the cost of an asset or other amount substituted for cost. Hence, in case of revalued assets, depreciation computed on the revalued amount needs to be charged to the statement of profit and loss, without any recoupment from revaluation reserve. Consequently, to comply with the Schedule II requirement, the Company has discontinued the practice of recouping the impact of additional depreciation from revaluation reserve. The management has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1 April 2014.

On disposal of a previously revalued item of fixed asset, the difference between net disposal proceeds and the net book value is charged or credited to the profit and loss statement except that, to the extent such a loss is related to an increase which was previously recorded as a credit to revaluation reserve and which has not been subsequently reversed or utilised, it is charged directly to that account. The amount standing in revaluation reserve following the retirement or disposal of an asset which relates to that asset is transferred to general reserve.

Had the Company continued its earlier policy of recouping the additional depreciation arising due to upward revaluation of fixed assets from reserve created from revaluation of fixed assets, profits for the current year would have been higher by Rs 37.34 Lacs. However, the change in accounting policy does not have any impact on the reserves and surplus balance as at 31 March 2015.

### c) Use of estimates

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

### d) Tangible Fixed Assets

Tangible Fixed Assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment, if any. The cost of acquisition comprises of purchase price inclusive of duties (net of Cenvat/VAT), taxes, incidental expenses, erection/commissioning/trial run expenses and borrowing cost etc, up to the date the assets are ready for intended use.

In case of revaluation of tangible fixed assets, the original cost as written up by the approved valuers is considered in the accounts and the differential amount is credited to revaluation reserve.

Machinery spares which can be used only in connection with an item of fixed assets and whose use, as per technical assessment, is expected to be irregular, are capitalized and depreciated over the residual life of the respective assets.

Capital work-in-progress includes machinery to be installed and construction & erection materials lying in stock.

## Notes to Financial Statements as at and for the year ended March 31, 2015

### e) Intangibles

Research costs are expensed as and when incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Development expenditure recognized as an intangible asset is amortized on a straight line basis over the period of expected future sales from the related project, not exceeding ten years.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, or otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

Computer softwares not being part of the hardware operating system, are assessed to have a useful life of 3 years and are capitalised as intangible fixed assets.

### f) Depreciation & Amortisation on tangible & intangible fixed assets

#### Tangible Assets

Leasehold land is amortized on a straight line basis over the period of lease, i.e., 99 years.

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management which is line with the useful lives as mentioned in Schedule II to the Companies Act 2013. The Company has used the following rates to provide depreciation on its fixed assets.

Asset Class	Useful life (years)
Factory buildings	30
Other buildings	60
Plant and equipments	15
Furniture and fixtures	10
Office equipment	3-5
Vehicles	8

#### Intangible Assets

Computer softwares capitalized as intangible fixed assets are amortised over their useful life of 3 years on a straight line basis.

### g) Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased items, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.

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

### h) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

### i) Impairment of tangible and intangible fixed assets

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on the internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which is the greater of the assets' net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Impairment losses are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

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

A previously recognized impairment loss is increased or reversed depending on the changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

## Notes to Financial Statements as at and for the year ended March 31, 2015

### j) **Investments**

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

### k) **Inventories**

Raw materials & Components and Stores & Spares Parts are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of finished goods 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 include expenses incidental to procurement thereof and determined on a weighted average basis. Goods under process and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials, labour cost and a proportion of manufacturing overheads based on the normal operating capacity. The cost of Finished goods and goods under process is determined on a weighted average basis. Cost of finished goods also includes excise duty.

Obsolete/damaged stores and saleable scraps are valued at estimated net realizable value.

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

### l) **Revenue Recognition**

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

#### **Sale of Goods**

In case of sale of goods, revenue is recognized when the significant risks and rewards of ownership of goods have passed to the buyer. Sales are net of returns, claims, trade discounts etc.

Sales exclude sales tax and value added tax (VAT) which are collected by the Company on behalf of the State Governments and deposited to the credit of the respective State Governments. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

#### **Interest Income**

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

### m) **Foreign Currency Transactions**

#### **Initial Recognition**

Foreign currency transactions are initially recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### **Conversion**

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

#### **Exchange differences**

Exchange differences arising on the settlement of monetary items or on restatement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

#### **Forward Exchange Contracts not intended for trading or speculation purposes**

The premium or discount arising at the inception of the forward exchange contract is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or expense for the year.

### n) **Retirement and other Employee Benefits**

Retirement benefits in the form of Provident and Superannuation funds are defined contribution schemes and the contributions are charged to the Statement of Profit and Loss of the year when an employee renders the related service. There are no obligations other than the contribution payable to the respective funds.

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

Long term compensated absences are provided for based on actuarial valuation, as per projected unit credit method, made at the end of each financial period. 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.

Actuarial gains/losses are taken to Statement of Profit and Loss and are not deferred.

### o) **Taxes on Income**

Tax expense comprises of current and deferred taxes.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years.

## Notes to Financial Statements as at and for the year ended March 31, 2015

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. If the company has carry forward unabsorbed depreciation and carry forward tax losses, deferred tax assets are recognized only if there is virtual certainty backed by convincing evidence that such deferred tax assets can be realized against future taxable profits.

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

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

### p) **Segment Reporting**

#### **Identification of segments**

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

#### **Inter Segment transfers**

The Company accounts for inter segment transfers at prevailing market prices.

#### **Allocation of common costs:**

Common allocable costs are allocated to each segment on case to case basis by applying the ratio, appropriate to each relevant case.

#### **Unallocated items**

Revenue and expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, are included under the head "Unallocated – Common"

#### **Segment accounting policies**

The Company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Company as a whole.

### q) **Earning per share**

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

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

### r) **Provisions**

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

Provision for product related warranties cost is based on the claims received upto the year end as well as the management's estimates of further liability to be incurred in this regard during the warranty period.

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

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

### s) **Contingent liabilities**

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

### t) **Cash and Cash equivalents**

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

### u) **Excise duty & Custom duty**

Excise duty is accounted for at the point of manufacture of goods and accordingly is considered for valuation of finished goods stock lying in the factories as on the balance sheet date. Similarly, customs duty on imported materials in transit / lying in bonded warehouse is accounted for at the time of import / bonding of materials.

### v) **Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Company has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Company measures EBITDA on the basis of profit/ (loss) for the year excluding depreciation & amortization expenses, interest income, finance costs and tax expenses.



# Notes to Financial Statements

as at and for the year ended March 31, 2015

(Rs. in Lacs)

	As at March 31, 2015	As at March 31, 2014
<b>3 SHARE CAPITAL</b>		
<b>Authorised Shares</b>		
9,60,00,000 (9,60,00,000) Equity shares of Rs. 10/- each	9,600.00	9,600.00
5,20,00,000 (5,20,00,000) Preference shares of Rs. 10/- each	5,200.00	5,200.00
	<b>14,800.00</b>	<b>14,800.00</b>
<b>Issued, Subscribed and Fully Paid-up</b>		
2,00,59,069 (2,00,59,069) Equity shares of Rs. 10/- each	2,005.91	2,005.91
	<b>2,005.91</b>	<b>2,005.91</b>

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

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

**b) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 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.

During the year ended March 31, 2015, the amount of dividend per share recognised as distributable to equity shareholders is Rs. 4/- (Rs. 4/-).

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

**c) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of 5 years immediately preceding the reporting date**

	As at March 31, 2015	As at March 31, 2014
	No. of shares	No. of shares
Equity shares allotted as fully paid up, for consideration other than cash	3,66,954	3,66,954

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

	As at March 31, 2015		As at March 31, 2014	
Name of the Shareholder	No. of shares	% holding	No. of shares	% holding
<b>Equity shares of Rs. 10/- each fully paid</b>				
Titagarh Capital Management Services Private Limited	43,34,033	22%	43,34,033	22%
Savitri Devi Chowdhary	36,23,207	18%	36,23,207	18%
Rashmi Chowdhary	25,63,221	13%	25,63,221	13%
G E Capital International (Mauritius)	24,59,499	12%	25,43,830	13%

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 both legal and beneficial ownerships of shares.

**e) The shareholders of the Company have approved the sub-division of each equity shares having a face value of Rs 10 into five equity shares having a face value of Rs 2 each through postal ballot on April 13, 2015. The record date for the sub-division has been fixed as April 24, 2015.**

	As at March 31, 2015	As at March 31, 2014
<b>4 RESERVES AND SURPLUS</b>		
<b>A. Capital Reserve</b> (as per the last financial statements)	9.18	9.18
<b>B. Securities Premium Account</b> (as per the last financial statements)	26,194.45	26,194.45
<b>C. Revaluation Reserve</b>		
Balance as per the last financial statements	679.39	780.71
Less : Amount transferred to the Statement of Profit and Loss (Refer Note (a) below)	29.96	101.32
	<b>649.43</b>	<b>679.39</b>

## Notes to Financial Statements as at and for the year ended March 31, 2015

(Rs. in Lacs)

	As at March 31, 2015	As at March 31, 2014
<b>4 RESERVES AND SURPLUS (Contd.)</b>		
<b>D. General Reserve</b>		
Balance as per the last financial statements	5,482.61	5,444.61
Add : Amount transferred from surplus in the Statement of Profit and Loss	100.00	38.00
Less: Adjustment for change in useful life, net of deferred tax {Refer Note (b) below}	(271.22)	-
	<b>5,311.39</b>	<b>5,482.61</b>
<b>E. Surplus in the Statement of Profit and Loss</b>		
Balance as per the last financial statements	28913.65	29,514.43
Profit for the year	985.71	375.94
<b>Less : Appropriations</b>		
Transfer to general reserve	100.00	38.00
Proposed equity dividend (amount per share Rs. 4/- (Rs.4 /-)	802.36	802.36
Tax on proposed equity dividend	163.34	136.36
<b>Total Appropriations</b>	<b>1065.70</b>	<b>976.72</b>
<b>Net surplus in the Statement of Profit and Loss</b>	<b>28,833.66</b>	<b>28,913.65</b>
<b>Total Reserves and Surplus (A+B+C+D+E)</b>	<b>60,998.11</b>	<b>61,279.28</b>

(a) Represents loss on disposal of fixed assets adjusted against revaluation reserve in terms of the accounting policy 2(b)(ii).

(b) Effective from April 1, 2014, the Company has charged depreciation based on the revised remaining useful lives of the fixed assets as per the requirement of Schedule II to the Companies Act, 2013. Further, as per the transitional provision provided in Note 7(b) of Schedule II, an amount of Rs. 271.22 lacs (net of deferred tax of Rs 139.66 lacs) has been adjusted with general reserve for the fixed assets in respect of which the remaining useful life was Nil as on April 1, 2014.

	Long - Term		Short - Term	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>5 PROVISIONS</b>				
<b>Provisions for employee benefits :</b>				
Gratuity* (Refer Note No. 24)	366.36	420.33	62.16	47.17
Leave benefits	-	-	126.17	104.77
	<b>366.36</b>	<b>420.33</b>	<b>188.33</b>	<b>151.94</b>
<b>Other provisions</b>				
Warranties	-	-	104.72	59.21
Liquidated damages	-	-	288.89	159.25
Loss on Onerous Contract	-	-	877.47	-
Litigation, claims and contingencies	-	-	102.20	102.20
Proposed equity dividend	-	-	802.36	802.36
Provision for tax on proposed equity dividend	-	-	163.34	136.36
	-	-	<b>2,338.98</b>	<b>1,259.38</b>
<b>Total</b>	<b>366.36</b>	<b>420.33</b>	<b>2,527.31</b>	<b>1,411.32</b>

\* The classification of provisions for employee benefits into current / non current have been done by the actuary of the Company based upon estimated amount of cash outflow during the next twelve months from the balance sheet date.

### a) Movement of provisions for warranty and liquidated damages are as follows :

	(i) Warranties		(ii) Liquidated damages	
	2014-15	2013-14	2014-15	2013-14
At the beginning of the year	59.21	68.11	159.25	189.83
Arisen during the year	77.20	20.48	216.49	85.70
Utilized during the year	(24.07)	(29.38)	(86.85)	(116.28)
Unused amounts reversed	(7.62)	-	-	-
<b>At the end of the year</b>	<b>104.72</b>	<b>59.21</b>	<b>288.89</b>	<b>159.25</b>

## Notes to Financial Statements as at and for the year ended March 31, 2015

(Rs. in Lacs)

### b) Movement of provisions for Litigation, Claims and Contingencies and Oneorus Contract are as follows:

	(i) Litigation Claims and Contingencies		(ii) Onerous Contract	
	2014-15	2013-14	2014-15	2013-14
At the beginning and at the end of the year	102.20	102.20	-	-
Arisen during the year (Refer Note 22.1)	-	-	1710.15	-
Utilized / Unused amount reversed during the year	-	-	832.68	-
<b>At the end of the year</b>	<b>102.20</b>	<b>102.20</b>	<b>877.47</b>	<b>-</b>

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

	As at March 31, 2015	As at March 31, 2014
<b>6 SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
<b>From Banks</b>		
Cash credits	897.89	718.89
Buyers' credit (in foreign currency)	561.6	5,689.57
<b>Total</b>	<b>1459.49</b>	<b>6,408.46</b>

#### Notes :

- Cash Credits and Buyers' Credit are secured by first charge on the Company's current assets, present and future and by way of collateral charge on fixed assets of the Company, both present and future. All the mortgages and charges created in favour of the above lenders rank pari passu with consortium member banks.
- Cash credits carry interest at base rate ranging from 9.70% to 11.00% plus spread ranging between 0.25% to 2.50% p.a. and are repayable on demand.
- Buyers' Credit carries interest at Libor plus spread ranging between 0.79% to 1.13% and is repayable by December, 2015.

	As at March 31, 2015	As at March 31, 2014
<b>7 OTHER CURRENT LIABILITIES</b>		
<b>7.1 Trade Payables</b>		
Acceptances	721.45	176.36
Payables for goods and services @	3,248.28	1,564.17
	<b>3,969.73</b>	<b>1,740.53</b>
<b>7.2 Other Current Liabilities</b>		
Interest accrued but not due on borrowings	4.54	30.72
Advance from customers	2,059.39	3,663.94
Payable towards purchase of fixed assets	81.79	64.08
<b>Others</b>		
Statutory Dues	455.44	236.84
Employee related liabilities	215.94	139.20
Forward Contract Payable	89.99	5.99
Other liabilities	1,828.14	1,758.78
Investor education and protection fund will be credited by following amounts (as and when due) :		
Unpaid dividends	11.57	10.04
Unpaid share application	0.48	0.48
Unpaid fractional share	11.12	11.12
<b>Total Other Current Liabilities</b>	<b>4,758.40</b>	<b>5,921.19</b>
<b>Total Current Liabilities</b>	<b>8,728.13</b>	<b>7,661.72</b>
<b>Note:</b>		
@ Includes dues to Micro & Small Enterprises in terms of Micro, Small and Medium Enterprises Act, 2006 (MSME Act) as follows :		
a) Principal amount remaining unpaid to any supplier at the end of accounting year (I)	93.19	-
Interest Due on Above (II)	-	-
<b>Total of (I) and (II)</b>	<b>93.19</b>	<b>-</b>
b) Amount of interest paid/adjusted by the Company to the suppliers	-	-
c) Amounts paid to the suppliers beyond the respective due date	5.39	-
d) Amount of interest due and payable for the period of delay in payments but without adding the interest specified under the Act	0.01	2.43
e) Amount of interest accrued and remaining unpaid at the end of each accounting year	0.01	2.43
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSME Act	2.44	-

## Notes to Financial Statements as at and for the year ended March 31, 2015

### 8 FIXED ASSETS

(Rs. in Lacs)

	Land - Freehold	Land - Leasehold	Buildings	Plant & Equipment	Railway Sidings	Furniture & Fixtures	Office Equipments & Computers	Vehicles	Total Tangible Assets	Intangible Computer software	Grand Total
<b>Cost or valuation</b>											
<b>At April 1, 2013</b>	<b>1,952.80</b>	<b>88.52</b>	<b>4,236.64</b>	<b>9,342.99</b>	<b>245.38</b>	<b>139.34</b>	<b>343.56</b>	<b>335.73</b>	<b>16,684.96 (b)</b>	<b>183.79</b>	<b>16,868.75</b>
Additions	-	-	1,542.33	433.49	58.97	197.05	184.54	21.08	2,437.46	49.21	2,486.67
Disposals	-	-	3.67	-	-	-	-	20.74	24.41	-	24.41
<b>At March 31, 2014</b>	<b>1,952.80</b>	<b>88.52</b>	<b>5,775.30</b>	<b>9,776.48</b>	<b>304.35</b>	<b>336.39</b>	<b>528.10</b>	<b>336.07</b>	<b>19,098.01 (b)</b>	<b>233.00</b>	<b>19,331.01</b>
Additions	-	-	110.45	959.68	22.49	17.51	28.93	26.57	1,165.63	16.73	1,182.36
Disposals	-	-	-	443.18	-	113.14	122.92	46.21	725.45	-	725.45
<b>At March 31, 2015</b>	<b>1,952.80</b>	<b>88.52</b>	<b>5,885.75</b>	<b>10,292.98</b>	<b>326.84</b>	<b>240.76</b>	<b>434.11</b>	<b>316.43</b>	<b>19,538.19 (b)</b>	<b>249.73</b>	<b>19,787.92</b>
<b>Depreciation &amp; Amortization</b>											
<b>At April 01, 2013</b>	<b>-</b>	<b>10.46</b>	<b>800.03</b>	<b>5,424.51</b>	<b>53.10</b>	<b>115.41</b>	<b>226.21</b>	<b>135.62</b>	<b>6,765.34</b>	<b>114.26</b>	<b>6,879.60</b>
Charge for the year	-	5.04	173.92	502.76	12.32	5.91	30.52	27.47	757.94	39.09	797.03
Disposals	-	-	1.24	-	-	-	-	12.38	13.62	-	13.62
<b>At March 31, 2014</b>	<b>-</b>	<b>15.50</b>	<b>972.71</b>	<b>5,927.27</b>	<b>65.42</b>	<b>121.32</b>	<b>256.73</b>	<b>150.71</b>	<b>7,509.66</b>	<b>153.35</b>	<b>7,663.01</b>
Charge for the year	-	0.87	178.35	531.64	22.35	27.42	72.42	33.66	866.71	42.86	909.57
Transfer to General Reserve (Refer Note 2(b)(ii))	-	-	257.01	101.55	8.16	2.95	35.58	5.63	410.88	-	410.88
Disposals	-	-	-	254.28	-	108.42	117.12	25.70	505.52	-	505.52
<b>At March 31, 2015</b>	<b>-</b>	<b>16.37</b>	<b>1,408.07</b>	<b>6,306.18</b>	<b>95.93</b>	<b>43.27</b>	<b>247.61</b>	<b>164.30</b>	<b>8,281.73</b>	<b>196.21</b>	<b>8,477.94</b>
<b>Net Block</b>											
<b>At March 31, 2014</b>	<b>1,952.80</b>	<b>73.02</b>	<b>4,802.59</b>	<b>3,849.21</b>	<b>238.93</b>	<b>215.07</b>	<b>271.37</b>	<b>185.36</b>	<b>11,588.35</b>	<b>79.65</b>	<b>11,668.00</b>
<b>At March 31, 2015</b>	<b>1,952.80</b>	<b>72.15</b>	<b>4,477.68</b>	<b>3,986.80</b>	<b>230.91</b>	<b>197.49</b>	<b>186.50</b>	<b>152.13</b>	<b>11,256.46</b>	<b>53.52</b>	<b>11,309.98</b>

- a) Deed of Conveyance in respect of freehold land amounting to Rs. 1164.08 lacs (Rs. 1,164.08 lacs) is pending registration.
- b) Land, Buildings, Plant & Machineries of Titagarh Steels Unit aggregating to Rs. 3,246.54 lacs (Gross block) as on 31st March 2009 were revalued by approved valuers on Replacement Cost basis and the net increase of Rs. 1,345.49 lacs was transferred to Revaluation Reserve. Till previous year, the Company had, in accordance with the option given in the Guidance Note on Accounting for Depreciation in Companies, recouped the additional depreciation out of revaluation reserve, however, with effect from 1st April 2014, the Company has stopped the recoupment in terms of the accounting policy 2(b)(ii).

	No. of Shares				
	As at March 31, 2015	As at March 31, 2014	Face Value Per Share (Rs.)	As at March 31, 2015	As at March 31, 2014
<b>9 NON-CURRENT INVESTMENTS</b> (Valued at cost unless stated otherwise)					
<b>Non-trade investments</b>					
<b>In fully paid up equity shares</b>					
<b>Quoted</b>					
Continental Valves Limited #	1,60,000	1,60,000	10	14.78	14.78
<b>Unquoted</b>					
Titagarh Enterprises Ltd. (Formerly Titagarh Papers Ltd.)	49,33,000	49,33,000	10	493.30	493.30
Less : Provision for diminution				(415.49)	(415.49)
				77.81	77.81
Tecalemit Industries Limited	6,85,000	6,85,000	10	22.82	22.82
Bhatpara Papers Limited	50,000	50,000	10	5.00	5.00
<b>Trade investments</b>					
<b>In fully paid up unquoted equity shares</b>					
<b>Subsidiary Companies</b>					
Titagarh Singapore Pte Limited (a)	12,25,000	11,65,000	USD 1	568.25	531.05
Titagarh Capital Private Limited (g)	15,00,000	15,00,000	100	1,542.57	1,542.57
Greysam & Company Private Limited (b)	-	3,54,990	10	-	35.50
Less: Provision for diminution				-	(35.50)
				-	-
Titagarh Wagons AFR** (a)	45,00,000	45,00,000	EURO 1	2,864.60	2,864.60
Titagarh Marine Limited (f)	45,50,050	45,50,050	10	455.06	455.06
Titagarh Agrico Private Limited	135,00,000	10,00,000	10	1,350.00	100.00
Cimco Equity Holdings Private Limited (h)	650,00,000	5,00,000	10	6,500.00	50.00

# Notes to Financial Statements

as at and for the year ended March 31, 2015

(Rs. in Lacs)

	No. of Shares		Face Value Per Share (Rs.)		
	As at March 31, 2015	As at March 31, 2014		As at March 31, 2015	As at March 31, 2014
<b>9 NON-CURRENT INVESTMENTS (Contd.)</b>					
<b>In fully paid up unquoted Preference Shares</b>					
<b>Subsidiary Companies</b>					
Titagarh Capital Private Limited (c & g)	25,00,000	25,00,000	100	2,500.00	2,500.00
Cimmco Limited (d)	250,00,000	-	10	2,500.00	-
<b>In 0% optionally fully convertible debentures</b>					
<b>Joint Venture Company</b>					
Cimco Equity Holdings Private Limited (h)	-	640,00,000	10	-	6,400.00
<b>In 0.1% optionally fully convertible debentures</b>					
<b>Subsidiary Company</b>					
Titagarh Marine Limited (e & f)	316,65,000	316,65,000	10	3,166.50	3,166.50
				<b>21,567.39</b>	17,730.19
Aggregate amount of quoted investments				14.78	14.78
Aggregate amount of unquoted investments				21,552.61	17,715.41
Market value of quoted investments				#	#
Aggregate provision for diminution in value of Investments				415.49	450.99
# Quotations not available					
** Represents shares pledged with the bank for loan taken by the subsidiary					

## Notes :

- Valued at exchange rate prevailing on the date of transaction.
- Cease to be a subsidiary w.e.f February 18, 2015.
- The preference shares are convertible into equity shares on or before August 27, 2022 at par.
- The preference shares are redeemable within five years from the date of allotment i.e. by June 27, 2019 at par.
- The optionally fully convertible debentures are convertible into equity shares at the option of the Company on or before March 31, 2021 at par.
- As at the balance sheet date, the Company has total investment of Rs 455.06 lacs in the equity shares and Rs, 3,166.50 lacs in the Optionally fully convertible debentures (OFCD) in Titagarh Marine Limited (TML), its wholly owned subsidiary Company. As at March 31, 2014, being the last audited balance sheet date, the accumulated losses in the books of TML is Rs. 285.76 lacs. Considering the long term business plan and profitability projection, the Company is of the view that the diminution in the value of investment is temporary in nature and accordingly, no provision is considered necessary in these financial statements.
- The Company has investment in the equity and preference capital aggregating to Rs. 4,042.57 lacs in its wholly owned subsidiary company Titagarh Capital Private Limited" (TCPL). As at March 31, 2014, being the last audited balance sheet date, the accumulated losses in the books of TCPL is Rs. 1,290.66 lacs. However, certain fixed assets of TCPL having net block of Rs. 59.23 lacs represents 687 wagons, are in possession of Indian Railways as lease since 1998 which have significant residual value. Considering the above, the Company is of the view that the diminution in the value of investment is temporary in nature and accordingly, no provision is considered necessary in these financial statements.
- The Company had investment of Rs.50 lacs in equity and Rs.6400 lacs in Optionally Fully Convertible Debentures (OFCD) in a Joint Venture Company Cimco Equity Holdings Private Limited" (CEHPL). On 15th April 2014, the Company has exercised its option for the conversion of such OFCD into equity shares at par and consequently the Company's holding in CEHPL increased to 99.23%. On April 16, 2014, the Company purchased 5,00,000 equity shares of Rs.10/- each held by the other shareholder in CEHPL thereby acquiring 100% equity stake. As a result thereof, CEHPL has become wholly owned subsidiary of the Company w.e.f April 16, 2014. CEHPL holds 74.76% of the total equity capital of Cimmco Limited (Cimmco) and therefore Cimmco has become a step down subsidiary of the Company on and from April 16, 2014. Further, the said conversion of OFCD triggered mandatory Open Offer pursuant to the SEBI (Substantial Acquisition & Takeovers) Regulations, 1997 in which 1429 equity shares (0.007% of Cimmco's equity capital) have been tendered post transfer whereof CEHPL's shareholding in Cimmco has increased to 74.77%.  
As at March 31, 2014, being the last audited balance sheet date, the accumulated losses in the books of CEHPL is Rs. 2,129.77 lacs. However, CEHPL is holding certain long term investments in equity shares of Rs. 4,313.35 lacs in its listed subsidiary company Cimmco Ltd. Considering the market value of the quoted equity shares, fair value of the freehold and leasehold land and long term business plan and profitability projection of Cimmco Limited, the Company is of the view that the diminution in the value of investment is temporary in nature and accordingly, no provision is considered necessary in these financial statements.

	As at March 31, 2015	As at March 31, 2014
<b>10 DEFERRED TAX ASSETS/(LIABILITIES)(NET)</b>		
<b>Deferred tax liabilities</b>		
Timing differences in depreciable assets [net of Rs 139.66 lacs adjusted with general reserve as per Note 4D(b)]	722.29	819.95
<b>Gross Deferred tax liabilities</b>	<b>722.29</b>	<b>819.95</b>
<b>Deferred tax assets</b>		
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	170.52	176.48
Provision for doubtful debts and advances	35.76	143.95
Provision for Onerous Contracts	298.25	-
Provision for Warranties and Liquidated Damages	133.79	74.25
<b>Gross Deferred tax assets</b>	<b>638.32</b>	<b>394.68</b>
<b>Net Deferred tax liabilities</b>	<b>83.97</b>	<b>425.27</b>

# Notes to Financial Statements as at and for the year ended March 31, 2015

(Rs. in Lacs)

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>11 LOANS AND ADVANCES</b>				
(Unsecured, considered good unless stated otherwise)				
Capital Advances				
Considered good	33.00	146.06	-	-
Considered doubtful	-	88.10	-	-
	33.00	234.16	-	-
Provision for doubtful advances	-	88.10	-	-
	33.00	146.06	-	-
Loans to related parties (Refer Note No. 28)	1,350.55	-	3,417.84	4,626.38
Share application money to subsidiary (Refer Note No. 28)	-	-	-	112.50
Security Deposits				
Considered good	101.68	70.08	216.70	261.08
Considered doubtful	42.50	42.50	-	-
	144.18	112.58	216.70	261.08
Provision for doubtful deposits	42.50	42.50	-	-
	101.68	70.08	216.70	261.08
Advance recoverable in cash or kind				
Considered good - To Others	-	-	637.02	294.82
Considered good - To Related Party (Refer Note No. 28)	-	-	-	9.20
Considered doubtful - To Others	-	-	8.74	48.08
	-	-	645.76	352.10
Provision for doubtful advances - To Others	-	-	8.74	48.08
	-	-	637.02	304.02
Other loans and advances				
Balance with statutory / government authorities	-	-	1,282.12	1,529.75
Advance tax (net of provision for taxes)	1,638.74	1,530.33	-	-
Prepaid expenses	-	-	363.91	458.90
<b>Total</b>	<b>3,123.97</b>	<b>1,746.47</b>	<b>5,917.59</b>	<b>7,292.63</b>

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	2014-15	2013-14
<b>a) Advances recoverable in cash or kind</b>				
Due from Directors of the Company	-	-	-	5.94
<b>b) Loans and advances in the nature of loans given to subsidiaries and associates and firms/ companies in which directors are interested:</b>				
<b>Loans to Subsidiaries</b>				
Titagarh Wagons AFR	3,713.41	4,541.71	4541.71	5,386.21
Titagarh Singapore Pte Limited	350.00	-	350.00	-
Titagarh Marine Limited	664.75	44.67	664.75	3,370.38
Cimco Equity Holdings Private Limited	40.23	-	40.23	-
	4,768.39	4,586.38		
<b>Loans to Joint Venture</b>				
Cimco Equity Holdings Private Limited	-	40.00	-	41.63
	-	40.00		
	4,768.39	4,626.38		

Note : Loans to related parties are receivable on demand except loan amounting to Rs. 3,713.41 lacs given to Titagarh Wagons AFR, which is receivable in 4 structured annual instalments starting from March 31, 2015.

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>12 TRADE RECEIVABLES AND OTHER ASSETS</b>				
<b>12.1 TRADE RECEIVABLES</b> (Unsecured, considered good unless stated otherwise)				
Outstanding for a period exceeding six months from the date they are due for payment				
Considered good*	-	921.64	1,571.54	2,971.04
Considered doubtful	-	-	53.97	209.76
	-	921.64	1,625.51	3180.80
Provision for doubtful debts	-	-	53.97	209.76
	-	921.64	1,571.54	2,971.04
Other receivables				
Unsecured, considered good	-	-	6,291.88	1,918.90
<b>Total</b>	<b>-</b>	<b>921.64</b>	<b>7,863.42</b>	<b>4,889.94</b>

\* Includes Rs. 477 lacs receivable from a customer for which the customer has given a post dated cheque pursuant to a settlement agreement.



## Notes to Financial Statements as at and for the year ended March 31, 2015

### 12.2 OTHER ASSETS (Unsecured, considered good unless stated otherwise)

(Rs. in Lacs)

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Receivable from Related Party (Refer Note No. 28)	-	-	317.96	190.73
Interest accrued on fixed deposits and loans to subsidiaries [Including receivable from related party Rs. 1,238.10 lacs (Rs. 1,005.48 Lacs)]	-	-	1,587.68	1355.93
Unamortised Premium on forward contract	-	-	20.39	6.19
Others				
Considered good	167.74	161.61	-	-
Considered doubtful	-	35.06	-	-
	167.74	196.67	-	-
Provision for doubtful assets	-	35.06	-	-
	167.74	161.61	-	-
<b>Total</b>	<b>167.74</b>	<b>161.61</b>	<b>1,926.03</b>	<b>1,552.85</b>

	As at March 31, 2015	As at March 31, 2014
<b>13 INVENTORIES</b> (Valued at lower of cost and net realizable value)		
Raw materials & components (Refer Note No. 17)	8,312.92	9,845.82
Work in progress (Refer Note No. 18)	3,122.78	6,393.26
Finished goods (Refer Note No. 18)	1,220.75	3,854.53
Saleable scrap (Refer Note No. 18)	237.76	121.52
Stores and spares	654.56	658.32
<b>Total</b>	<b>13,548.77</b>	<b>20,873.45</b>

	As at March 31, 2015	As at March 31, 2014
<b>14 CASH AND BANK BALANCES</b>		
<b>Cash and cash equivalents</b>		
Balances with banks:		
On current accounts	382.05	75.96
On unpaid dividend account	11.57	10.04
On Share application refundable account	0.48	0.48
On unpaid fractional share entitlement	11.12	11.12
Deposits with original maturity of less than three months	-	2,000.00
Cash on hand [including cheques in hand Rs. Nil (Rs. 65.19 lacs)]	13.19	83.63
	418.41	2,181.23
<b>Other bank balances</b>		
Balances with banks :		
Deposits with original maturity for more than 3 months but less than 12 months	8,897.47	8,877.42
Margin money deposit #	1,178.24	1,336.64
	10,075.71	10,214.06
<b>Total</b>	<b>10,494.12</b>	<b>12,395.29</b>

# Receipts lying with banks as security against loans, guarantees/letters of credits issued by them.

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>15 REVENUE FROM OPERATIONS</b>		
<b>Revenue from operations</b>		
<b>Sale of products</b>		
Finished Goods (Refer Note 15.1)	36,971.98	24,165.26
Sale of Raw Materials & Components	958.66	2,276.88
<b>Other operating revenues</b>		
Scrap sales	640.39	1,601.53
Others	812.28	-
<b>Revenue from operations (gross)</b>	<b>39,383.31</b>	<b>28,043.67</b>
Less : Excise duty	1,769.58	1,919.75
<b>Revenue from operations (net)</b>	<b>37,613.73</b>	<b>26,123.92</b>

# Notes to Financial Statements as at and for the year ended March 31, 2015

*(Rs. in Lacs)*

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>15.1 Details of products sold</b>		
<b>Finished goods</b>		
Wagons	31,854.50	16,029.02
Casting	3,921.82	6,765.85
HEMM Machines	399.29	511.04
HEMM Spares	603.16	528.19
Steel Bridges	147.20	-
Shelters	46.01	331.16
	<b>36,971.98</b>	<b>24,165.26</b>
<b>Raw Materials &amp; Components</b>		
Components	811.14	2,270.34
Steel	138.70	-
Others	8.82	6.54
	<b>958.66</b>	<b>2,276.88</b>

<b>16.1 OTHER INCOME</b>		
Unspent liabilities / provisions no longer required written back	211.12	185.78
Gain on sale of fixed assets (net)	-	25.64
Management Fee	186.05	197.61
Gain on Foreign Exchange Fluctuations/Forward Exchange Contracts (net)	-	712.63
Other non-operating income	43.18	160.29
<b>Total</b>	<b>440.35</b>	<b>1,281.95</b>

<b>16.2 INTEREST INCOME</b>		
Interest Income on		
Bank deposits	894.29	802.28
Loan to Subsidiaries	468.60	433.76
Others	-	0.14
<b>Total</b>	<b>1,362.89</b>	<b>1,236.18</b>

<b>17 COST OF RAW MATERIALS &amp; COMPONENTS CONSUMED</b>		
Inventory at the beginning of the year	9,845.82	12,450.17
Add : Purchases	14,972.08	13,762.19
	<b>24,817.90</b>	<b>26,212.36</b>
Less : Inventory at the end of the year	8,312.92	9,845.82
<b>Cost of raw materials &amp; components consumed</b>	<b>16,504.98</b>	<b>16,366.54</b>
<b>Details of raw materials &amp; components consumed</b>		
Couplers with Draft Gear	1,364.10	1,017.37
Steel	1,939.14	3,910.53
Wheel sets	1,590.32	2,009.86
Other Components (Note b)	11,611.42	9,428.78
	<b>16,504.98</b>	<b>16,366.54</b>

**Notes :**

- The consumption figures shown above are after adjusting excess and shortages, if any, on physical count, unserviceable items, etc. and net off discount received on purchases. Further the above does not include materials received from customers on free supply basis.
- It is not practicable to furnish further details in view of the large number of items which differ in size and nature, each being less than 10% in value of the total consumption.

	For the year ended March 31, 2015	For the year ended March 31, 2014	(Increase)/ Decrease
<b>18 (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND SALEABLE SCRAP</b>			<b>For the year ended March 31, 2015</b>
<b>Closing Stock</b>			
Finished Goods	1,220.75	3,854.53	2,633.78
Work in Progress	3,122.78	6,393.26	3,270.48
Saleable Scrap	237.76	121.52	(116.24)
	<b>4,581.29</b>	<b>10,369.31</b>	<b>5,788.02</b>

# Notes to Financial Statements as at and for the year ended March 31, 2015

(Rs. in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014	(Increase)/ Decrease
<b>18 (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND SALEABLE SCRAP (Contd.)</b>			<b>For the year ended March 31, 2014</b>
<b>Opening Stock</b>			
Finished Goods	3,854.53	1,936.11	(1,918.42)
Work in Progress	6,393.26	6,201.01	(192.25)
Saleable Scrap	121.52	98.62	(22.90)
	<b>10,369.31</b>	<b>8,235.74</b>	<b>(2,133.57)</b>
	<b>5,788.02</b>	<b>(2,133.57)</b>	
Transferred to tangible fixed assets	-	(55.09)	
	<b>5,788.02</b>	<b>(2,188.66)</b>	
<b>DETAILS OF INVENTORY</b>			
<b>Finished Goods</b>			
Wagons	942.90	3,783.04	
Steel Bridges and shelters	39.71	27.00	
Casting	238.14	44.49	
	<b>1,220.75</b>	<b>3,854.53</b>	
<b>Work in Progress</b>			
Wagons	154.61	2,029.80	
Steel Bridges and shelters	54.68	-	
Casting	1,786.84	3,224.28	
HEMM Machines	349.10	446.46	
Others	777.55	692.72	
	<b>3,122.78</b>	<b>6,393.26</b>	
<b>Saleable Scrap - Steel</b>	<b>237.76</b>	<b>121.52</b>	

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>19 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, wages and bonus	1481.09	1,468.32
Contribution to provident & other funds	135.81	151.25
Gratuity Expense (Refer Note No. 24)	47.32	74.98
Staff Welfare Expenses	119.06	104.23
Directors' Remuneration		
Remuneration to Managing and Whole Time Directors :		
- Salary & bonus	90.00	85.99
- Contribution to Provident Fund	6.75	8.23
- Commission on Profit	47.46	-
<b>Total</b>	<b>1927.49</b>	<b>1,893.00</b>

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>20 OTHER EXPENSES</b>		
Consumption of stores & spares	2,411.63	2,273.45
Cost of raw materials and components sold	818.91	1,809.78
Job Processing and other machining charges (including contract labour charges)	1,852.96	1,629.62
Power & Fuel	1,744.52	2,007.15
Design & development expenses	113.73	64.24
Repairs and maintenance		
Plant & machinery	77.37	24.20
Buildings	26.96	2.81
Others	57.05	62.09
Rent & Hire charges	189.57	277.65
Rates & Taxes	49.87	64.83
Insurance	29.18	35.76
Carried Forward	<b>7,371.75</b>	<b>8,251.58</b>

## Notes to Financial Statements as at and for the year ended March 31, 2015

(Rs. in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
Brought Forward	7,371.75	8,251.58
Security Services	124.27	92.44
Freight and forwarding charges [Net of recovery of Rs. 103.49 lacs (Rs 86.57 lacs)]	244.98	180.00
Advertising and sales promotion	135.99	95.01
Brokerage and commission	82.89	68.48
Travelling and conveyance	447.36	373.57
Legal and professional fees	516.85	457.85
Commission to non-wholetime directors	10.00	10.00
Directors sitting fees	22.11	9.32
Payment to Auditors		
As Auditor		
Audit fee	24.00	24.00
Limited review	27.00	21.00
Other Certification services	12.45	-
In other capacity		
Other services	6.00	3.00
Reimbursement of expenses	2.94	0.17
Loss of Sale of Investment (Long Term Trade)	34.29	116.80
Less : Adjusted with provision	34.29	-
Warranty Claims	99.30	49.67
Less : Adjusted with provision	24.07	29.38
Provision for warranties	69.58	20.48
Liquidated Damages	100.32	261.52
Less: Adjusted with provision	86.85	116.28
Provision for liquidated damages	216.49	85.70
Irrecoverable debts/ advances written off	394.06	10.72
Less: Adjusted with provision	330.00	-
Provision for doubtful debts and advances	11.71	423.49
Loss on sale of fixed assets (net)	46.53	-
Less: Adjusted with Revaluation Reserve	29.96	-
Loss on foreign exchange fluctuations/ forward exchange contracts (net)	617.70	-
Prior Period Expenses (Net) (Refer note (a) below)	30.19	30.88
Miscellaneous expenses	348.61	296.67
<b>Total</b>	<b>10,492.20</b>	<b>10,619.89</b>

### a) Details of Prior Period Expenses (Net)

Particulars	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Income</b>		
Other income	-	38.84
	-	<b>38.84</b>
<b>Expenses</b>		
Cost of raw materials & components consumed	-	3.57
Employee benefits expenses	1.12	54.79
Job Processing and other machining charges (including contract labour charges)	4.69	-
Other expenses	24.38	11.36
	<b>30.19</b>	<b>69.72</b>
<b>Prior Period Expenses (Net)</b>	<b>30.19</b>	<b>30.88</b>

### 21 FINANCE COSTS

Interest expenses	421.41	367.68
Bank charges	209.95	229.91
<b>Total</b>	<b>631.36</b>	<b>597.59</b>

# Notes to Financial Statements

as at and for the year ended March 31, 2015

(Rs. in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>22 EXCEPTIONAL ITEM</b>		
Onerous Contract (Refer below)	1,710.15	-
	<b>1,710.15</b>	-

**22.1** During the year, the Company has entered into a contract with Indian Railways for supply of wagons. Due to the low volume of procurement by Indian Railways and the resultant intense unhealthy competition, the pricing of the wagon as finalised by the Indian Railway is un-remunerative and is likely to result in loss on execution of this contract over a period of time. Consequently, the Company has recognised loss of Rs. 1,710.15 lacs during the year on such onerous contract in terms of Accounting Standard 29 - Provisions, Contingent Liabilities and Contingent Assets and disclosed it as exceptional item.

<b>23 EARNING PER SHARE (EPS)</b>		
Weighted average number of equity shares in calculating basic EPS	2,00,59,069	2,00,59,069
Weighted average number of equity shares in calculating diluted EPS	2,00,59,069	2,00,59,069
Profit after taxes (Rs. in Lacs)	985.71	375.94
Nominal value of each share (Rs.)	10.00	10.00
Earning per share : Basic (Rs.)	4.91	1.87
Diluted (Rs.)	4.91	1.87

## 24 RETIREMENT AND OTHER EMPLOYEE BENEFIT PLANS

The Company has a defined benefit gratuity plan which is unfunded (except for Titagarh Steels unit where it is administered through a trust and funded with Life Insurance Corporation of India (LIC) in the form of qualifying insurance policy). Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972.

The following tables summarises the components of employee benefit expenses recognised in the Statement of Profit and Loss and Balance Sheet for the Gratuity plans.

	Gratuity (funded)		Gratuity (unfunded)	
	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Statement of Profit and Loss</b>				
<b>Net employee benefit expense recognized in the employee cost</b>				
Current service cost	6.38	5.85	21.83	20.01
Interest cost on benefit obligation	15.93	12.89	26.47	24.16
Expected return on plan assets	(3.74)	(3.45)	-	-
Net actuarial (gain)/ loss recognised during the year	(15.55)	21.44	(4.00)	(5.92)
Net benefit expenses	<b>3.02</b>	<b>36.73</b>	<b>44.30</b>	<b>38.25</b>
<b>Balance Sheet</b>				
<b>Benefit liability</b>				
Present value of defined benefit obligation	168.47	188.49	305.39	320.61
Fair value of plan assets	45.34	41.60	-	-
Plan liability	<b>123.13</b>	<b>146.89</b>	<b>305.39</b>	<b>320.61</b>
<b>Changes in the present value of the defined benefit obligation are as follows :</b>				
Opening defined benefit obligation	188.49	164.16	320.61	303.47
Current service cost	6.38	5.85	21.83	20.01
Interest cost	15.93	12.89	26.47	24.16
Benefits paid	(26.78)	(15.85)	(59.52)	(21.11)
Actuarial (gains)/ losses on obligation	(15.55)	21.44	(4.00)	(5.92)
Closing defined benefit obligation	<b>168.47</b>	<b>188.49</b>	<b>305.39</b>	<b>320.61</b>
<b>Changes in the fair value of plan assets are as follows :</b>				
Opening fair value of plan assets	41.60	38.46	-	-
Expected return	3.74	3.45	-	-
Benefits paid	-	(0.31)	-	-
Closing fair value of plan assets	<b>45.34</b>	<b>41.60</b>	-	-
Actual Return on plan assets	<b>3.74</b>	<b>3.45</b>	-	-
<b>The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :</b>				
Investments with insurer	100%	100%	-	-

## Notes to Financial Statements as at and for the year ended March 31, 2015

(Rs. in Lacs)

	Gratuity (funded)		Gratuity (unfunded)	
	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>The principal assumptions used in determining gratuity obligation are shown below :</b>				
Discount rate	7.80%	9.10%	7.80%	9.10%
Expected rate of return on assets	9.00%	9.00%	NA	NA
Rate of increase in salary	5.00%	5.00%	5.00%	5.00%
Expected average working life of the employees (HED Unit)	-	-	12	12
Expected average working life of the employees (TWL Unit)	-	-	16	17
Expected average working life of the employees (TSL Unit)	8	8	-	-
Mortality table			Standard table LIC	

### Amounts for the current and previous four years are as follows :

	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2012	For the year ended March 31, 2011
Defined benefit obligation - unfunded	305.39	320.61	303.47	342.57	298.28
Defined benefit obligation - funded	168.47	188.49	164.16	144.75	145.13
Plan assets	45.34	41.60	38.46	37.39	37.29
Surplus /(Deficit)	(428.52)	(467.50)	(429.17)	(449.93)	(406.12)
Experience adjustments on plan liabilities - Unfunded [(gains)/losses]	(4.00)	(5.92)	(63.80)	8.70	(15.98)
Experience adjustments on plan liabilities - Funded [(gains)/losses]	(15.55)	21.44	21.08	(10.91)	(21.33)
Experience adjustments on plan assets [gains/(losses)]	-	-	(0.81)	(0.38)	(0.41)

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

The Company expects to contribute Rs. 126.11 lacs (Rs. 73.45 lacs) to the gratuity fund during 2015-16.

### The amounts provided for defined contribution plans are as follows :

	For the year ended March 31, 2015	For the year ended March 31, 2014
Provident fund	100.87	103.01
Superannuation fund	-	3.98
<b>Total</b>	<b>100.87</b>	<b>106.99</b>

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

## 25 LEASES

The Company has operating leases for office premises and land that are renewable on a periodic basis and are cancellable by giving a notice period ranging from one month to three months. There is no escalation clause and restriction under the lease agreement. There are no subleases.

	For the year ended March 31, 2015	For the year ended March 31, 2014
The amount of rent expenses included in Statement of Profit and Loss towards operating leases aggregate to	177.99	261.67



# Notes to Financial Statements as at and for the year ended March 31, 2015

(Rs. in Lacs)

## 26 INTEREST IN JOINT VENTURES

Particulars of the Company's interest in Jointly Controlled Entities are as below :

Name of joint ventures	Percentage of ownership	Country of incorporation
Cimco Equity Holdings Private Limited (consolidated)	-	India
[ceased to be a joint venture w.e.f. April 15, 2014 Refer Note No. 9(h)]		
The Company's share in assets, liabilities, income and expenses in the above Jointly Controlled Entities are as follows :- :-		
Cimco Equity Holdings Private Limited (Consolidated)		
	Unaudited as certified by the management	Audited
	Upto April 15, 2014	As at March 31, 2014
Non-current assets	-	10,420.30
Current assets	-	4,420.03
Non-current liabilities	-	4,837.99
Current liabilities	-	3,537.58
<b>Net Assets</b>	-	6,464.76
Revenue	3.29	6,437.31
Cost of material consumed	3.69	4,598.19
Depreciation of plant and machinery	5.83	63.17
Employee benefit expense	5.67	172.42
Other expense	22.62	1,378.20
<b>Profit / (Loss) before tax</b>	(34.52)	225.33
Exceptional Loss	-	625.00
Income-tax expense	-	219.82
<b>Loss after tax</b>	(34.52)	(619.49)
Capital Expenditure Commitments	-	1.19
Contingent Liabilities	-	7,375.05

## 27 SEGMENT INFORMATION

Based on the synergies, risks and return associated with business operations and in terms of Accounting Standard-17, the Company has identified two business segments i.e. "Wagons & Coaches and "Others" :

- Wagons & Coaches – Consists of manufacturing of wagons, coaches, bogies, couplers and crossings as per customer specification.
- Others - Consists of miscellaneous business like heavy earth moving machineries, bailey bridge etc. which comprises of less than 10% revenue on individual basis.

### Information about primary business segments

For the year ended March 31, 2015	Wagons & Coaches	Others	Total
<b>Revenues (net of excise duty and cess)</b>			
Segment Revenue (external)	36,577.90	1,035.83	37,613.73
<b>Results</b>			
Segment results	4,744.34	(68.35)	4,675.99
Less : Unallocated expenses net of unallocated income			2,193.68
Operating Profit (EBIDTA less Depreciation)			2,482.31
Add : Interest income (net of expenses)			731.53
Less : Exceptional Items	(1,710.15)	-	(1,710.15)
Profit before taxes			1,503.69
Income taxes			517.98
Net profit after taxes			985.71
<b>Segment assets</b>	30,316.49	3232.21	33,548.70
Unallocated assets			42,620.58
<b>Total assets</b>			76,169.28
<b>Segment liabilities</b>	9,232.56	560.67	9,793.23
Unallocated liabilities			3,372.03
<b>Total liabilities</b>			13,165.26

# Notes to Financial Statements as at and for the year ended March 31, 2015

(Rs. in Lacs)

## 27 SEGMENT INFORMATION (Contd.)

### Information about primary business segments (Contd.)

For the year ended March 31, 2015	Wagons & Coaches	Others	Total
<b>Other segment information</b>			
<b>Capital expenditure</b>			
Tangible assets	955.10	66.01	1,021.11
Intangible assets	31.96	-	31.96
Depreciation	909.57	-	909.57
<b>Non cash expenses:</b>			
Provision for doubtful debts and advances	11.71	-	11.71
Irrecoverable debts/advances written off (net of provisions)	64.06	-	64.06
<b>For the year ended March 31, 2014</b>	<b>Wagons &amp; Coaches</b>	<b>Others</b>	<b>Total</b>
<b>Revenues (net of excise duty and cess)</b>			
Segment Revenue (External)	24,850.49	1,273.43	26,123.92
<b>Results</b>			
Segment results	794.94	(201.23)	593.71
Less : Unallocated expenses net of unallocated income			635.30
Operating loss (EBIDTA less Depreciation)			(41.59)
Add : Interest income (net of expenses)			638.60
Profit before taxes			597.01
Income taxes			221.07
Net profit after taxes			375.94
<b>Segment assets</b>	<b>35,855.23</b>	<b>3,486.43</b>	<b>39,341.66</b>
Unallocated assets			40,270.63
<b>Total assets</b>			<b>79,612.29</b>
<b>Segment liabilities</b>	<b>6,745.72</b>	<b>724.14</b>	<b>7,469.86</b>
Unallocated liabilities			8,857.24
<b>Total liabilities</b>			<b>16,327.10</b>
<b>Other segment information</b>			
<b>Capital expenditure</b>			
Tangible assets	2,437.46	-	2,437.46
Intangible assets	49.21	-	49.21
Depreciation	695.71	-	695.71
<b>Non cash expenses:</b>			
Provision for doubtful debts and advances	423.49	-	423.49
Irrecoverable debts/advances written off (net of provisions)	10.72	-	10.72

### Geographical Segment :

	For the year ended March 31, 2015	For the year ended March 31, 2014
The following table shows the distribution of the Company's sales by geographical market :		
<b>Geographical segment revenue</b>		
Domestic (net of excise duty)	32,456.87	21,989.35
Overseas	5,156.86	4,134.57
<b>Total</b>	<b>37,613.73</b>	<b>26,123.92</b>

Export Segment assets consist of export debtors whose balance is less than 10% of total assets of the business segment and hence not disclosed as per Accounting Standard 17. Since the Company has all fixed assets in India only, separate figures for fixed assets/additions to fixed assets for Domestic and Overseas segments are not furnished.

# Notes to Financial Statements

as at and for the year ended March 31, 2015

(Rs. in Lacs)

## 28 RELATED PARTY DISCLOSURES

### Names of related parties and related party relationship

#### Related parties where control exists :

Subsidiary Companies :	Titagarh Singapore Pte Limited
	Titagarh Capital Private Limited
	Titagarh Wagons AFR
	Greysham and Co. Private Limited (ceased to be a Subsidiary w.e.f. February 20, 2015)
	Titagarh Marine Limited
	Titagarh Agrico Private Limited (Formerly Titagarh Cranes Private Limited)
	Corporated Shipyard Private Limited (subsidiary of Titagarh Marine Limited)
	Cimco Equity Holdings Private Limited (w.e.f. April 16, 2014)
	Cimmco Limited, subsidiary of Cimco Equity Holdings Private Limited (w.e.f. April 16, 2014)

#### Other related parties with whom transactions have taken place during the period :

Joint Venture Companies :	Cimco Equity Holdings Private Limited (till April 15, 2014)
	Titagarh Freightcar Private Limited (ceased to be a Joint Venture with effect from February 18, 2013)
	Cimmco Limited, subsidiary of Cimco Equity Holdings Private Limited (till April 15, 2014)
Associate Companies :	Titagarh Freightcar Private Limited (ceased to be an associate with effect from January 7, 2014)
Key Management Personnel (KMPs) :	Mr. J P Chowdhary – Executive Chairman
	Mr. Umesh Chowdhary – Vice Chairman & Managing Director
Relatives of KMPs :	Ms. Savitri Devi Chowdhary, Wife of Mr. J P Chowdhary
	Ms. Rashmi Chowdhary, Wife of Mr. Umesh Chowdhary
	Ms. Vinita Bajoria, Daughter of Mr. J P Chowdhary
	Ms. Sumita Kandoi, Daughter of Mr. J P Chowdhary
Enterprises over which KMP/ Shareholders/ Relatives have significant influence :	Titagarh Logistics Infrastructure Private Limited
	Titagarh Capital Management Services Private Limited
	Traco International Investment Private Limited
	Titagarh Enterprises Limited (Formerly Titagarh Papers Limited)
	Panihati Rubber Limited

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

Nature of transactions	Subsidiary Companies	Joint Ventures	KMP	Relatives of KMP	Enterprise over which KMP/shareholders/ relatives have significant influence	Total
<b>In relation to the statement of profit and loss</b>						
<b>Revenue from operations</b>						
Cimmco Limited	1,702.36	-				1,702.36
	(-)	(5,052.87)				(5,052.87)
Corporated Shipyard Private Limited	9.19					9.19
	(36.99)					(36.99)
<b>Management Fees</b>						
Titagarh Wagons AFR	186.05					186.05
	(197.61)					(197.61)
<b>Interest income on Loans</b>						
Cimco Equity Holdings Private Limited	5.02	0.20				5.22
	(-)	(1.81)				(1.81)
Titagarh Wagons AFR	405.24					405.24
	(472.27)					(472.27)
Titagarh Capital Pvt. Ltd.	18.18					18.18
	(-)					(-)
Titagarh Enterprises Ltd. (Formerly Titagarh Papers Ltd.)					-	-
					(0.29)	(0.29)
Titagarh Marine Limited	25.51					25.51
	(-)					(-)
<b>Purchase of raw material &amp; components</b>						
Cimmco Limited	84.62	-				84.62
	(-)	(196.84)				(196.84)

# Notes to Financial Statements

as at and for the year ended March 31, 2015

(Rs. in Lacs)

## 28 RELATED PARTY DISCLOSURES (Contd.)

Nature of transactions	Subsidiary Companies	Joint Ventures	KMP	Relatives of KMP	Enterprise over which KMP/shareholders/ relatives have significant influence	Total
<b>Job Processing and other machining charges (including contract labour charges)</b>						
Cimmco Limited	25.00 (-)	- (123.16)				25.00 (123.16)
<b>Reimbursement of Expenses</b>						
Cimmco Limited	4.82 (-)					4.82 (-)
<b>Advance Written Off</b>						
Panihati Rubber Limited					9.20 (-)	9.20 (-)
<b>Rent Paid</b>						
Titagarh Enterprises Ltd. (Formerly Titagarh Papers Ltd.)					126.20 (178.47)	126.20 (178.47)
<b>Dividend paid</b>						
Ms. Savitri Devi Chowdhary				144.93 (144.93)		144.93 (144.93)
Ms. Rashmi Chowdhary				102.53 (102.53)		102.53 (102.53)
Mr. J P Chowdhary			1.25 (1.25)			1.25 (1.25)
Mr. Umesh Chowdhary			0.62 (0.62)			0.62 (0.62)
Ms. Vinita Bajoria			0.20 (0.20)			0.20 (0.20)
Ms. Sumita Kandoi			0.13 (0.13)			0.13 (0.13)
Traco International Investment Private Limited					1.21 (1.21)	1.21 (1.21)
Titagarh Capital Management Services Private Limited					173.36 (173.36)	173.36 (173.36)
Titagarh Logistics Infrastructure Services Private Limited					1.20 (1.20)	1.20 (1.20)
<b>Remuneration (including contribution to Provident and other funds)</b>						
Mr. J P Chowdhary			84.82 (55.42)			84.82 (55.42)
Mr. Umesh Chowdhary			59.37 (38.79)			59.37 (38.79)
Ms. Vinita Bajoria				27.64 (27.89)		27.64 (27.89)
<b>In relation to the balance sheet</b>						
<b>Purchase of Fixed Asset</b>						
Cimmco Limited	22.15 (-)					22.15 (-)
<b>Loans given</b>						
Titagarh Marine Limited	686.75 (44.67)					686.75 (44.67)
Cimco Equity Holdings Private Limited	0.23 (-)	- (40.00)				0.23 (40.00)
Titagarh Capital Pvt. Ltd.	350.00 (-)					350.00 (-)

# Notes to Financial Statements

as at and for the year ended March 31, 2015

(Rs. in Lacs)

## 28 RELATED PARTY DISCLOSURES (Contd.)

Nature of transactions	Subsidiary Companies	Joint Ventures	KMP	Relatives of KMP	Enterprise over which KMP/shareholders/ relatives have significant influence	Total
<b>Investments made</b>						
Titagarh Agrico Private Limited	1,250.00 (99.00)					1,250.00 (99.00)
Cimmco Limited	2,500.00 (-)					2,500.00 (-)
Titagarh Singapore Pte. Ltd.	37.19 (-)					37.19 (-)
Cimco Equity Holdings Private Limited	50.00 (-)					50.00 (-)
<b>Allotment of shares against share application money</b>						
Titagarh Agrico Private Limited	112.50 (-)					112.50 (-)
<b>Conversion of Optionally fully convertible debentures into Equity shares</b>						
Cimco Equity Holdings Private Limited		6,400.00 (-)				6,400.00 (-)
<b>Share application money given</b>						
Titagarh Agrico Private Limited	- (112.50)					- (112.50)
<b>Conversion of loan into Optionally fully convertible debentures</b>						
Titagarh Marine Limited	- (3,166.50)					- (3,166.50)
<b>Loans refunded</b>						
Titagarh Marine Limited	66.67 (-)					66.67 (-)
Titagarh Enterprises Ltd. (Formerly Titagarh Papers Ltd.)					- (200.00)	- (200.00)
<b>Guarantees / Fixed Deposits pledged / Put Options Outstanding</b>						
Titagarh Wagons AFR	7,426.14 (8,433.14)					7,426.14 (8,433.14)
Cimmco Limited (Refer Note 30B)	4,000.00 (-)					4,000.00 (-)
<b>Balance outstanding as at the year end - Debit</b>						
Titagarh Marine Limited	838.59 (203.88)					838.59 (203.88)
Titagarh Wagons AFR	5,074.57 (5,576.94)					5,074.57 (5,576.94)
Cimco Equity Holdings Private Limited	44.93 (41.63)					44.93 (41.63)
Titagarh Capital Pvt. Ltd.	366.36 (-)					366.36 (-)
Cimmco Limited	1,187.85 (-)					1,187.85 (59.03)
Panihati Rubber Limited					- (9.20)	- (9.20)
<b>Balance outstanding as at the year end - Credit</b>						
Mr. J P Chowdhary			35.89 (0.76)			35.89 (0.76)
Mr. Umesh Chowdhary			16.58 (0.33)			16.58 (0.33)
Titagarh Enterprises Ltd. (Formerly Titagarh Papers Ltd.)					- (21.35)	- (21.35)

# Notes to Financial Statements as at and for the year ended March 31, 2015

*(Rs. in Lacs)*

	As at March 31, 2015	As at March 31, 2014
<b>29 CAPITAL AND OTHER COMMITMENTS</b>		
a) Estimated amount of capital commitments (net of advances) remaining to be executed	5.24	113.89
b) Titagarh Wagons Limited (TWL), the ultimate holding company of Cimmco Limited (Cimmco) owns majority of equity and preference shares, directly or indirectly, in Cimmco. Cimmco Limited has been incurring losses over the last few years due to lower sales orders. TWL has given commitment to provide financial support, to best of its ability, to Cimmco Ltd so as to ensure its business continuity.		
<b>30 CONTINGENT LIABILITIES</b>		
A. Disputed claims contested by the Company and pending at various courts/arbitration	930.27	1,072.24
Customer's Claims (Liquidated Damages)	-	442.29
Matters under appeal with:		
Sales tax authorities	819.00	427.79
Income tax authorities	535.79	711.54
Customs and excise authorities	11,015.15	10,652.68
Letter of Credit and Bank Guarantees outstanding	19,046.84	12,871.03
Corporate Guarantee given/fixed deposit pledged on behalf of a subsidiary Company for working capital limits sanctioned to the subsidiary company	7,426.14	8,433.14
Custom Duty on import of equipments and spare parts under EPCG-scheme	981.00	1,077.24
	40,754.20	35,687.95
In respect of above cases, based on favourable decisions in similar cases/legal opinions taken by the Company/discussions with the solicitors etc., the management is of the opinion that it is possible, but not probable, that the action will succeed and accordingly no provision for any liability has been made in the financial statements.		
B. During the year, Cimmco Limited, a subsidiary company has obtained a loan from ICICI bank for Rs. 4000 lacs which is backed by a "Put Option" of Titagarh Wagons Limited(TWL). In terms of the said put option, upon occurrence of any event of default as per the terms of the facility agreement, ICICI bank shall have the right to call upon TWL to pay the entire outstanding within such time as may be prescribed.		
<b>31 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE</b>		
a. Derivatives outstanding as at the balance sheet date		
Particulars Purpose		
Forward contract to sell US\$ Minimising Risk of Currency Exposure on loan given	US\$ 55,00,000	US\$ 940,121
	Rs. 3803.25 lacs	Rs. 565.01 lacs
Forward contract to buy US\$ Minimising Risk of Currency Exposure on import of goods	USD 6,59,580	USD 15,83,788
	Rs. 423.88 lacs	Rs. 951.85 lacs
Forward contract to buy US\$ Minimising Risk of Currency Exposure on import of goods	EURO 2,25,260	-
	Rs. 182.26 lacs	-
b. Particulars of unhedged foreign currency exposure as at the reporting date		
Investment in Subsidiaries (Net of Provision for diminution in the value of investment)	3,432.85	3,395.65
Trade Receivables	-	367.49
Other Current Assets	1,528.90	1,196.85
Loan to subsidiary	0.34	4,541.71
Advance from Customers	160.55	104.22
Buyers Credit	-	4,737.72
Trade Payables	-	20.44
	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>32 VALUE OF IMPORTS CALCULATED ON CIF BASIS</b>		
Raw Materials	1,071.31	7,985.85
Capital Goods	261.71	-
	1,333.02	7,985.85



# Notes to Financial Statements as at and for the year ended March 31, 2015

*(Rs. in Lacs)*

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>33 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)</b>		
Travelling	68.16	86.36
Interest	33.57	98.24
Professional and consultancy fees	48.94	37.32
Selling and Sales promotion expense	76.65	-
Other Expense	7.66	-
	<b>234.98</b>	<b>221.92</b>

	For the year ended March 31, 2015		For the year ended March 31, 2014	
	Amount	% of total consumption	Amount	% of total consumption
<b>34 IMPORTED AND INDIGENEOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED</b>				
<b>Raw materials and components</b>				
Imported	2,176.28	13%	4,815.06	29%
Indigenously obtained	14,328.70	87%	11,551.48	71%
	<b>16,504.98</b>	<b>100%</b>	<b>16,366.54</b>	<b>100%</b>
<b>Spare parts</b>				
Indigenously obtained	2,411.63	100%	2,273.45	100%
	<b>2,411.63</b>	<b>100%</b>	<b>2,273.45</b>	<b>100%</b>

<b>35 NET DIVIDEND REMITTED IN FOREIGN EXCHANGE</b>		
<b>Year of remittance</b>	<b>For the year ended March 31, 2015</b>	<b>For the year ended March 31, 2014</b>
Period to which it relates	1 April 2013 to 31 March 2014	1 April 2012 to 31 March 2013
Number of non-resident shareholders	2	2
Number of equity shares held on which dividend was due	25,61,442	25,61,442
Amount remitted (in USD)	1.66	1.55
Amount remitted (in INR)	102.46	102.46

<b>36 EARNING IN FOREIGN CURRENCY (ACCRUAL BASIS)</b>		
Exports at F.O.B. value	5,156.86	4,134.57
Interest income	405.24	472.27
Management fee	186.05	197.61
	<b>5,748.15</b>	<b>4,804.45</b>

**37.** The Board of Directors at their meeting dated September 11, 2014 has given in-principle approval for the merger of four wholly owned subsidiaries (including step down subsidiaries) namely Titagarh Marine Limited, Cimco Equity Holdings Private Limited, Corporated Shipyard Private Limited and Times Marine Enterprise Private Limited, subject to necessary approvals. The scheme of merger is under preparation.

**38.** The Shareholders of the Company have approved through postal ballot on April 13, 2015, raising of funds by way of equity shares and / or other securities in accordance with applicable provisions of Companies Act, 2013 and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for an aggregate amount not exceeding Rs 25,000.00 lacs or equivalent thereof in foreign currency in such manner and on such terms and conditions as may be deemed appropriate by the Board.

**39.** Excise Duty & Cess on stocks represents differential excise duty and cess on opening and closing stock of finished goods, work in progress and saleable scrap.

**40.** Previous year's figures including those given in brackets have been regrouped/reclassified, where necessary, to conform to the current year's classification.

As per our Report of even date  
For **S. R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 301003E

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

Place : Kolkata  
Dated : April 18, 2015

For and on behalf of the Board of Directors

**J P Chowdhary**  
Executive Chairman

**D N Davar**  
Director

**Anil Kumar Agarwal**  
Chief Financial Officer

**Umesh Chowdhary**  
Vice Chairman & Managing Director

**Sunirmal Talukdar**  
Director

**Dinesh Arya**  
Company Secretary

# Independent Auditor's Report

To the Members of Titagarh Wagons Limited

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Titagarh Wagons Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance Sheet as at March 31, 2015, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

## Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms with the requirement of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

## Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Holding Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph (a) of the Other Matters below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Basis for qualified opinion

We draw attention to the following :

- Note No. 15.2(a) regarding certain claims of a step down subsidiary company amounting to Rs. 4,695.36 lacs (Rs. 2449.67 lacs as at 31st March 2014), net of Rs 150 lacs (Rs 75 lacs) received under a guarantee given by the Company, which have been considered good of recovery by the management. Although the management is hopeful to recover the claims in full, pending decision of the Courts/ Arbitration proceedings we are unable to comment on their recoverability. Our audit opinion on the consolidated financial statements for the previous year was also qualified in respect of the above matter.
- Note No. 13(a) regarding recognition of net deferred tax asset (DTA) of Rs. 286.55 lacs on unabsorbed depreciation and brought forward business losses upto 31st March 2015, by a step down subsidiary company based on the future profitability projections made by the management. However, in absence of sufficient appropriate audit evidence we are unable to express an opinion on the virtual certainty of achieving these projections as required by Accounting Standard 22, Accounting for Taxes on Income, and the consequential impact, if any, on these financial statements.
- A subsidiary company has recognised certain indirect expenses including expenses on business and market development amounting to Rs 332.20 lacs as a part of intangible assets under development on the basis that the project has not started commercial production. This being a matter of management estimation and in the absence of adequate information on the evaluation of nature of activities performed during the year, we are unable to comment on the appropriateness of such capitalisation in terms of Accounting Standard 26 on intangible assets including any consequential adjustments that may be required in this regard in these consolidated financial statements.

## Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated 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 consolidated state of affairs of the Group as at March 31, 2015, of their consolidated loss and their consolidated cash flows for the year ended on that date.

## Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2015 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, based on the comments in the auditor's report of the Holding company and its subsidiaries incorporated in India, to whom the Order applies, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

## Independent Auditor's Report

2. As required by Section 143(3) of the Act, to the extent applicable, we report that:
- (a) Except for the matters described in the Basis for Qualified Opinion paragraph, we/ the other auditors whose reports we have relied upon, 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 of the aforesaid consolidated financial statements;
  - (b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books and the reports of the other auditors;
  - (c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
  - (d) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - (e) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;
  - (f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2015 taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group's companies incorporated in India is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;
  - (h) With respect to the 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 consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group – Refer Note 6(b)(i) and 32 to the consolidated financial statements;
    - ii. The Group did not have any long-term contracts, including derivative contracts, for which there were any material foreseeable losses;
    - iii. There are no amounts which were required to be transferred, during the year to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India.

### Other Matter

- (a) The accompanying consolidated financial statements include total assets of Rs 23,733.95 lacs as at March 31, 2015, and total revenues and net cash inflows of Rs 38,458.84 lacs and Rs 3,006.26 lacs for the year ended on that date, in respect of three subsidiaries which have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) and (11) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of such other auditors.
- (b) The accompanying consolidated financial statements include total assets of Rs 14.67 lacs as at March 31, 2015, and total revenues and net cash inflows of nil and Rs 2.29 lacs for the year ended on that date, in respect of one subsidiary which have not been audited and whose unaudited financial statements and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates to amounts and disclosures included in respect of the above subsidiary and our report in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements and other financial information are not material to the Group.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements above, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management

For **S. R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 301003E

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

Place : Kolkata  
Dated : May 22, 2015

## Annexure to the Auditor's Report

[The Group, comprising of Titagarh Wagons Limited ('Holding Company') and its subsidiaries incorporated in India to whom the provisions of the Order apply (together referred to as "the Covered entities" in this report)]

- (i) (a) The Holding Company and the Covered entities of the Group have maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management of the Holding Company and the Covered entities of the Group during the year but there is a regular programme of verification which, in our opinion and as reported by the other auditors who audited the financial statements / financial information of the aforesaid subsidiaries, is reasonable having regard to the size of the Holding Company and the Covered entities of the Group and the nature of its assets. No material discrepancies were noticed on such verification. However, in case of one Covered entity, fixed assets representing railway wagons have not been physically verified by the management during the year as the same have been given on operating lease to the Indian Railways; hence, we are unable to comment on the discrepancies, if any.
- (ii) (a) The management of the Holding Company and the Covered entities of the Group except in case of one subsidiary, as reported by the other auditors who audited the financial statements / financial information of the aforesaid subsidiary where the requirements under paragraph 3(ii) of the Order are not applicable, have conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Holding Company and the Covered entities of the Group and the nature of their business. However, in case of Holding Company whose inventories includes bulky material, like scrap, where the weighment is not practically possible and it require volumetric measurement, we have relied on the report of independent technical expert about the quantity of such stock valued at Rs. 1,112.99 lacs.
- (c) The Holding Company and as reported by the other auditors who audited the financial statements / financial information of the aforesaid subsidiaries, the Covered entities of the Group are maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanations given to us and as reported by the other auditors who audited the financial statements / financial information of certain entities of the Group, the Holding Company and the Covered entities of the Group have not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Covered entities of the Group and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations thereof and as reported by the other auditors who audited the financial statements / financial information of certain covered entities of the Group there is an adequate internal control system commensurate with the size of the Holding Company and the Covered entities of the Group and the nature of its businesses, for the purchase of inventory and fixed assets and for the sale of goods and services, to the extent applicable to the nature of the business of the covered entities of the Group. During the course of our audit and as reported by the other auditors who audited the financial statements / financial information of certain covered entities of the Group, no major weakness was observed or continuing failure to correct any major weakness in the internal control system of the Holding Company and the Covered entities of the Group in respect of these areas.
- (v) The Holding Company and the Covered entities of the Group have not accepted any deposits from the public.
- (vi) We have broadly reviewed the books of account maintained by the Holding Company and certain covered entities of the Group to the extent applicable and relevant, pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of goods and services, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. The detailed examination of the same have not been made by us or such other auditors. To the best of our knowledge and as explained and as reported by the other auditors who audited the financial statements / financial information of certain covered entities of the Group, the Central Government has not specified the maintenance of cost records under Section 148(1) of the Companies Act, 2013, for the products/services of certain other Covered entities of the Group.
- (vii) (a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues as applicable to the respective Covered entities have generally been regularly deposited with the appropriate authorities though there has been a slight delay in a few cases in respect of certain covered entities.
- (b) According to the information and explanations given to us, undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, 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 for the covered entities of the Group as follows :

Name of the statute	Nature of Dues	Amount (Rs.)	Period to which the amount relates	Remarks
The Income Tax Act, 1961	Tax Deducted at Source	46,452	March 2014	Subsequently paid on April 28, 2015

- (c) According to the records of the Holding Company and the Covered entities of the Group and as reported by other auditors who audited the financial statements / financial information of certain covered entities in the Group, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, value added tax and cess on account of any dispute, are as follows :

## Annexure to the Auditor's Report

Name of the statute	Nature of dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Disallowance under various sections	570.97	2002-2003 to 2010-2011	Deputy Commissioner / Commissioner of Income Tax
	Disallowance of Tax deducted at source	132.09	2009-10 to 2010-11	Income Tax Appellate Tribunal
	Disallowance of expenses	8.68	2011-12	Commissioner of Income Tax
The Central Excise Act, 1944	Incorrect availment of cenvat credit, non-payment of excise duty, non-maintenance of separate records for common inputs and input services used for production of exempted and non-exempted excisable products and non-inclusion of value of free supply in the assessable value, non-compliance with Rule 6(3A) etc.	2157.68	1999-2000 and 2011-12	Hon'ble CESTAT, Delhi
		126.28	1989-1994	Hon'ble High Court, Gwalior
		224.19	1993-94	Hon'ble Supreme Court
		10,134.24	November 2006 to March 2014	Commissioner of Central Excise and Service Tax (LTU)
		228.78	1996-97, 2006-07 to 2012-13	Commissioner of Central Excise (Appeal)
		885.57	1995-96, 2003-04, 2006-07 to 2008-09	CESTAT, Kolkata
The Customs Act, 1962	Differential Customs Duty, Penalty for non-submission of necessary documents for consumption of imported goods	32.17	2004-05	Hon'ble CESTAT, Delhi
	Non-fulfilment of Export Obligation	1190.54	2006-2008	CESTAT, Kolkata
Foreign Trade Development and Regulation Act, 1992	Terminal excise duty for sale of wagons under EPCG scheme, earlier refunded	693.20	2008-10	DGFT, Kolkata
The Rajasthan Sales Tax Act	Differential Sales Tax and Non-submission of statutory forms	520.63	1998-90 to 2000-01	Hon'ble High Court, Rajasthan
The West Bengal Sales Tax Act, 1944/ The Value Added Tax Act, 2003	Short payment of sales tax	5.24	2004-2005	West Bengal Taxation Tribunal
	Additional Demand of Sales tax under various sections, disallowance of input tax credit, levy of purchase tax etc.	210.96	2005-06, 2007-08, 2008-09, 2010-11	West Bengal Appellate & Revisional Board
		102.33	2011-12	Additional Commissioner Commercial Taxes
	Interest on deferment of payment of tax for purchase of fixed capital assets	42.40	2004-05	Additional Commissioner Commercial Taxes
	Tax on works contract and levy of purchase tax	658.21	2005-06 to 2010-11	Appellate & Revisional Board
The Central Sales Tax Act, 1956	Non submission of C Forms	155.07	2005-06 to 2010-11	Appellate & Revisional Board
	Additional demand of sales tax under various sections and non-submission of Form	326.89	2011-12	Additional Commissioner Commercial Taxes

- (d) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and the Covered entities of the Group in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The accumulated losses at the end of the financial year are less than fifty percent of its net worth in respect of Holding Company and some of the Covered entities of the Group. As reported by the other auditors who audited the financial statements / financial information of the aforesaid subsidiaries, in case of three of the subsidiary / step down subsidiary companies, the accumulated losses at the end of the financial year are more than fifty percent of its respective net worth. The Holding Company and the Covered entities of the Group has not incurred any cash losses in the current and immediately preceding financial year except in case of five of the subsidiary / step down subsidiary companies where there is a cash loss in the current and immediately preceding financial year.
- (ix) Based on our audit procedures and as per the information and explanations given by the management and as reported by the other auditors who audited the financial statements / financial information of certain covered entities of the Group, we are of the opinion that the Covered entities of the Group have not defaulted in their repayment of dues to a financial institution, bank or debenture holders.

## Annexure to the Auditor's Report

- (x) The Holding Company has given guarantees (including put option) for loans taken by subsidiary companies which is in the same line of business, from a bank, the terms and conditions whereof, in our opinion, are not prima-facie prejudicial to the interest of the Holding Company. As reported by the other auditors who audited the financial statements / financial information of the aforesaid subsidiaries, there are no other guarantees given by the Covered entities of the Group for loans taken by others from bank or financial institutions.
- (xi) Based on the information and explanations given to us by the management and the report of other auditors who audited the financial statements / financial information of certain covered entities of the Group, term loans were applied for the purpose for which the loans were obtained by the Holding Company and the Covered entities of the Group.
- (xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the consolidated financial statements and as per the information and explanations given by the management and reports of the other auditors who audited the financial statements / financial information of other covered entities of the Group, which we have relied upon, we report that no fraud on or by the Covered entities of the Group have been noticed or reported during the year, except in case of Holding Company, where we had reported that during the year under audit, as informed by the management, there was a fraud committed on the Company by external parties amounting to Rs 8.52 lacs. The Company has subsequently recovered the entire amount and accordingly there is no financial impact on the Company.

Place : Kolkata  
Dated : May 22, 2015

For **S. R. Batliboi & Co. LLP**  
*Chartered Accountants*  
ICAI Firm Registration No.:  
301003E

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



# Consolidated Balance Sheet as at March 31, 2015

(Rs. in Lacs)

	Notes	As at March 31, 2015	As at March 31, 2014
<b>I. EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	3	2,005.91	2,005.91
Reserves and surplus	4	66,836.51	64,246.89
Money received against Share Warrants		10.00	-
		68,852.42	66,252.80
<b>Minority Interest</b>			
[Proportionate Share in Joint Venture Rs. Nil (Rs 2,149.37 Lacs)]			
		3,635.29	2,149.37
<b>Non-current liabilities</b>			
Long term borrowings	5	4,270.13	2,320.25
Long term provisions	6	738.17	511.00
Other long term liabilities	8	23.00	-
Deferred Tax Liabilities (net)	13	83.97	425.27
		5,115.27	3,256.52
<b>Current liabilities</b>			
Short term borrowings	7	5,352.11	10,029.38
Trade payables	9.1	9,563.63	8,259.71
Other current liabilities	9.2	10,464.15	16,156.05
Short term provisions	6	3,042.15	2,102.06
		28,422.04	36,547.20
<b>TOTAL</b>		<b>106,025.02</b>	<b>108,205.89</b>
<b>II. ASSETS</b>			
<b>Non-Current assets</b>			
<b>Fixed assets</b>			
Goodwill on Consolidation		4,909.85	2,203.07
Tangible assets	10.1	35,061.31	28,051.65
Intangible assets	10.2	1,544.38	2,094.68
Capital work-in-progress		1,276.79	780.03
[Proportionate share in Joint Venture Rs Nil (Rs 8.02 Lacs)]			
Intangible under development	11	1,378.77	295.20
Non-current investments	12	120.66	3,320.64
Deferred tax assets (Net)	13	286.55	243.15
Long term loans and advances	14	2,268.79	1,993.25
Trade Receivables	15.1	-	921.64
Other non-current assets	15.2	169.51	193.53
		47,016.61	40,096.84
<b>Current assets</b>			
Inventories	16	22,433.98	30,839.75
Trade receivables	15.1	11,761.61	13,902.52
Cash and bank balances	17	14,722.29	13,909.86
Short term loans and advances	14	4,526.99	6,147.78
Other current assets	15.2	5,563.54	3,309.14
		59,008.41	68,109.05
<b>TOTAL</b>		<b>106,025.02</b>	<b>108,205.89</b>
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the consolidated financial statements.			

As per our Report of even date

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

Chartered Accountants

ICAI Firm Registration No.: 301003E

per **Kamal Agarwal**

Partner

Membership No. 58652

Place : Kolkata

Dated : May 22, 2015

For and on behalf of the Board of Directors

**J. P. Chowdhary**

Executive Chairman

**Sunirmal Talukdar**

Director

**Anil Kumar Agarwal**

Chief Financial Officer

**Sudipta Mukherjee**

Director

**Dinesh Arya**

Company Secretary

## Consolidated Statement of Profit and Loss for the year ended March 31, 2015

*(Rs. in Lacs)*

	Notes	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Income</b>			
Revenue from operations (gross)	18	78,092.54	64,248.28
Less: Excise duty		1,980.88	1,836.46
Revenue from operations (net)		76,111.66	62,411.82
Other Income	19.1	1,813.11	2,304.66
<b>Total Revenue (I)</b>		<b>77,924.77</b>	<b>64,716.48</b>
<b>Expenses</b>			
Cost of raw materials & components consumed	20	38,494.17	38,416.71
Increase in inventories of finished goods, Work in progress and saleable scrap	21	7,957.89	(2,449.45)
Increase of excise duty on inventories (Refer Note No. 36) [Proportionate share in Joint Venture Rs Nil (Rs 3.69 Lacs)]		1.25	46.02
Employee benefits expenses	22	7,530.94	8,866.12
Other expenses	23	18,135.71	17,041.08
<b>Total Expenses (II)</b>		<b>72,119.96</b>	<b>61,920.48</b>
<b>Earning before interest, taxes, depreciation &amp; amortization and exceptional items (EBIDTA) (I-II)</b>			
		5,804.81	2,796.00
Depreciation & amortization expenses	10.1	2,566.53	1,985.24
Less: Recoupment from revaluation reserve [Proportionate share in Joint Venture Rs. Nil (Rs. 56.78 Lacs)]		-	158.10
Interest Income	19.2	(952.39)	(856.76)
Finance costs	24	1,765.29	1,363.41
<b>Profit before taxes and exceptional items</b>		<b>2,425.38</b>	<b>462.21</b>
Exceptional items	37	2,780.06	1,126.61
[representing proportionate share in Joint Venture Rs. Nil (Rs. 625 lacs)]			
<b>Loss before taxes</b>		<b>(354.68)</b>	<b>(664.40)</b>
<b>Tax expenses</b>			
Current tax		838.49	260.66
Deferred tax charge		(245.04)	124.52
Income Tax relating to earlier years [Proportionate share in Joint Venture Rs Nil (Rs. 219.67 Lacs)]		34.41	-
<b>Total tax expenses</b>		<b>627.86</b>	<b>385.18</b>
<b>Loss for the year</b>		<b>(982.54)</b>	<b>(1,049.58)</b>
Loss attributable to:			
Owners of the Company		(330.57)	(893.26)
Minority interests		(651.97)	(156.32)
[Proportionate share in Joint Venture Rs. Nil (Rs. 156.32 Lacs)]			
		<b>(982.54)</b>	<b>(1,049.58)</b>
<b>Earnings per equity share</b>			
Basic & Diluted (Rs.)	25	(0.33)	(0.89)
[Nominal value of share Rs. 2/- (Rs. 2/-)]			
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the consolidated financial statements			

As per our Report of even date  
For **S. R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 301003E

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

Place : Kolkata  
Dated : May 22, 2015

For and on behalf of the Board of Directors

**J. P. Chowdhary**  
Executive Chairman

**Sunirmal Talukdar**  
Director

**Anil Kumar Agarwal**  
Chief Financial Officer

**Sudipta Mukherjee**  
Director

**Dinesh Arya**  
Company Secretary

## Consolidated Cash Flow Statement for the year ended March 31, 2015

(Rs. in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Loss before taxation	(354.68)	(664.40)
<b>Adjustments for :</b>		
Depreciation & amortization expenses *	2,566.53	1,827.14
Interest Expenses *	1,408.62	628.48
Exchange differences (unrealised)	53.78	(49.69)
Irrecoverable debts/ advances written off *	117.01	10.72
Loss on sale of fixed assets (net)	16.57	41.60
Loss on sale of investments	-	3.74
Unspent liabilities / provisions no longer required written back *	(395.22)	(185.79)
Interest on Deposits from banks/ loans, advances etc. *	(952.39)	(853.64)
Provision for doubtful debts and advances *	16.95	423.49
<b>Operating profit before working capital changes</b>	<b>2,477.17</b>	<b>1,181.65</b>
Increase / (decrease) in trade payables *	1,222.50	(2,404.78)
Increase in provisions *	1,226.08	573.49
Increase / (decrease) in other current liabilities *	(7,609.09)	3,203.14
Decrease in trade receivables *	3,527.78	3,363.70
Decrease in inventories *	9,385.58	798.05
Decrease in loans and advances *	745.50	1,548.37
Decrease / (Increase) in other assets *	195.27	(652.58)
<b>Cash generated from operations</b>	<b>11,170.79</b>	<b>7,611.04</b>
Taxes paid	(970.36)	(775.16)
<b>Net cash from operating activities</b>	<b>10,200.43</b>	<b>6,835.88</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets including capital work in progress *	(4,137.70)	(4,757.77)
Proceeds from sale of fixed assets	-	36.46
Loans refunded by other related party	-	615.50
Purchase of Investment	(50.00)	(112.47)
Sale of Investment in Associate	-	0.72
Investment in bank fixed deposits *	12,742.52	8,262.63
Bank fixed deposits encashed/matured *	(12,623.20)	(8,512.99)
Interest received *	959.95	961.13
<b>Net cash used in investing activities</b>	<b>(3,108.43)</b>	<b>(3,506.79)</b>

## Consolidated Cash Flow Statement for the year ended March 31, 2015

(Rs. in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Net movement in other borrowings (short term) *	(904.99)	1,267.84
Net movement in buyer's credit*	(5,206.12)	823.85
Proceeds from long-term borrowings *	4,000.00	-
Repayment of long-term borrowings *	(2,360.54)	(2,138.77)
Interest paid *	(1,445.57)	(673.05)
Dividend Paid (including corporate dividend tax)	(935.89)	(930.89)
<b>Net cash used in financing activities</b>	<b>(6,853.11)</b>	<b>(1,651.02)</b>
<b>D. EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN SUBSIDIARIES</b>	<b>608.30</b>	<b>114.68</b>
<b>Net increase in cash &amp; cash equivalent (A+B+C+D)</b>	<b>847.19</b>	<b>1,792.75</b>
<b>Cash and cash equivalents - opening balance</b>	<b>3,641.14</b>	<b>1,848.39</b>
<b>Cash and cash equivalents - closing balance</b>	<b>4,488.33</b>	<b>3,641.14</b>
<b>Cash &amp; cash equivalents :</b>		
Cash on hand	16.40	100.02
Balance with banks:		
On Current accounts	4,132.22	1,079.57
Deposits with original maturity of less than three months	308.97	2,399.40
On unpaid dividend account #	16.65	10.04
On unpaid fractional share entitlement #	13.61	10.64
On share application refundable account	0.48	0.48
Proportionate share of joint ventures	-	40.99
	<b>4,488.33</b>	<b>3,641.14</b>

\* Includes proportionate share in Joint Venture during the previous year. The remaning shares in the aforesaid joint venture was acquired during the year thereby making it a subsidiary [Refer note 12(a)].

# The Company can utilize these balances only toward settlement of the respective unpaid dividend, unpaid fractional share entitlement and share application refund.

As per our Report of even date  
For **S. R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 301003E

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

Place : Kolkata  
Dated : May 22, 2015

For and on behalf of the Board of Directors

**J. P. Chowdhary**  
Executive Chairman

**Sunirmal Talukdar**  
Director

**Anil Kumar Agarwal**  
Chief Financial Officer

**Sudipta Mukherjee**  
Director

**Dinesh Arya**  
Company Secretary

# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

## 1 GROUP INFORMATION

Titagarh Wagons Limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956 and existing under Companies Act 2013. The Company along with its nine subsidiaries and step down subsidiaries (collectively referred as the Group) operates in (a) manufacturing and selling of railway wagons, steel castings, heavy earthmoving and mining equipments, bailey bridges, EMU, non ferrous metal alloys etc, (b) finance, hire purchase and leasing (c) dealing in shares, bonds, acknowledgements and securities, (d) ship building, ship breaking, shipping, marine engineering, naval architecture and ocean engineering.

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a) Principles of Consolidation

- (i) The Consolidated Financial Statements present the consolidated accounts of the Company and its Subsidiaries and Joint Ventures.

The subsidiary companies considered for consolidation in the financial statements are as follows :

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership / Interest	
		March 31, 2015	March 31, 2014
Titagarh Capital Private Limited (TCPL)	India	100%	100%
Titagarh Singapore Pte. Limited (TSPL)	Singapore	100%	100%
Titagarh Wagons AFR* (AFR)	France	100%	100%
Titagarh Agrico Private Limited (TAPL)	India	96.43%	100%
Titagarh Marine Limited (TML)	India	100%	100%
Cimco Equity Holdings Private Limited (CEHPL) [Refer note 12(a)]	India	100%	-
Greysham and Co. Private Limited (GCPL) (a subsidiary by virtue of control over composition of its board of directors) [ceased to be a subsidiary w.e.f February 20, 2015]	India	-	50%

\*The Company holds 100% equity in AFR together with a wholly owned subsidiary company, TSPL.

- (ii) The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and any unrealized profits/losses. The excess of the cost of investments over the proportionate value of interest in the subsidiaries has been recognised as "Goodwill"
- (iii) Minorities' interest in net profit/loss of consolidated subsidiaries for the year has been identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Group. Their share of net assets has been identified and presented in the Consolidated Balance Sheet separately.
- (iv) The financial statements of TSPL have been prepared in accordance with Singapore Financial Reporting Standards (SFRS). The management of the Company has made necessary adjustments on account of significant difference due to adoption of different accounting standards as stated above, in comparison to the Indian Generally Accepted Accounting Principles (IGAAP) for preparing consolidated Financial Statements.
- (v) In translating the financial statements of the non-integral foreign subsidiary for incorporation in the consolidated financial statements, the assets and liabilities, both monetary and non-monetary are translated at the closing exchange rate, while income and expenses are translated at average exchange rate and all resulting exchange differences are accumulated in Foreign Currency Translation Reserve in Note 4(D).
- (vi) In terms of Accounting Standard (AS) 27 'Financial Reporting of Interests in Joint Venture' notified by the Companies (Accounting Standards) Rules, 2006 (as amended), the Company's proportionate interests in the Joint Ventures are consolidated as separate line items in the financial statements along with the book values of assets, liabilities, income and expenses, after eliminating intra-group balances/transactions and unrealized profit and losses resulting from the transactions between the Company and its subsidiary companies and the joint ventures.
- (vii) Particulars of interest in Joint Ventures (Jointly Controlled Entities) :

Name of the Joint Venture	Country of Incorporation	Proportion of Ownership / Interest	
		March 31, 2015	March 31, 2014
Cimco Equity Holdings Private Limited (CEHPL) [Refer note 12(a)]	India	-	50%

## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

- (viii) The Financial Statements of CEHPL considered for consolidated financial statements of the Group includes following subsidiary which has been consolidated in CEHPL using similar principles as that of the Group.

Name of the Subsidiary of Joint Venture	Country of Incorporation	Proportion of Ownership / Interest	
		March 31, 2015	March 31, 2014
Cimmco Limited (Cimmco)	India	74.76%	74.76%

- (ix) The Financial Statements of TML considered for consolidated financial statements of the Group includes following subsidiary which has been consolidated in TML using similar principles as that of the Group.

Name of the Subsidiary of Joint Venture	Country of Incorporation	Proportion of Ownership / Interest	
		March 31, 2015	March 31, 2014
Corporated Shipyard Private Limited (CSPL)	India	100%	100%
Times Marine Enterprise Private Limited (TMEPL)	India	100%	100%

- (x) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviation in accounting policies, if any, to the extent possible, are made in the consolidated financial statements and are presented in the same manner as the Company's separate financial statements.
- (xi) The Consolidated Financial Statements are based on the audited Financial Statements of subsidiaries and joint ventures, except in case of TSPL which is based on the unaudited financial statements as certified by the management.
- (xii) The Group accounts for change in the minority interest arising out of acquisition / sale of investment in subsidiaries using "Hybrid Entity Concept". Under this concept, goodwill on acquisition of additional stake in the existing subsidiary is recognized by treating the difference between the consideration paid and the net carrying value of additional stake acquired on the date of such acquisition. In case of disposal of partial stake in a controlling subsidiary, the parent treats the transaction as an equity transaction and the resulting gain or loss including goodwill or capital reserve adjustments, if any, is not taken to the statement of profit and loss but is routed through reserve & surplus.

### b) Basis of preparation

The financial statements of the Group have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP). The Company has prepared these financial statements to comply in all material respects with the accounting standards notified under Section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention except in case of assets for which revaluation is carried out. The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year, except for the changes in accounting policy explained below.

### c) Change in accounting policy

#### Depreciation on fixed assets

Till the year ended 31 March 2014, Schedule XIV to the Companies Act, 1956, prescribed requirements concerning depreciation of fixed assets. From the current year, Schedule XIV has been replaced by Schedule II to the Companies Act, 2013. The applicability of Schedule II has resulted in the following changes related to depreciation of fixed assets. Unless stated otherwise, the impact mentioned for the current year is likely to hold good for future years also.

#### (i) Useful lives/ depreciation rates

Till the year ended 31 March 2014, depreciation rates prescribed under Schedule XIV were treated as minimum rates and the Company was not allowed to charge depreciation at lower rates even if such lower rates were justified by the estimated useful life of the asset. Schedule II to the Companies Act 2013 prescribes useful lives for fixed assets which, in many cases, are different from lives prescribed under the erstwhile Schedule XIV. However, Schedule II allows companies to use higher/ lower useful lives and residual values if such useful lives and residual values can be technically supported and justification for difference is disclosed in the consolidated financial statements.

Considering the applicability of Schedule II to the Companies Act 2013, the Group has re-estimated useful lives and residual values of all its fixed assets and accordingly the depreciation charge for the current year is higher by Rs 208.64 lacs as compared to the previous year. Further, based on transitional provision provided in Note 7(b) of Schedule II, an amount of Rs 379.29 lacs (net of deferred tax of Rs. 139.66 lacs) has been adjusted with general reserve / opening retained earnings. The management believes that depreciation rates currently used fairly reflect its estimate of the useful lives and residual values of fixed assets.



## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

### (ii) **Accounting for additional depreciation on account of revaluation of fixed assets**

The Group had revalued some of its land, buildings, plant and machineries in earlier years. Till year ended 31 March 2014, the Guidance Note on Treatment of Reserve Created on Revaluation of Fixed Assets issued by the ICAI allowed companies to transfer an amount equivalent to the additional depreciation arising due to upward revaluation of fixed assets from revaluation reserve to the statement of profit and loss. Accordingly, the Group was transferring an amount equivalent to additional depreciation arising due to upward revaluation of fixed assets from revaluation reserve to the consolidated statement of profit and loss. In contrast, Schedule II to the Companies Act, 2013 applicable from the current year, states that depreciable amount of an asset is the cost of an asset or other amount substituted for cost. Hence, in case of revalued assets, depreciation computed on the revalued amount needs to be charged to the consolidated statement of profit and loss, without any recoupment from revaluation reserve. Consequently, to comply with the Schedule II requirement, the Group has discontinued the practice of recouping the impact of additional depreciation from revaluation reserve. The Group has decided to apply the revised accounting policy prospectively from accounting periods commencing on or after 1 April 2014.

On disposal of a previously revalued item of fixed asset, the difference between net disposal proceeds and the net book value is charged or credited to the consolidated profit and loss statement except that, to the extent such a loss is related to an increase which was previously recorded as a credit to revaluation reserve and which has not been subsequently reversed or utilised, it is charged directly to that account. The amount standing in revaluation reserve following the retirement or disposal of an asset which relates to that asset is transferred to general reserve.

Had the Company continued its earlier policy of recouping the additional depreciation arising due to upward revaluation of fixed assets from reserve created from revaluation of fixed assets, profits for the current year would have been higher by Rs 150.89 Lacs. However, the change in accounting policy does not have any impact on the reserves and surplus balance as at 31 March 2015.

### d) **Use of estimates**

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

### e) **Tangible Fixed Assets**

Tangible Fixed Assets are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment, if any. The cost of acquisition comprises of purchase price inclusive of duties (net of Cenvat/VAT), taxes, incidental expenses, erection/commissioning/trial run expenses and borrowing cost etc, up to the date the assets are ready for intended use.

In case of revaluation of tangible fixed assets, the original cost as written up by the approved valuers is considered in the accounts and the differential amount is credited to revaluation reserve.

Machinery spares which can be used only in connection with an item of fixed assets and whose use, as per technical assessment, is expected to be irregular, are capitalized and depreciated over the residual life of the respective assets.

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

Capital work-in-progress includes machinery to be installed and construction & erection materials lying in stock.

### f) **Intangibles**

Research costs are expensed as and when incurred. Development expenditure incurred on an individual project is recognized as an intangible asset when the Company can demonstrate all the following :

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- Its intention to complete the asset
- Its ability to use or sell the asset
- How the asset will generate future economic benefits
- The availability of adequate resources to complete the development and to use or sell the asset
- The ability to measure reliably the expenditure attributable to the intangible asset during development.

Development expenditure recognized as an intangible asset is amortized on a straight line basis over the period of expected future sales from the related project, not exceeding ten years.

The carrying value of development costs is reviewed for impairment annually when the asset is not yet in use, or otherwise when events or changes in circumstances indicate that the carrying value may not be recoverable.

Computer softwares not being part of the hardware operating system, are assessed to have a useful life of 3 years and are capitalised as intangible fixed assets.

## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

### g) Depreciation & Amortisation on tangible & intangible fixed assets

#### Tangible Assets

Leasehold land is amortized on a straight line basis over the period of lease, i.e., 99 years.

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management which is line with the useful lives as mentioned in Schedule II to the Companies Act 2013. The Company has used the following rates to provide depreciation on its fixed assets.

Asset Class	Useful life (years)
Factory buildings	30
Other buildings	60
Plant and equipments	15
Railway wagons	15
Furniture and fixtures	10
Office equipment	3-5
Vehicles	8

The Group has considered the residual values of the above assets at 5% of the original cost except in case of Railway wagons in a subsidiary where the residual value has been considered to be higher than 5% based on the report obtained from an independent chartered engineer.

#### Intangible Assets

Computer softwares capitalized as intangible fixed assets are amortised over their useful life of 3 years on a straight line basis.

Patents are amortised over the period of ten years on a straight line basis.

### h) Leases

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased items, are capitalized at the lower of the fair value and present value of the minimum lease payments at the inception of the lease term and disclosed as leased assets. Lease payments are apportioned between the finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.

If there is no reasonable certainty that the Group will obtain the ownership by the end of the lease term, capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease term.

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

### i) Borrowing costs

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost.

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 capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

### j) Impairment of tangible and intangible fixed assets

The carrying amounts of assets are reviewed at each balance sheet date to determine if there is any indication of impairment based on the internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount which is the greater of the assets' net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Impairment losses of continuing operations are recognized in the consolidated statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

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

A previously recognized impairment loss is increased or reversed depending on the changes in circumstances. However the carrying value after reversal is not increased beyond the carrying value that would have prevailed by charging usual depreciation if there was no impairment.

## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

### k) Investments

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

### l) Inventories

Raw materials & Components and Stores & Spares Parts are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of finished goods 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 include expenses incidental to procurement thereof and determined on a weighted average basis.

Goods under process and finished goods are valued at lower of cost and net realizable value. Cost includes direct materials, labour cost and a proportion of manufacturing overheads based on the normal operating capacity. Cost of finished goods includes excise duty and is determined on a weighted average basis.

Construction work in progress is valued at cost. However, in case of contracts where losses are likely to occur, the stock is considered at net realisable value. Costs include materials, labour and an appropriate portion of construction overheads.

Obsolete/damaged stores and saleable scraps are valued at estimated net realizable value.

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

### m) Revenue Recognition

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

#### Sale of Goods

In case of sale of goods, revenue is recognized when the significant risks and rewards of ownership of goods have passed to the buyer. Sales are net of returns, claims, discounts etc.

Sales exclude sales tax and value added tax (VAT) which are collected by the Group on behalf of the State Governments and deposited to the credit of the respective State Governments. Excise duty deducted from revenue (gross) is the amount that is included in the revenue (gross) and not the entire amount of liability arising during the year.

#### Income from Services

Revenues from Services are recognized pro-rata over the period of the contract as and when services are rendered.

#### Construction contracts

Revenue on construction contracts is recognized on percentage completion method based on the stage of completion of the contract. The stage of completion is determined as a proportion that contract costs incurred for work performed upto the reporting date bears to the estimated total costs. When it is probable that the total contract cost will exceed the total contract revenue, the expected loss is recognized immediately.

#### Interest Income

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

#### Dividends

Dividend income is recognized when the Group's right to receive dividend is established by the balance sheet date.

### n) Foreign Currency Transactions

#### Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

#### Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

### **Exchange differences**

Exchange differences arising on the settlement of monetary items or on restatement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

### **Forward Exchange Contracts not intended for trading or speculation purposes**

The premium or discount arising at the inception of the forward exchange contract is amortized as expense or income over the life of the contract. Exchange differences on such contracts are recognized in the statement of profit and loss in the year in which the exchange rates change. Any profit or loss arising on cancellation or renewal of forward exchange contract is recognized as income or expense for the year.

### **o) Retirement and other Employee Benefits**

Retirement benefits in the form of Provident and Superannuation funds are defined contribution schemes and the contributions are charged to the Profit and Loss Account of the year when the contributions to the respective funds are due. There are no obligations other than the contribution payable to the respective funds.

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

Long term compensated absences are provided for based on actuarial valuation, as per projected unit credit method, made at the end of each financial period. 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.

Actuarial gains/losses are taken to Consolidated Statement of Profit and Loss and are not deferred.

### **p) Taxes on Income**

Tax expense comprises of current and deferred taxes.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax liabilities are recognized for all taxable timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

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

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

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

### **q) Segment Reporting**

#### **Identification of segments**

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

#### **Inter Segment transfers**

The Group accounts for inter segment transfers at prevailing market prices.

#### **Allocation of common costs**

Common allocable costs are allocated to each segment on case to case basis by applying the ratio, appropriate to each relevant case.

Revenue and expenses which relate to the enterprise as a whole and are not allocable to segments on a reasonable basis, are included under the head "Unallocated – Common".

## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

The Group prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the Group as a whole.

### **r) Earning per share**

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

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

### **s) Provisions**

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

Provision for product related warranties cost is based on the claims received upto the year end as well as the management's estimates of further liability to be incurred in this regard during the warranty period.

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

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

### **t) Contingent liabilities**

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

### **u) Cash and Cash equivalents**

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

### **v) Excise duty & custom duty**

Excise duty is accounted for at the point of manufacture of goods and accordingly is considered for valuation of finished goods stock lying in the factories as on the balance sheet date. Similarly, customs duty on imported materials in transit / lying in bonded warehouse is accounted for at the time of import / bonding of materials.

### **w) Government grants and subsidies**

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is netted off from the related expense over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

### **x) Measurement of EBITDA**

As permitted by the Guidance Note on the Revised Schedule VI to the Companies Act, 1956, the Group has elected to present earnings before interest, tax, depreciation and amortization (EBITDA) as a separate line item on the face of the statement of profit and loss. The Group measures EBITDA on the basis of profit/ (loss) for the year excluding depreciation and amortization expenses, finance costs, tax expenses, exceptional items, extraordinary expenses and share of minority interest.

# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

*(Rs. in Lacs)*

	As at March 31, 2015	As at March 31, 2014
<b>3 SHARE CAPITAL</b>		
<b>Authorised Shares</b>		
9,60,00,000 (9,60,00,000) Equity shares of Rs. 10/- each	9,600.00	9,600.00
5,20,00,000 (5,20,00,000) Preference shares of Rs. 10/- each	5,200.00	5,200.00
	<b>14,800.00</b>	<b>14,800.00</b>
<b>Issued, Subscribed and Fully Paid-up Shares</b>		
2,00,59,069 (2,00,59,069) Equity shares of Rs. 10/- each fully paid up	2,005.91	2,005.91
	<b>2,005.91</b>	<b>2,005.91</b>

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

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

**b) Terms/rights attached to equity shares**

The Company has only one class of equity shares having a par value of Rs. 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.

During the year ended March 31, 2015, the amount of dividend per share recognised as distributable to equity shareholders is Rs. 4/- (Rs. 4/-).

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

**c) Aggregate number of bonus shares issued and shares issued for consideration other than cash during the period of 5 years immediately preceding the reporting date**

	As at March 31, 2015	As at March 31, 2014
	No. of shares	No. of shares
Equity shares allotted as fully paid up, for consideration other than cash	3,66,954	3,66,954

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

	As at March 31, 2015		As at March 31, 2014	
	No. of shares	% holding	No. of shares	% holding
<b>Equity shares of Rs. 10/- each fully paid</b>				
Titagarh Capital Management Services Private Limited	43,34,033	22%	4,334,033	22%
Savitri Devi Chowdhary	36,23,207	18%	3,623,207	18%
Rashmi Chowdhary	25,63,221	13%	2,563,221	13%
G E Capital International (Mauritius)	24,59,499	12%	2,459,499	13%

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.

**e) The shareholders of the Company have approved the split of each equity shares having a face value of Rs 10/- into five equity shares having a face value of Rs 2/- each through postal ballot on April 13, 2015. The record date for the sub-division was April 24, 2015.**

	As at March 31, 2015	As at March 31, 2014
<b>4 RESERVES AND SURPLUS</b>		
<b>A. Capital Reserve</b>		
Balance as per the last financial statements	9.18	9.18
<b>B. Securities premium account</b>		
Balance as per the last financial statements	26,194.45	26,194.45
<b>C. Revaluation reserve</b>		
Balance as per the last financial statements	5,791.06	5,949.16
Add : Reserve acquired on acquisition of remaining shares, in a joint venture company thereby making it a subsidiary [Refer Note 12(a)]	5,111.69	-
Less : Amount transferred to the statement of profit and loss - recoupment of depreciation	-	158.10
Less: Amount transferred to the statement of profit and loss* (Refer Note (a) below)	29.96	-
	<b>10,872.79</b>	<b>5,791.06</b>
* Includes proportionate share in Joint Venture Rs. Nil (Rs. 56.78 Lacs)		

# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

(Rs. in Lacs)

	As at March 31, 2015	As at March 31, 2014
<b>4 RESERVES AND SURPLUS (Contd.)</b>		
<b>D. Foreign currency translation reserve</b>		
Balance as per the last financial statements	469.11	(188.24)
Add: Arisen during the year	(840.00)	657.35
	(370.89)	469.11
<b>E. General reserve</b>		
Balance as per the last financial statements	5,482.61	5,444.61
Add: Amount transferred from surplus in the statement of profit and loss	100.00	38.00
Less: Adjustment for change in useful life of fixed assets (net of deferred tax) [Refer note (b) below]	(271.22)	-
	5,311.39	5,482.61
<b>F. Special reserve under Section 45-IC of RBI Act</b>		
Balance as per the last financial statements	15.27	15.27
Add: Amount transferred from the statement of profit and loss	0.43	-
	15.70	15.27
According to Section 45-IC of the Reserve Bank of India Act, 1934, every NBFC shall create a reserve fund and transfer therein a sum not less than 20% of its Net Profit every year as disclosed in the Statement of Profit and Loss and before declaration of dividend.		
<b>G. Surplus in the consolidated statement of profit and loss</b>		
Balance as per the last financial statements	26,285.21	28,168.21
Loss for the year transferred from consolidated statement of profit and loss	(330.57)	(893.26)
Add: Purchase of share of minority	1.57	-
Less: Adjustment for change in useful life (net of deferred tax) [Refer note (b) below]	108.17	-
Less: Transferred to Minority Interest	(21.98)	-
<b>Less: Appropriations</b>		
Transfer to general reserve	100.00	38.00
Transfer to special reserve	0.43	13.02
Proposed equity dividend [amount per share Rs. 4/- (Rs. 4/-)]	802.36	802.36
Tax on proposed equity dividend	163.34	136.36
<b>Total appropriations</b>	1,066.13	989.74
	24,803.89	26,285.21
<b>Total reserves and surplus</b>	<b>66,836.51</b>	<b>64,246.89</b>
<b>TOTAL (A to G)</b>		

(a) Represents loss on disposal of fixed assets adjusted against revaluation reserve in terms of the accounting policy 2(c)(ii).

(b) Effective from April 1, 2014, the Company has charged depreciation based on the revised remaining useful lives of the fixed assets as per the requirement of Schedule II of the Companies Act, 2013. Further, as per the transitional provision provided in Note 7(b) of Schedule II, an amount of Rs 379.29 lacs (net of deferred tax of Rs 139.66 lacs) has been adjusted with general reserve / opening retained earnings for the fixed assets in respect of which the remaining useful life was Nil as on April 1, 2014.

	Non-Current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>5 LONG TERM BORROWINGS</b>				
<b>Secured</b>				
Finance lease obligations	-	1,231.25	1,006.60	276.70
Term Loan from Bank	4,000.00	-	1,666.67	-
<b>Unsecured</b>				
Term Loan from Banks	-	175.49	29.02	-
Other Loans	270.13	496.84	170.26	206.44
	4,270.13	1,903.58	2,872.55	483.14
Add : Proportionate share in Joint Venture (Secured)	-	416.67	-	416.67
	4,270.13	2,320.25	2,872.55	899.81
Amount disclosed under other current liabilities (Refer Note No. 9.2)	-	-	(2,872.55)	(899.81)
<b>Total</b>	<b>4,270.13</b>	<b>2,320.25</b>	<b>-</b>	<b>-</b>
The above amount includes :				
Secured borrowings	4,000.00	1,647.92	2,673.27	693.37
Unsecured borrowings	270.13	672.33	199.28	206.44

a) Finance lease obligation is secured by hypothecation of the respective land and buildings taken on lease. The interest rate implicit in the lease is 5.28% and for repayment schedule refer Note No. 27(b).



# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

(Rs. in Lacs)

## 5 LONG TERM BORROWINGS (Contd.)

- b) In case of Titagarh Wagons AFR, Rs 29.02 lacs (Euro 42,974) are secured against fixed deposit of Rs 400 lacs given as margin money by the holding company. The term loan carries interest rate of 3 months EURIBOR + 2% margin p.a i.e. 2.23% p.a. and is repayable in remaining 2 equal quarterly installment of Rs 14.51 lacs (Euro 21,487) by September 2015.
- c) Secured term Loan from banks represents following loans taken by Cimmco Limited:
- Term Loan of Rs. 4,000.00 lacs carries an interest @ 11.75% p.a and is repayable in 14 quarterly installments of Rs. 285.71 lacs each starting from September 2016 to December 2019. The loan is further backed by a "Put Option" of Titagarh Wagons Limited (TWL), the ultimate holding company. In terms of the said put option, upon occurrence of any event of default as per the terms of the facility agreement, ICICI Bank shall have the right to call upon TWL to pay the entire outstanding within such time as may be prescribed.
  - Term Loan of Rs 1,666.67 lacs carries an interest @ 13% p.a. and is repayable in 2 half yearly installments of Rs. 833.33 lacs each in June 2015 and December 2015. The loan is secured by an exclusive first charge on land situated at Gwalior and also by first pari passu charge over the other fixed assets and second pari passu charge over the current assets of the Company, both present and future.
- d) Other loans includes following :
- Interest free loan of Rs. 168.77 lacs (Euro 292,971) received from Government Authorities are repayable in remaining 14 monthly installments of Rs. 12.06 lacs (Euro 20,926) by May 2016.
  - Interest free loan of Rs. 270.13 lacs (Euro 400,124) received from Government Authorities are repayable at a future date to be decided by the Government.
  - Rs 1.49 lacs represents loan taken from directors and ex-directors. The said loan is interest free and repayable on demand.

(Rs. in Lacs)

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>6 PROVISIONS</b>				
Provisions for employee benefits* :				
Gratuity (Refer Note No. 26)	392.99	420.33	78.47	47.17
Leave benefits	-	-	152.53	142.77
	<b>392.99</b>	<b>420.33</b>	<b>231.00</b>	<b>189.94</b>
<b>Other provisions for :</b>				
Warranties	345.18	29.01	114.71	614.14
Liquidated damages	-	-	312.74	159.25
Onerous Contract	-	-	1,209.85	-
Litigations, Claims & Contingencies	-	-	208.15	160.24
Provision for non-performing assets	-	52.00	-	-
Provision for standard assets	-	4.00	-	-
Proposed equity dividend	-	-	802.36	802.36
Provision for tax on proposed equity dividend	-	-	163.34	136.36
	<b>345.18</b>	<b>85.01</b>	<b>2,811.15</b>	<b>1,872.35</b>
<b>Total Provisions</b>	<b>738.17</b>	<b>505.34</b>	<b>3,042.15</b>	<b>2,062.29</b>
Add : Proportionate Share in Joint Venture	-	5.66	-	39.77
	<b>738.17</b>	<b>511.00</b>	<b>3,042.15</b>	<b>2,102.06</b>

\* The classification of provisions for employee benefits into current / non current have been done by the actuary of the Company based upon estimated amount of cash outflow during the next twelve months from the balance sheet date.

### a) Movement of provisions for warranty and liquidated damages are as follows :

	(i) Warranties		(ii) Liquidated damages	
	2014-15	2013-14	2014-15	2013-14
At the beginning of the year	643.15	155.58	159.25	189.83
Add: Provision acquired on acquisition of remaning shares in a joint venture thereby making it a subsidiary [Refer note 12(a)]	1.25	-	51.12	-
Arisen during the year	837.37	516.95	216.50	85.70
Utilized during the year	(1,014.26)	(29.38)	(114.13)	(116.28)
Unused amounts reversed	(7.62)	-	-	-
<b>At the end of the year</b>	<b>459.89</b>	<b>643.15</b>	<b>312.74</b>	<b>159.25</b>
Add : Proportionate Share in Joint Venture	-	0.63	-	25.56
<b>At the end of the year</b>	<b>459.89</b>	<b>643.78</b>	<b>312.74</b>	<b>184.81</b>
Current portion	114.71*	614.77*	312.74	184.81
Non-current portion	345.18	20.01	-	-

\* Includes proportionate share of Joint Venture Rs. Nil (Rs 8.42 lacs)

# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

(Rs. in Lacs)

## b) Movement of provisions for Litigation, Claims and Contingencies and Oneorus Contract are as follows:

	(i) Litigation Claims and Contingencies		(ii) Onerous Contract	
	2014-15	2013-14	2014-15	2013-14
At the beginning of the year	160.24	160.24	-	-
Arisen during the year	47.91	-	2,259.43	-
Utilized / Unused amount reversed during the year	-	-	1,049.58	-
<b>At the end of the year</b>	<b>208.15</b>	<b>160.24</b>	<b>1,209.85</b>	<b>-</b>

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

- (c) In case of Titagarh Capital Pvt. Ltd., provision for non-performing asset have been adjusted against the corresponding loans and advances that has been written off during the year.

	As at March 31, 2015	As at March 31, 2014
<b>7 SHORT TERM BORROWINGS</b>		
<b>Secured</b>		
Cash credits	3,875.66	2,565.77
Buyers' credit (in foreign currency)	561.60	5,689.57
<b>Unsecured Loans from :</b>		
Overdraft facility	808.51	310.49
Exim Bank	106.34	-
Directors / Ex-directors	-	26.49
	<b>5,352.11</b>	<b>8,592.32</b>
Add : Proportionate share in Joint Venture		
Secured	-	1,383.89
Unsecured	-	53.17
	<b>5,352.11</b>	<b>10,029.38</b>

### Notes :

- a) Cash credits includes following:
  - i) In case of Titagarh Wagons Limited :  
Cash credits of Rs. 897.89 lacs (Rs. 718.89 lacs) are secured by first charge on the Company's current assets, present and future and by way of collateral charge on fixed assets of the Company, both present and future. All the mortgages and charges created in favour of the above lenders rank pari passu with consortium member banks. Cash credits carry interest at base rate ranging from 10% to 12% plus spread ranging between 0% to 2.50% p.a. and are repayable on demand.
  - ii) In case of Titagarh Wagons AFR :  
(a) Cash credit of Rs. 1350.21 lacs (Euro 2,000,000) is secured by first charge on the Company's current assets, present and future and by way of collateral charge on fixed assets of the Company, both present and future. In addition, the holding company has also extended corporate guarantee as margin money. The above facility carries interest at 6 months LIBOR + 3.75% p.a. i.e. 4.11% p.a. and are repayable on demand.
  - iii) In case of Titagarh Marines Limited :  
Cash credits of Rs. 325.45 lacs (Rs. 505.39 lacs) is secured by hypothecation of present and future stock of raw materials , stock-in-progress, finished goods, consumables, book debts and all current assets excluding stocks procured with advance received from Indian Navy with collateral extension on the plant and machinery and other fixed asset excluding Kolkata Port Trust land, certain fixed deposit, personal guarantee of directors and others. The loan is carrying interest @ 14.50% p.a. and is repayable on demand.
  - iv) In case of Cimmco Limited :  
(a) Cash credits of Rs. 1,302.11 lacs (Rs. 2,686.43 lacs) from banks is secured by first pari passu charge over all current assets, both present and future and also by a second pari passu charge over the entire fixed assets of the Company (excluding land at Gwalior). Cash Credit carry an interest @13% to 14% p.a. and is repayable on demand.
- b) In case of Titagarh Wagons Limited, Buyer's Credit are secured by first charge on the Company's current assets, present and future and by way of collateral charge on fixed assets of the Company, both present and future. All the mortgages and charges created in favour of the above lenders rank pari passu with consortium member banks. Buyer's credit carries interest at Libor plus spread ranging between 0.79% to 1.13% and is repayable by December, 2015.
- c) In case of Titagarh Wagons AFR, overdraft facility of Rs. 808.52 lacs (Euro 1,197,630) is repayable on demand and carries interest at 1 months EURIBOR+2% p.a.
- d) In case of Cimmco Limited, Loan from Exim Bank, the Board For Industrial and Financial Reconstruction (BIFR) has at the request of EXIM Bank, granted permission for recovery of their outstanding loan amount from the Company based on the decision of the Court of Appeal without any interest and penalty. Pending finalisation of the aforesaid appeal, the amount has not been considered as due for payment.

# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

(Rs. in Lacs)

	As at March 31, 2015	As at March 31, 2014
<b>8 OTHER LONG TERM LIABILITIES</b>		
Interest free deposits from dealers	23.00	-
	<b>23.00</b>	-
<b>9 OTHER CURRENT LIABILITIES</b>		
<b>9.1 Trade Payables</b>		
Acceptances	721.45	176.36
Payables for goods and services @	8,842.18	7,517.77
	<b>9,563.63</b>	<b>7,694.13</b>
Add : Proportionate share in Joint Venture	-	565.58
	<b>9,563.63</b>	<b>8,259.71</b>
<b>9.2 Other Liabilities</b>		
Current maturities of long term borrowings (Refer Note No. 5)	2,872.55	899.81
Interest accrued but not due on borrowings	4.28	32.34
Advance from customers	2,341.86	8,917.23
Payable towards purchase of fixed assets	91.52	64.08
Payable towards purchase of investment	251.69	226.69
Others		
Statutory Dues	1,097.79	1,153.07
Employee related liabilities	1,313.63	1,501.16
Forward Contract Payable	89.99	5.99
Other liabilities	2,370.10	1,860.17
Investor Education and Protection Fund will be credited by following amounts (as and when due) :		
Unpaid dividends	16.65	10.04
Unpaid fractional share	13.61	10.64
Unpaid Share Application	0.48	0.48
	<b>10,464.15</b>	14,681.70
Add : Proportionate share in Joint Venture	-	1,474.35
	<b>10,464.15</b>	<b>16,156.05</b>
<b>Total Current Liabilities</b>	<b>20,027.78</b>	<b>24,415.76</b>

**Note :**

@ Includes dues to Micro & Small Enterprises in term of Micro, Small and Medium Enterprises Act, 2006 (MSME Act) as follows:

	As at March 31, 2015	As at March 31, 2014
a) Principal amount remaining unpaid to any supplier at the end of accounting year (I)	-	-
Interest Due on Above (II)	-	-
<b>Total of (I) and (II)</b>	-	-
b) Amount of interest paid/adjusted by the Company to the suppliers	-	-
c) Amounts paid to the suppliers beyond the respective due date	5.39	-
d) Amount of interest due and payable for the period of delay in payments but without adding the interest specified under the Act	0.01	2.43
e) Amount of interest accrued and remaining unpaid at the end of each accounting year	0.01	2.43
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSME Act.	2.44	-

# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

*(Rs. in Lacs)*

## 10 FIXED ASSETS

### 10.1 TANGIBLE FIXED ASSETS

	Land - Freehold	Land - Leasehold	Buildings	Plant & Machineries	Railway Wagons	Railway Sidings	Furniture & Fixtures	Office equipments & Computers	Vehicles	Proportionate Share in Joint Ventures	Total Tangible Assets
<b>Cost or valuation At April 1, 2013</b>	<b>2,039.43</b>	<b>281.36</b>	<b>6,017.43</b>	<b>13,825.92</b>	<b>100.00</b>	<b>245.38</b>	<b>142.28</b>	<b>377.29</b>	<b>799.83</b>	<b>11,142.00 (c)</b>	<b>34,970.92</b>
Additions	-	-	1,542.33	2,037.71	591.68	58.97	197.92	193.19	21.53	158.00	4,801.33
Disposals	-	-	-	32.49	-	-	-	-	61.67	-	94.16
Exchange differences	36.14	-	325.26	814.07	-	-	-	-	-	-	1,175.47
<b>At March 31, 2014 (b)</b>	<b>2,075.57</b>	<b>281.36 (d)</b>	<b>7,885.02 (d)</b>	<b>16,645.21</b>	<b>691.68</b>	<b>304.35</b>	<b>340.20</b>	<b>570.48</b>	<b>759.69</b>	<b>11,300.00 (c)</b>	<b>40,853.56</b>
Fixed assets acquired on acquisition of remaning shares in a joint venture thereby making it a subsidiary [Refer note 12(a)]	3,810.15	4,081.14	1,421.40	1,900.01	-	20.89	8.19	18.30	39.92	-	11,300.00
Additions	1.10	63.16	222.74	2,069.86	-	22.49	61.48	49.51	26.57	-	2,516.91
Disposals	-	-	-	443.18	-	-	113.14	122.92	46.21	-	725.45
Exchange differences	(41.78)	-	(376.01)	(1,247.69)	-	-	-	-	-	-	(1,665.48)
<b>At March 31, 2015 (b)</b>	<b>5,845.04</b>	<b>4,425.66 (d)</b>	<b>9,153.15 (d)</b>	<b>18,924.21</b>	<b>691.68</b>	<b>347.73</b>	<b>296.73</b>	<b>515.37</b>	<b>779.97</b>	<b>11,300.00 (c)</b>	<b>52,279.54</b>
<b>Depreciation &amp; amortization At April 1, 2013</b>	<b>-</b>	<b>10.46</b>	<b>1,059.87</b>	<b>6,428.13</b>	<b>40.77</b>	<b>53.10</b>	<b>117.24</b>	<b>251.39</b>	<b>210.56</b>	<b>2,630.58</b>	<b>10,802.10</b>
Charge for the year	-	5.04	276.37	1,317.70	8.23	12.32	6.08	31.42	34.55	118.06	1,809.77
Disposals	-	-	-	1.21	-	-	-	-	12.39	-	13.60
Exchange differences	-	-	46.52	157.12	-	-	-	-	-	-	203.64
<b>At March 31, 2014</b>	<b>-</b>	<b>15.50</b>	<b>1,382.76</b>	<b>7,901.74</b>	<b>49.00</b>	<b>65.42</b>	<b>123.32</b>	<b>282.81</b>	<b>232.72</b>	<b>2,748.64</b>	<b>12,801.91</b>
Accumulated depreciation acquired on acquisition of remaning shares in a joint venture thereby making it a subsidiary [Refer note 12(a)]	-	319.55	706.81	1,672.67	-	20.01	1.97	11.05	16.58	-	2,748.64
Charge for the year	-	133.01	365.18	1,457.46	-	22.35	29.83	81.72	52.17	-	2,141.72
Disposals	-	-	-	254.28	-	-	108.42	117.12	25.71	-	505.53
Exchange differences	-	-	(82.95)	(404.60)	-	-	-	-	-	-	(487.55)
Transfer to Reserve [Refer Note 2(c)(iii)]	-	-	335.58	111.50	-	8.16	3.55	42.93	17.32	-	519.04
<b>At March 31, 2015</b>	<b>-</b>	<b>468.06</b>	<b>2,707.38</b>	<b>10,484.49</b>	<b>49.00</b>	<b>115.94</b>	<b>50.25</b>	<b>301.39</b>	<b>293.08</b>	<b>2,748.64</b>	<b>17,218.23</b>
<b>Net Block</b>											
<b>At March 31, 2014</b>	<b>2,075.57</b>	<b>265.86 (d)</b>	<b>6,502.26 (d)</b>	<b>8,743.47</b>	<b>642.68</b>	<b>238.93</b>	<b>216.88</b>	<b>287.67</b>	<b>526.97</b>	<b>8,551.36</b>	<b>28,051.65</b>
<b>At March 31, 2015</b>	<b>5,845.04</b>	<b>3,957.60 (d)</b>	<b>6,445.77 (d)</b>	<b>8,439.72</b>	<b>642.68</b>	<b>231.79</b>	<b>246.48</b>	<b>213.98</b>	<b>486.89</b>	<b>8,551.36</b>	<b>35,061.31</b>

- Deed of Conveyance in respect of freehold land amounting to Rs. 1,164.08 Lacs (Rs. 1,164.08 Lacs) is pending registration.
- Land, Buildings, Plant & Machineries of Titagarh Steels Unit aggregating to Rs. 3,246.54 lacs (Gross block) as on 31st March 2009 were revalued by approved valuers on Replacement Cost basis and the net increase of Rs. 1,345.49 lacs was transferred to Revaluation Reserve. Till previous year, the Company had, in accordance with the option given in the Guidance Note on Accounting for Depreciation in Companies, recouped the additional depreciation out of revaluation reserve, however, with effect from 1st April 2014, the Company has stopped the recoupment in terms of the accounting policy 2(c)(ii).
- Land freehold and leasehold of the Company aggregating to Rs. 1,136.01 lacs (Gross block) as on 31st March 2011 were revalued by approved valuers on Replacement Cost basis and the net increase of Rs. 14,646.57 lacs was transferred to Revaluation Reserve. Till previous year, the Company had, in accordance with the option given in the Guidance Note on Accounting for Depreciation in Companies, recouped the additional depreciation out of revaluation reserve, however, with effect from 1st April 2014, the Company has stopped the recoupment in terms of the accounting policy 2(c)(ii).
- Includes assets taken on finance lease as disclosed in Note 27(b). Gross block Rs 1,872.01 Lacs (Rs 2,289.80 Lacs), Net block Rs 1,471.87 Lacs (Rs. 1,903.40 Lacs).
- The above railway wagons include 200 wagons purchased in 2013-14, which comprises significant quantity of steel scrap on discard. The subsidiary's management, based on the technical advice of an independent chartered engineer, has worked out the residual value of the aforesaid wagons considering the realizable value of the steel content on discard of these wagons. The residual value of these wagons has been determined at Rs. 9,99,06,750, which is higher than Rs. 1,61,00,000 [i.e. 5% of the original cost] of the said wagons.

# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

## 10.2 INTANGIBLE FIXED ASSETS

(Rs. in Lacs)

	Computer Softwares	Patents	Research & Development	Proportionate Share in Joint Ventures	Total Intangible Assets
<b>Cost or valuation</b>					
<b>At April 1, 2013</b>	<b>183.79</b>	<b>821.04</b>	-	<b>9.73</b>	<b>1,014.56</b>
Additions	49.21	37.13	1,346.33	-	1,432.67
Exchange differences	-	154.53	60.44	-	214.97
<b>At March 31, 2014</b>	<b>233.00</b>	<b>1,012.70</b>	<b>1,406.77</b>	<b>9.73</b>	<b>2,662.20</b>
Fixed assets acquired on acquisition of remanant shares in a joint venture thereby making it a subsidiary [Refer note 12(a)]	9.73	-	-	-	9.73
Additions	16.73	198.47	-	-	215.20
Exchange differences	-	(210.33)	(257.89)	-	(468.22)
<b>At March 31, 2015</b>	<b>259.45</b>	<b>1,000.84</b>	<b>1,148.88</b>	<b>9.73</b>	<b>2,418.91</b>
<b>Depreciation &amp; Amortization</b>					
<b>At April 1, 2013</b>	<b>114.25</b>	<b>226.99</b>	-	<b>4.64</b>	<b>345.88</b>
Charge for the year	40.98	106.15	26.45	1.89	175.47
Exchange differences	-	44.42	1.75	-	46.17
<b>At March 31, 2014</b>	<b>155.23</b>	<b>377.56</b>	<b>28.20</b>	<b>6.53</b>	<b>567.52</b>
Accumulated depreciation acquired on acquisition of remanant shares in a joint venture thereby making it a subsidiary [Refer note 12(a)]	6.53	-	-	-	6.53
Charge for the year	46.37	378.44	-	-	424.81
Exchange differences	-	(83.99)	(40.34)	-	(124.33)
<b>At March 31, 2015</b>	<b>208.13</b>	<b>672.01</b>	<b>(12.14)</b>	<b>6.53</b>	<b>874.53</b>
<b>Net block</b>					
<b>At March 31, 2014</b>	<b>77.77</b>	<b>635.14</b>	<b>1,378.57</b>	<b>3.20</b>	<b>2,094.68</b>
<b>At March 31, 2015</b>	<b>51.33</b>	<b>328.83</b>	<b>1,161.02</b>	<b>3.20</b>	<b>1,544.38</b>

(Rs. in Lacs)

	As at March 31, 2015	As at March 31, 2014
<b>11 INTANGIBLE ASSETS UNDER DEVELOPMENT</b>		
Opening balance	295.20	120.00
<b>Add: Expenses incurred during the year</b>		
Cost of Raw Material and Components consumed	227.50	4.61
Consumption of Stores & Spares	48.84	-
Employee benefits expenses	547.13	116.04
Testing Fees	25.65	-
Power & fuel	11.16	-
Insurance	0.10	-
Job Contractor Charges	3.15	-
Advertisement and sales promotion	13.32	-
Repairs and maintenance	3.38	-
Travelling and conveyance	126.05	-
Communication costs	13.48	-
Printing and stationery	6.43	-
Legal and professional fees	33.04	-
Recruitment and meeting expense	9.11	-
Designing Charges	15.23	30.46
Other Expenses	-	24.09
	<b>1,378.77</b>	<b>295.20</b>

Expenditure incurred on redevelopment of Prototypes for Tractors has been carried as "Intangible assets under development" in accordance with Accounting Standard 26 "Intangible Assets" as the development stage is under progress. The Company has also not commenced commercial production during the year.

# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

(Rs. in Lacs)

	No. of Shares		Face Value Per Share (Rs.)	As at	As at
	31.3.2015	31.3.2014		March 31, 2015	March 31, 2014
<b>12 NON-CURRENT INVESTMENTS</b>					
(Valued at cost unless stated otherwise)					
<b>Non-trade Investments</b>					
<b>In fully paid up equity shares</b>					
<b>Quoted</b>					
Continental Valves Limited*	1,60,000	1,60,000	10	14.78	14.78
Orissa Sponge Iron & Steel Limited	500	500	10	0.05	-
<b>Unquoted</b>					
Titagarh Enterprises Limited (formerly Titagarh Papers Ltd.)	49,33,000	49,33,000	10	493.30	493.30
Less : Provision for diminution				(415.49)	(415.49)
				77.81	77.81
Tecalemit Industries Limited	6,85,000	6,85,000	10	22.82	22.82
Bhatpara Papers Limited	50,000	50,000	10	5.00	5.00
<b>Trade Investments</b>					
<b>In 0% optionally fully convertible debentures</b>					
<b>Joint Venture Company</b>					
Cimco Equity Holdings Private Limited (a)	-	3,20,00,000	10	-	3,200.00
				120.46	3,320.41
<b>Investment in National Savings Certificates (Refer Note b)</b>				0.20	0.20
Add : Proportionate share in Joint Venture (quoted)				-	0.03
				120.66	3,320.64
Aggregate amount of quoted investments				14.78	14.81
Aggregate amount of unquoted investments				105.88	3,305.83
Market value of quoted investments				0.75	0.36
Aggregate provision for diminution				415.49	415.49

# Quotations not available

## Notes :

- On 15th April 2014, the Company has exercised its option for the conversion of the optionally fully convertible debentures into equity shares at par. Consequent to such conversion, the Company's holding in CEHPL has increased to 99.23%. On April 16, 2014, the Company has also purchased the balance 5,00,000 equity shares of Rs.10/- each held by the other shareholder in CEHPL; as a result of which CEHPL has become wholly owned subsidiary of the Company. Previous year's numbers, in these consolidated financial statements includes proportionate share in the aforesaid joint-venture wherever relevant.
- The above national saving certificates have been pledged with the Commercial Tax Officer, Bharatpur as security deposit.

	As at March 31, 2015	As at March 31, 2014
<b>13 DEFERRED TAX ASSETS / (LIABILITIES) (NET)</b>		
<b>Deferred Tax Liabilities</b>		
Timing differences in depreciable assets	722.29	819.95
<b>Gross Deferred Tax Liabilities</b>	<b>722.29</b>	<b>819.95</b>
<b>Deferred Tax Assets</b>		
Impact of expenditure charged to the Statement of Profit and Loss in the current year but allowed for tax purposes on payment basis	457.07	419.63
Provision for Onerous Contracts	298.25	-
Provision for doubtful debts and advances	35.76	143.95
Provision for Warranties and Liquidated Damages	133.79	74.25
Gross Deferred Tax Assets	924.87	637.83
<b>Net Deferred Tax Asset / (Liabilities)</b>	<b>202.58</b>	<b>(182.12)</b>

- In case of a subsidiary company, Titagarh Marine Limited, DTA of Rs 286.55 lacs (Rs. 243.15 lacs) has been recognized on brought forward losses and unabsorbed depreciation based on the future profitability projections made by the management. The management of the subsidiary is virtually certain that there would be sufficient taxable income to claim the DTA of Rs. 286.55 lacs (Rs 243.15 lacs) in future.
- In case of Cimco Limited and Titagarh Capital Private Limited, due to absence of virtual certainty supported with convincing evidence, the aforesaid subsidiaries have not recognised the deferred tax asset arising on account of brought forward losses and unabsorbed depreciation.

# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

(Rs. in Lacs)

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>14 LOANS AND ADVANCES</b>				
(Unsecured, considered good unless stated otherwise)				
Capital Advances				
Considered good	140.30	234.46	-	-
Considered doubtful	-	88.10	-	-
	140.30	322.56	-	-
Provision for doubtful advances	-	88.10	-	-
	140.30	234.46	-	-
Loans to related parties (Refer Note No. 29)	-	35.00	-	819.00
Security Deposits				
Considered good	157.59	87.14	238.70	263.37
Considered doubtful	42.50	42.50	-	-
	200.09	129.64	238.70	263.37
Provision for doubtful deposits	42.50	42.50	-	-
	157.59	87.14	238.70	263.37
Advance recoverable in cash or kind				
Considered good - To Others	0.14	-	1,299.86	1,695.72
Considered good - To Related Party (Refer Note No. 29)	-	-	-	9.20
Considered doubtful - To Others	-	-	38.60	72.70
	0.14	-	1,338.46	1,777.62
Provision for doubtful advances	-	-	38.60	72.70
	0.14	-	1,299.86	1,704.92
Balance with statutory / government authorities	6.41	-	2,408.64	2,433.73
Advance tax (net of provision for taxes)	1,936.45	1,605.19	1.55	7.33
Prepaid expenses	27.90	-	578.24	655.18
	2,268.79	1,961.79	4,526.99	5,883.53
Add: Proportionate share in Joint Venture	-	31.46	-	264.25
<b>Total</b>	<b>2,268.79</b>	<b>1,993.25</b>	<b>4,526.99</b>	<b>6,147.78</b>

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>15 TRADE RECEIVABLES AND OTHER ASSETS</b>				
<b>15.1 TRADE RECEIVABLES</b> (Unsecured, considered good unless stated otherwise)				
Outstanding for a period exceeding six months from the date they are due for payment				
Considered good*	-	921.64	3,096.16	3,886.23
Considered doubtful	-	-	53.97	238.93
	-	921.64	3,150.13	4,125.16
Provision for doubtful advances	-	-	53.97	238.93
	-	921.64	3,096.16	3,886.23
Add : Proportionate share in Joint Venture	-	-	-	138.92
	-	921.64	3,096.16	4,025.15
Other receivables	-	-	8,665.45	9,410.70
Add : Proportionate share in Joint Venture	-	-	-	466.67
	-	-	8,665.45	9,877.37
	-	921.64	11,761.61	13,902.52

\* Includes Rs. 477 lacs receivable from a customer for which the customer has given a post dated cheque pursuant to a settlement agreement.



# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

(Rs. in Lacs)

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>15.2 OTHER ASSETS</b> (Unsecured, considered good unless stated otherwise)				
Non Current Bank Balances (Refer Note No. 17)	1.75	31.65	-	-
Interest accrued on fixed deposits and loans	0.02	0.27	362.88	366.48
Unamortised Premium on forward contract	-	-	20.39	6.19
Refunds and claims recoverable (Refer Note (a) below)	-	-	4,695.36	-
Receivable from Related Party	-	-	-	-
Others				
Considered good	167.74	161.61	484.91	484.99
Considered doubtful	-	35.06	-	-
	167.74	196.67	484.91	484.99
Provision for doubtful assets	-	35.06	-	-
	167.74	161.61	484.91	484.99
Add : Proportionate share in Joint Venture	-	-	-	2,451.48
	169.51	193.53	5,563.54	3,309.14

a) Represents claims receivable in case of Cimmco Limited :

- Rs. 3952.35 Lacs (Rs. 3952.35 Lacs) recoverable from Indian Railway (Railways) on account of differential sub lease rental for the leased wagons for the period 1997-98 to 2008-09, net of Rs 1316.84 Lacs, being the cost of wheel sets to be returned to the Railways . The matter is under arbitration and the Company is pursuing the Railways for recovery of these dues in terms of directions issued by Board for Industrial and Financial Reconstruction (BIFR). The management is hopeful to recover the amount in full.
- Rs. 743.01 Lacs, net of Rs. 150.00 Lacs received under guarantee given by the Company, (Rs. 893.02 Lacs) recoverable from National Insurance Company Limited (NICL) towards insurance claims in terms of an order passed by the Hon'ble High Court of Delhi in favour of the Company. NICL has referred the matter to the Honb'le Supreme Court. The management is taking necessary steps to recover the above claim amount and is certain about the realization of the total outstanding amount.
- Rs. Nil (Rs. 203.97 Lacs) due from SBI Capital Markets Limited (SBI Caps) on account of Company's share of lease rental. The amount was retained by SBI Caps due to certain tax disallowances, which were contested by SBI Caps separately. Further, SBI Caps has claimed Rs 1,128.95 Lacs, being the amount of such disallowance from the Company which as per lease and sub lease arrangement with SBI Caps and Indian Railways is recoverable from Indian Railway on back to back basis and hence included in the contingent liabilities as indicated in Note 30. During the current year, SBI Caps has released the above amount to the Company against submission of bank guarantee of an equivalent amount.

	As at March 31, 2015	As at March 31, 2014
<b>16 INVENTORIES</b> (Valued at lower of cost and net realizable value)		
Raw materials & components	10,999.03	11,111.88
Work in progress	7,443.11	14,108.49
Finished goods	2,529.45	3,854.53
Saleable scrap	489.59	121.52
Stores and spares	972.80	663.52
	22,433.98	29,859.94
Add : Proportionate share in Joint Venture	-	979.81
	22,433.98	30,839.75

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>17 CASH AND BANK BALANCES</b>				
<b>I. Cash and cash equivalents</b>				
Balances with banks :				
On current accounts			4,132.22	1,079.57
On unpaid dividend account			16.65	10.04
On unpaid fractional share entitlement			13.61	10.64
On share application refundable account			0.48	0.48
Deposits with original maturity of less than three months			308.97	2,399.40
Cash on hand (including cheques in hand)			16.40	100.02
			4,488.33	3,600.15
Add : Proportionate share in Joint Venture			-	40.99
<b>Total Cash and cash equivalents</b>			4,488.33	3,641.14

# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

(Rs. in Lacs)

	Non-current		Current	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
<b>II. Other bank balances</b>				
Balances with banks :				
Deposits with original maturity of more than 12 months	-	1.90	15.60	-
Deposits with original maturity for more than 3 months but less than 12 months	-	-	8,897.47	8,877.42
Margin money deposit #	1.75	29.75	1,320.89	1,336.64
	1.75	31.65	10,233.96	10,214.06
Add : Proportionate share in Joint Venture	-	-	-	54.66
<b>Total Other bank balances</b>	1.75	31.65	10,233.96	10,268.72
<b>Total Cash &amp; bank balances [(I)+(II)]</b>	1.75	31.65	14,722.29	13,909.86
Amount disclosed under non-current assets (Note 15.2)	(1.75)	(31.65)	-	-
<b>Net Cash &amp; bank balances</b>	-	-	14,722.29	13,909.86

# Receipts lying with banks as security against loans, guarantees/letters of credits issued by them.

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>18 REVENUE FROM OPERATIONS</b>		
<b>Revenue from operations</b>		
<b>Sale of products</b>		
Finished Goods	75,241.26	55,818.90
Traded Goods	88.67	95.62
Sale of Services	605.37	721.08
Sale of raw materials & components	23.52	-
<b>Other operating revenues</b>		
Scrap sales	1,321.44	1,622.45
Others	812.28	0.89
	78,092.54	58,258.94
Add : Proportionate share in Joint Venture	-	5,989.34
<b>Revenue from operations (gross)</b>	78,092.54	64,248.28
Less : Excise duty	1,980.88	1,836.46
[Including proportionate share in Joint Venture Rs Nil (Rs 211.22 lacs)]		
<b>Revenue from operations (net)</b>	76,111.66	62,411.82

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>19.1 OTHER INCOME</b>		
Unspent liabilities / provisions no longer required written back	395.22	185.79
Gain on sale of fixed assets (net)	-	25.64
Subsidy received	183.44	670.88
Gain on foreign exchange fluctuations/forward exchange contracts (net)	-	712.63
Other non operating income	1,234.45	684.95
	1,813.11	2,279.89
Add : Proportionate share in Joint Venture	-	24.77
<b>Total other income</b>	1,813.11	2,304.66
<b>19.2 INTEREST INCOME</b>		
Interest Income on		
Bank deposits	937.72	820.13
Long-term investments	0.02	-
Loans, advances etc	14.64	33.32
Others	0.01	0.19
	952.39	853.64
Add: Proportionate share in Joint Venture	-	3.12
<b>Total Interest Income</b>	952.39	856.76

# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

(Rs. in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>20 COST OF RAW MATERIALS &amp; COMPONENTS CONSUMED</b>		
Inventory at the beginning of the year	11,111.88	13,222.11
Add: Stock acquired on acquisition of remaining shares in a joint venture thereby making it a subsidiary [Refer note 12(a)]	469.99	-
Add : Purchases	38,138.83	34,488.95
	49,720.70	47,711.06
Less : Inventory at the end of the year	10,999.03	11,111.88
	38,721.67	36,599.18
Less: Taken to Intangible asset under development	227.50	-
Add : Proportionate share in Joint Venture	-	1,817.53
<b>Total Cost of raw materials &amp; components consumed</b>	<b>38,494.17</b>	<b>38,416.71</b>

(a) The consumption figures shown above are after adjusting excess and shortages, if any, on physical count, unserviceable items, etc. and net off discount received on purchases. Further the above does not include materials received from customers on free supply basis.

	For the year ended March 31, 2015	For the year ended March 31, 2014	(Increase)/ Decrease
<b>21 INCREASE/(DECREASE) IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND SALEABLE SCRAPS</b>			<b>For the year ended March 31, 2015</b>
<b>Closing Stock</b>			
Finished Goods	2,529.45	3,854.53	1,325.08
Work in Progress	7,443.11	14,108.49	6,665.38
Saleable Scraps	489.59	121.52	(368.07)
	10,462.15	18,084.54	7,622.39
<b>Opening Stock</b>			<b>For the year ended March 31, 2014</b>
Finished Goods	3,854.53	1,936.11	(1,918.42)
Work in Progress	14,108.49	13,525.48	(583.01)
Saleable Scraps	121.52	98.62	(22.90)
	18,084.54	15,560.21	(2,524.33)
	7,622.39	(2,524.33)	
Add : Stock acquired on acquisition of remaining shares in a joint venture thereby making it a subsidiary [Refer note 12(a)]	1,227.88	-	
	8,850.27	(2,524.33)	
Less : Transferred to fixed assets	-	1,565.98	
Add: Foreign Currency translation adjustment	(892.38)	1,251.57	
	7,957.89	(2,838.74)	
Add : Proportionate share in Joint Venture	-	389.29	
	7,957.89	(2,449.45)	

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>22 EMPLOYEE BENEFITS EXPENSES</b>		
Salaries, wages and bonus	7,497.27	8,210.86
Contribution to provident & other funds	187.91	165.68
Gratuity expense	67.81	99.54
Staff welfare expenses	144.82	105.40
Directors' remuneration		
Remuneration to Managing and Whole Time Directors :		
- Salary, bonus, etc	125.04	103.99
- Contribution to provident fund	7.76	8.23
- Commission on profit	47.46	-
	180.26	112.22
	8,078.07	8,693.70
Less: Transferred to Intangible Assets	547.13	-
Add : Proportionate share in Joint Venture	-	172.42
<b>Total</b>	<b>7,530.94</b>	<b>8,866.12</b>

# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

(Rs. in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>23 OTHER EXPENSES</b>		
Consumption of stores & spares	3,134.37	2,787.93
Cost of raw materials & components sold	870.98	1,809.78
Job processing and other machining charges (including contract labour charges)	2,586.55	2,066.86
Power & fuel	2,441.31	2,785.47
Design & development expenses	143.72	93.36
Repairs and maintenance		
Plant & machinery	479.60	683.01
Buildings	106.02	2.81
Others	305.04	108.88
Rent	448.83	574.23
Rates & taxes	376.06	238.84
Insurance	406.33	325.87
Security Services	137.22	104.74
Freight and Forwarding	244.98	180.00
Advertising and sales promotion	210.94	120.23
Brokerage and commission	84.90	70.71
Travelling and conveyance	557.24	498.59
Legal and professional fees	969.94	1,026.67
Commission to non-wholetime directors	10.00	10.00
Directors sitting fees	42.17	9.32
Payment to Auditors		
As Auditor		
Audit fee	43.00	24.00
Limited review	33.00	21.00
Other certification services	12.45	-
In other capacity		
Other services	6.00	3.00
Reimbursement of expenses	3.67	0.17
Warranty claims	1,100.70	245.78
Less: Adjusted with provision	1,014.26	29.38
Provision for warranties	829.75	15.34
Liquidated damages	140.01	261.52
Less: Adjusted with provision	114.13	116.28
Provision for liquidated damages	216.50	145.24
Irrecoverable debts/ advances written off	499.01	10.72
Less: Adjusted with provision	382.00	-
Provision for doubtful debts and advances	16.95	423.49
Loss on sale of investements ( Trade, Non current)	-	3.74
Loss on sale of fixed assets (net)	16.57	41.60
Loss on foreign exchange fluctuations/ forward exchange contracts (net)	621.79	-
Prior period expenses [Refer note (a) below]	67.47	71.68
Miscellaneous expenses	2,483.03	1,488.77
	18,135.71	16,048.15
Add: Proportionate Share in Joint Venture	-	992.93
<b>Total</b>	<b>18,135.71</b>	<b>17,041.08</b>

## Note (a)

### Details of Prior Period Expenses

<b>Expenses</b>		
Cost of raw materials & components consumed	24.38	3.57
Employee benefits expenses	1.12	54.79
Job Processing and other machining charges (including contract labour charges)	4.69	-
Other expenses	37.28	13.32
	67.47	71.68
	67.47	71.68
Add : Proportionate Share in Joint Venture	-	0.45
<b>Prior Period Expenses</b>	<b>67.47</b>	<b>72.13</b>

# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

(Rs. in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>24 FINANCE COSTS</b>		
Interest expenses	1,408.62	628.48
Bank charges	356.67	349.66
	1,765.29	978.14
Add : Proportionate share in Joint Venture	-	385.27
<b>Total</b>	<b>1,765.29</b>	<b>1,363.41</b>

<b>25 EARNING PER SHARE (EPS)</b>		
Present number of weighted average equity shares	100,295,345	100,295,345
Loss after taxes (Rs in Lacs)	(330.57)	(893.26)
Nominal value of each share (Rs)	2.00	2.00
Earning per share - Basic & Diluted (Rs.)	(0.33)	(0.89)

The shareholders of the Company have approved the split of each equity shares having a face value of Rs 10 into five equity shares having a face value of Rs 2 each through postal ballot on April 13, 2015. The record date for the sub-division was April 24, 2015. Accordingly, the earning per share for the period reported above have been adjusted with respect to the aforesaid increase in number of equity shares in terms of the requirements of Accounting Standard 20 on Earnings per share.

## 26 RETIREMENT AND OTHER EMPLOYEE BENEFIT PLANS

The Company has a defined benefit gratuity plan which is unfunded (except for Titagarh Steels unit where it is administered through a trust and funded with Life Insurance Corporation of India (LIC) in the form of qualifying insurance policy). 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 net employee benefit expenses recognised in the Statement of Profit and Loss and Balance Sheet for the Gratuity plans.

	Gratuity (funded)		Gratuity (unfunded)	
	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Statement of Profit and Loss</b>				
<b>Net employee benefit expense recognized in the employee cost</b>				
Current service cost	20.21	8.62	24.70	21.33
Interest cost on benefit obligations	15.93	14.11	28.73	25.15
Expected return on plan assets	(3.74)	(6.10)	-	-
Net actuarial (gain)/ loss recognised during the year	(14.25)	44.66	(3.77)	(7.81)
Net benefit expenses	18.15	61.29	49.66	38.67
<b>Balance Sheet</b>				
<b>Benefit liability</b>				
Present value of defined benefit obligation	187.43	215.70	329.37	339.23
Fair value of plan assets	45.34	74.99	-	-
Plan liability	142.09	140.71	329.37	339.23
<b>Changes in the present value of the defined benefit obligation are as follows :</b>				
Opening defined benefit obligations	215.70	164.16	339.23	315.49
Current service cost	20.21	8.62	24.70	21.33
Interest cost	15.93	14.11	28.73	25.15
Benefits paid	(50.16)	(15.85)	(59.52)	(14.93)
Actuarial (gains)/ losses on obligations	(14.25)	44.66	(3.77)	(7.81)
Closing defined benefit obligations	187.43	215.70	329.37	339.23

# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

(Rs. in Lacs)

## 26 RETIREMENT AND OTHER EMPLOYEE BENEFIT PLANS (Contd.)

	Gratuity (funded)		Gratuity (unfunded)	
	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Changes in the fair value of plan assets are as follows :</b>				
Opening fair value of plan assets	41.60	38.46		
Expected return	3.74	6.10		
Contributions by employer	-	31.04		
Benefits paid	-	(0.31)		
Actuarial gains/ (losses)	-	(0.30)		
Closing fair value of plan assets	45.34	74.99		
<b>Actual Return on plan assets</b>	<b>3.74</b>	<b>5.80</b>		

### The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :

Investments with Insurer	100%	100%		
<b>The principal assumptions used in determining gratuity obligation is shown below :</b>				
Discount rate	7.80%	9.10%	7.80%	8.25%
Expected rate of return on assets	9.00%	9.00%	NA	NA
Rate of increase in salary	5.00%	5.00%	5.00%	5.00%
Expected average working life of the employees	8	8	11-16	11-18
Mortality table			Standard table LIC (1994-1996)	

### Amounts for the current and previous four years are as follows :

	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2012	For the year ended March 31, 2011
Defined benefit obligation - unfunded	329.37	339.23	303.47	342.57	298.28
Defined benefit obligation - funded	187.43	215.70	164.16	144.75	145.13
Plan assets	45.34	74.99	38.46	37.39	37.39
<b>Deficit</b>	<b>471.46</b>	<b>479.94</b>	<b>429.17</b>	<b>449.93</b>	<b>406.02</b>
Experience adjustments on plan liabilities - Unfunded [(gains)/Losses]	(3.77)	(7.81)	(63.80)	8.70	(19.60)
Experience adjustments on plan liabilities - Funded [(gains)/losses]	(14.25)	44.66	21.08	(10.91)	(21.33)
Experience adjustments on plan assets [gains/(losses)]	-	(0.30)	(0.81)	(0.38)	(0.41)

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

The Company expects to contribute Rs. 143.04 (Rs 76.21 lacs) to the gratuity fund during 2015-16.

### The details of proportionate share in Joint Venture with respect to Gratuity and other employee benefits are as follows :

	For the year ended March 31, 2015	For the year ended March 31, 2014
Net Defined benefit expenses recognised in the Statement of Profit and Loss	-	0.42
Defined benefit obligation at the end of the year	-	12.44

### The amounts provided for defined contribution plans are as follows :

Provident fund	144.59	117.44
Superannuation fund	-	3.98
<b>Total</b>	<b>144.59</b>	<b>121.42</b>
Proportionate Share in Joint Venture	-	8.41
<b>Total</b>	<b>144.59</b>	<b>129.83</b>

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

# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

(Rs. in Lacs)

	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>27 LEASES</b>		
a) The Group has operating leases for office premises and land that are renewable on a periodic basis and are cancelable by giving a notice period ranging from one month to three months. There is no escalation clause and restriction under the lease agreement. There are no subleases. The amount of rent expenses included in Statement of Profit and Loss	<b>180.24</b>	263.18
b) Assets include land & buildings acquired under finance lease (Gross block Rs. 1,872.01 Lacs (Rs. 2,289.80 Lacs), Net block Rs 1471.87 Lacs (Rs. 1,903.40 Lacs) and the year wise breakup of future obligations towards lease rentals, inclusive of finance charges of Rs 386.55 Lacs (Rs 472.78 Lacs) under the agreement as on March 31, 2015 amounting to Rs 2,258.53 Lacs (Rs 2,762.57 Lacs) is given below:		

	Total		Not later than 1 year		Later than 1 year but not later than 5 years	
	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
Minimum Lease Payments	<b>2,258.56</b>	2,762.57	<b>1,018.43</b>	349.70	<b>Nil</b>	1,247.17
Present Value of minimum lease payments	<b>1,872.01</b>	2,289.80	<b>797.96</b>	278.96	<b>Nil</b>	954.93

## 28 SEGMENT INFORMATION

Based on the synergies, risks and return associated with business operations and in terms of Accounting Standard-17, the Group has identified two business segments i.e. "Wagons & Coaches" and "Others" :

- Wagons & Coaches – Consists of manufacturing of wagons, coaches, bogies, couplers and crossings as per customer specification.
- Others - Consists of miscellaneous business like heavy earth moving machineries, bailey bridge etc. which comprises of less than 10% revenue on individual basis.

### Information about primary business segments

(Rs. in Lacs)

For the year ended March 31, 2015	Wagons & Coaches	Others	Total
<b>Revenues (net of excise duty and cess)</b>			
Segment Revenue (external)	<b>74,875.27</b>	<b>1,236.39</b>	<b>76,111.66</b>
<b>Results</b>			
Segment results	<b>5,586.35</b>	<b>(307.77)</b>	<b>5,278.58</b>
Less: Unallocated expenses net of unallocated income			<b>2,040.30</b>
Operating Profit (EBIDTA less Depreciation)			<b>3,238.28</b>
Less: Interest Expense (net of income)			<b>(812.90)</b>
Less: Exceptional Items	<b>(2,780.06)</b>	<b>-</b>	<b>(2,780.06)</b>
Loss before taxes			<b>(354.68)</b>
Income taxes			<b>627.86</b>
Net loss after taxes			<b>(982.54)</b>
<b>Segment assets</b>	<b>80,149.99</b>	<b>13,251.43</b>	<b>93,401.62</b>
Unallocated assets			<b>12,623.60</b>
<b>Total assets</b>			<b>106,025.02</b>
<b>Segment liabilities</b>	<b>27,296.68</b>	<b>6,503.93</b>	<b>33,800.61</b>
Unallocated liabilities			<b>3,371.99</b>
<b>Total liabilities</b>			<b>37,172.60</b>
<b>Other segment information</b>			
<b>Capital expenditure</b>			
Tangible assets	<b>1,981.66</b>	<b>535.25</b>	<b>2,516.91</b>
Intangible assets	<b>215.20</b>	<b>-</b>	<b>215.20</b>
Depreciation	<b>2,456.07</b>	<b>110.46</b>	<b>2,566.53</b>
<b>Non cash expenses:</b>			
Provision for doubtful debts and advances	<b>16.95</b>	<b>-</b>	<b>16.95</b>
Irrecoverable debts/ advances written off	<b>66.22</b>	<b>50.79</b>	<b>117.01</b>



# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

*(Rs. in Lacs)*

For the year ended March 31, 2014	Wagons & Coaches	Others	Total
<b>Revenues (net of excise duty and cess)</b>			
Segment Revenue (External)	60,042.36	2,369.46	<b>62,411.82</b>
<b>Results</b>			
Segment results	2,431.59	(607.31)	<b>1,824.28</b>
Less: Unallocated expenses net of unallocated income			<b>855.42</b>
Operating Profit (EBIDTA less Depreciation)			<b>968.86</b>
Less: Interest Expense (net of income)			<b>(506.65)</b>
Less: Exceptional Items	(1,126.61)		<b>(1,126.61)</b>
Profit before taxes			<b>(664.40)</b>
Income taxes			<b>385.18</b>
Net profit after taxes			<b>(1,049.58)</b>
<b>Segment assets</b>	<b>77,588.30</b>	<b>11,626.77</b>	<b>89,215.07</b>
Unallocated assets			<b>18,990.82</b>
<b>Total assets</b>			<b>108,205.89</b>
<b>Segment liabilities</b>	<b>27,604.64</b>	<b>5,500.50</b>	<b>33,105.14</b>
Unallocated liabilities			<b>8,847.95</b>
<b>Total liabilities</b>			<b>41,953.09</b>
<b>Other segment information</b>			
<b>Capital expenditure</b>			
Tangible assets	4,162.86	638.47	<b>4,801.33</b>
Intangible assets	1,432.67	-	<b>1,432.67</b>
Depreciation	1,793.26	191.98	<b>1,985.24</b>
<b>Non cash expenses:</b>			
Provision for doubtful debts and advances	423.49	-	<b>423.49</b>
Irrecoverable debts/ advances written off	10.72	-	<b>10.72</b>

## Geographical Segment :

	For the year ended March 31, 2015	For the year ended March 31, 2014
The following table shows the distribution of the Company's sales by geographical market :		
<b>Geographical segment revenue</b>		
Domestic (net of excise duty)*	<b>33,986.67</b>	26,631.57
Overseas	<b>42,124.99</b>	35,780.25
<b>Total</b>	<b>76,111.66</b>	<b>62,411.82</b>
* includes proportionate share in Joint Ventures Rs Nil (Rs 10,815.92 Lacs)]		
	For the year ended March 31, 2015	For the year ended March 31, 2014
<b>Geographical segment assets</b>		
Domestic	<b>86,851.14</b>	80,861.33
Overseas	<b>19,443.88</b>	27,344.56
<b>Total</b>	<b>106,025.02</b>	<b>108,205.89</b>

## 29 RELATED PARTY DISCLOSURES

### (a) Names of related parties and related party relationship

Joint Venture:	Cimco Equity Holdings Private Limited (till April 15, 2014) Cimmco Limited, subsidiary of Cimco Equity Holdings Private Limited (till April 15, 2014)
Key Management Personnel (KMPs):	Mr. J P Chowdhary – Executive Chairman Mr. Umesh Chowdhary – Vice Chairman & Managing Director

# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

*(Rs. in Lacs)*

## 29 RELATED PARTY DISCLOSURES (Contd.)

Relatives of KMPs:	Ms. Savitri Devi Chowdhary, Wife of Mr. J P Chowdhary Ms. Rashmi Chowdhary, Wife of Mr. Umesh Chowdhary Ms. Vinita Bajoria, Daughter of Mr. J P Chowdhary Ms. Sumita Kandoi, Daughter of Mr. J P Chowdhary
Enterprises over which KMP/ Shareholders/ Relatives have significant influence:	Titagarh Logistics Infrastructure Private Limited Titagarh Capital Management Services Private Limited Traco International Investment Private Limited Titagarh Enterprise Limited (formerly Titagarh Papers Limited) Panihati Rubber Limited

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

Nature of transactions	Joint ventures	KMP	Relatives of KMP	Enterprise over which KMP/shareholders/ relatives have significant influence	Total
<b>Revenue from operations</b>					
Cimmco Limited	-				-
	(2,526.44)				(2,526.44)
<b>Interest income on Advances/ Loans</b>					
Cimco Equity Holdings Private Limited	-				-
	(0.91)				(0.91)
Titagarh Enterprises Limited (formerly Titagarh Papers Limited)				-	-
				(0.29)	(0.29)
<b>Purchase of raw material and component</b>					
Cimmco Limited	-				-
	(98.42)				(98.42)
<b>Advance Written Off</b>					
Panihati Rubber Limited				9.20	9.20
				(-)	(-)
<b>Rent Paid</b>					
Titagarh Enterprises Limited (formerly Titagarh Papers Limited)				126.20	126.20
				(178.47)	(178.47)
<b>Job Processing and other machining charges (including contract labour charges)</b>					
Cimmco Limited	-				-
	(61.58)				(61.58)
<b>Dividend paid</b>					
Ms. Savitri Devi Chowdhary			144.93		144.93
			(144.93)		(144.93)
Ms. Rashmi Chowdhary			102.53		102.53
			(102.53)		(102.53)
Mr. J P Chowdhary		1.25			1.25
		(1.25)			(1.25)
Mr. Umesh Chowdhary		0.62			0.62
		(0.62)			(0.62)
Ms. Vinita Bajoria			0.20		0.20
			(0.20)		(0.20)
Ms. Sumita Kandoi			0.13		0.13
			(0.13)		(0.13)
Traco International Investment Private Limited				1.21	1.21
				(1.21)	(1.21)
Titagarh Capital Management Services Private Limited				173.36	173.36
				(173.36)	(173.36)
Titagarh Logistics Infrastructure Private Limited				1.20	1.20
				(1.20)	(1.20)

# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

(Rs. in Lacs)

Nature of transactions	Joint ventures	KMP	Relatives of KMP	Enterprise over which KMP/shareholders/ relatives have significant influence	Total
<b>Remuneration (including contribution to Provident and other funds)</b>					
Mr. J P Chowdhary		84.82			84.82
		(55.42)			(55.42)
Mr. Umesh Chowdhary		59.37			59.37
		(38.79)			(38.79)
Ms. Vinita Bajoria			27.64		27.64
			(27.89)		(27.89)
<b>Loans Refunded</b>					
Titagarh Enterprises Limited				-	-
(formerly Titagarh Papers Limited)				(200.00)	(200.00)
<b>Balance outstanding as at the year end - Debit</b>					
Panihati Rubber Limited				-	-
				(9.20)	(9.20)
Cimmco Limited	-				-
	(29.52)				(29.52)
<b>Balance outstanding as at the year end - Credit</b>					
Mr. J P Chowdhary		35.89			35.89
		(0.76)			(0.76)
Mr. Umesh Chowdhary		16.58			16.58
		(0.33)			(0.33)
Titagarh Enterprises Limited				-	-
(formerly Titagarh Papers Limited)				(21.35)	(21.35)

## 30 Additional information in respect of net assets and profit / loss of each entity within the group and their proportionate share of the totals

Name of the entity in the Group	As at March 31, 2015				As at March 31, 2014			
	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (Rs in lacs)	As % of consolidated profit or loss	Amount (Rs in lacs)	As % of consolidated net assets	Amount (Rs. in lacs)	As % of consolidated profit or loss	Amount (Rs. in lacs)
<b>Parent</b>								
Titagarh Wagons Limited	47.66%	34,549.25	-37.71%	370.51	63.24%	43,254.69	22.82%	(239.53)
<b>Subsidiaries (including Step down subsidiaries)</b>								
<b>Indian</b>								
Cimco Equity Holdings Private Limited (CEHPL) [Refer note 12](a)]	-0.05%	(39.45)	0.68%	(6.70)	-	-	-	-
Cimmco Limited (subsidiary of CEHPL)	26.32%	19,077.73	196.45%	(1,930.21)	-	-	-	-
Titagarh Agrico Private Limited	1.84%	1,332.21	3.57%	(35.11)	0.24%	161.49	0.14%	(1.48)
Titagarh Capital Private Limited	1.48%	1,076.23	6.47%	(63.58)	2.27%	1,549.48	3.59%	(37.67)
Titagarh Marine Limited (TML)	0.61%	439.74	10.94%	(107.45)	0.73%	500.45	15.13%	(158.75)
Corporated Shipyard Private Limited (subsidiary of TML)	4.22%	3,058.33	8.51%	(83.58)	3.80%	2,597.15	13.35%	(140.09)
Times Marine Enterprise Private Limited (subsidiary of TML)	0.05%	39.21	2.07%	(20.31)	0.08%	57.44	1.99%	(20.84)
Greysham & Company Private Limited (ceased to be a subsidiary company w.e.f. 20th February 2015)	0.00%	-	0.04%	(0.42)	0.05%	37.44	0.02%	(0.24)
<b>Foreign</b>								
Titagarh Wagons AFR	12.84%	9,306.56	-161.05%	1,582.36	14.18%	9,697.29	-56.88%	597.02
Titagarh Singapore Pte Limited	0.02%	12.60	3.67%	(36.08)	0.01%	9.27	0.43%	(4.48)
<b>Joint Ventures (as per proportionate consolidation)</b>								
<b>Indian</b>								
Cimco Equity Holdings Private Limited	-	-	-	-	12.26%	8,388.06	84.53%	(887.20)
Minority Interests in all Subsidiaries	5.02%	3,635.29	66.36%	(651.97)	3.14%	2,149.37	14.89%	(156.32)
<b>TOTAL</b>	<b>100.00%</b>	<b>72,487.71</b>	<b>100.00%</b>	<b>(982.54)</b>	<b>100.00%</b>	<b>68,402.13</b>	<b>100.00%</b>	<b>(1,049.58)</b>

# Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015 (Rs. in Lacs)

	As at March 31, 2015	As at March 31, 2014
<b>31 CAPITAL AND OTHER COMMITMENTS</b>		
Estimated amount of capital commitments (net of advances) remaining to be executed [Proportionate share in Joint Venture Rs Nil (Rs. 8.56 Lacs)]	51.87	122.45
<b>32 CONTINGENT LIABILITIES</b>		
(i) Disputed claims contested by the Company and pending at various courts and arbitrations [Proportionate share in Joint Venture Rs Nil (Rs 3,887.05 Lacs) *]	7,249.14	4,959.29
(ii) Customer's Claim (Liquidated Damages)	-	442.29
(iii) Matters under appeal with:		
- Sales tax authorities [Proportionate share in Joint Venture Rs Nil (Rs 297.21 Lacs)]	1,560.92	1,438.82
- Income tax authorities	544.48	711.54
- Customs and Excise Authorities [Proportionate share in Joint Venture Rs Nil (Rs 1,268.58 Lacs)]	13,319.11	11,921.26
(iv) Letters of Credit, Bills discounted and Bank Guarantees outstanding [Proportionate share in Joint Venture Rs. Nil (Rs 1,922.22 Lacs)]	26,128.69	15,305.37
(v) Corporate Guarantee given by Titagarh Wagons Limited on behalf of a Subsidiary Company for working capital limit sanctioned to the subsidiary company	7,775.54	8,257.65
(vi) Custom Duty on import of equipments and spare parts under EPCG-Scheme	981.00	1,077.24

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

\* In case of Cimmco Ltd it includes Rs. 1,292.95 (Rs. 1,292.95 Lacs) which in terms of BIFR order, even if decided against the Company, would stand at Rs 129.29 (Rs 129.29 Lacs) only.

(vii) During the year, Cimmco Limited, a subsidiary company has obtained a loan from ICICI bank for Rs. 4000 lacs which is backed by a "Put Option" of Titagarh Wagons Limited(TWL). In terms of the said put option, upon occurrence of any event of default as per the terms of the facility agreement, ICICI bank shall have the right to call upon TWL to pay the entire outstanding within such time as may be prescribed.

(viii) In case of Cimmco Limited

(a) The legal case pending at various courts referred to above includes a case relating to M/s Uppal Engg Co. Pvt. Ltd. for widening of road against a contract awarded to the Company by the Rajasthan PWD in 1992. Uppal Engg Co had invoked arbitration proceedings against the Company in 1998 for certain claims. The arbitration award was issued during the year, pursuant to which Cimmco has been directed to pay Rs. 2,525.85 lacs (Rs 804.22 lacs as principle and Rs 1721.63 lacs as interest). Based on legal opinion obtained, the Company has been advised that it has a strong case to argue its position by filing an appeal against the award with the Hon'ble High Court of Delhi and get substantial relief from the amount demanded. Accordingly, the management do not foresee any liability crystallising on the Company as a consequence of the award.

(b) The Company had in earlier years, obtained certain advance licenses for making duty free import of inputs subject to fulfilment of export obligation (EO) within the specified time limit from the date of issuance of such licences. Due to the closure of the factory and cancellation of the export orders, the Company could not fulfil the entire export obligation within the permitted time limit. Subsequently, the Company was referred to the Board for Industrial and Financial Reconstruction ("BIFR") vide case No. 372/2000 dated 27th November 2000 wherein a rehabilitation package was sanctioned by the BIFR on 11th March 2010. Pursuant to the rehabilitation scheme, the Company made an application to the Policy Relaxation Committee (PRC) of the Department of Foreign Trade for extension of the EO by further 8 years. The Zonal Director General of Foreign Trade (DGFT) vide its letter dated 21st December 2010 has extended the EO period upto 31st March 2016 and the management is confident to achieve the unfulfilled EO within such extended period. The amount of contingent liability towards custom duty saved on unfulfilled export obligations and penal interest if any, is presently unascertainable.

	As at March 31, 2015	As at March 31, 2014
<b>33 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE</b>		
<b>a. Derivatives outstanding as at the balance sheet date</b>		
<u>Particulars</u> <u>Purpose</u>		
Forward contract to sell US\$ Minimising Risk of Currency Exposure on export of goods	Nil	USD 940,121
	Nil	Rs. 565.01 lacs
Forward contract to buy US\$ Minimising Risk of Currency Exposure on import of goods	USD 6,59,580	USD 17,19,148
	Rs. 423.88 lacs	Rs. 1,033.20 lacs
Forward contract to buy US\$ Minimising Risk of Currency Exposure on import of goods	EURO 2,25,260	-
	Rs. 182.26 lacs	-

## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

(Rs. in Lacs)

	As at March 31, 2015	As at March 31, 2014
<b>33 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE (Contd.)</b>		
<b>b. Particulars of unhedged foreign currency exposure as at the reporting date</b>		
Trade Payables	-	20.44
Trade receivables	-	367.49
Other Current Assets	<b>167.74</b>	1,196.85
Loans and advances	-	4,541.71
Advance from Customers	<b>160.55</b>	104.22
Buyers Credit	-	4,737.72

- 34.** In case of Titagarh Marine Limited, pre-operative expenses balance of Rs 382.04 lacs as on 31st March 2015 which has been capitalized are in respect of upcoming project at two locations i.e., Kulpi and Bhatpara. During the financial year under consideration, the Company has temporarily put the Bhatpara project on hold due to technical and other problems. The management has assessed the impairment of the Bhatpara project and does not expect any loss at present.
- 35.** The Board of Directors at their meeting dated September 11, 2014 has given in-principle approval for the merger of four wholly owned subsidiaries (including step down subsidiaries) namely Titagarh Marine Limited, Cimco Equity Holdings Private Limited, Corporated Shipyard Private Limited and Times Marine Enterprise Private Limited, subject to necessary approvals. The scheme of merger is under preparation.
- 36.** Excise Duty & Cess on stocks represents differential excise duty and cess on opening and closing stock of finished goods, work in progress and saleable scrap.

	As at March 31, 2015	As at March 31, 2014
<b>37 EXCEPTIONAL ITEMS</b>		
Onerous Contract (Refer Note a)	<b>2,259.43</b>	-
Statutory Dues (Refer Note b)	<b>520.63</b>	-
Settlement of claims	-	625.00
Provision for warranties	-	501.61
	<b>2,780.06</b>	<b>1,126.61</b>

- (a) During the year, Titagarh Wagons Limited ("the Company") and its step down subsidiary company Cimmco Limited has entered into a contract with Indian Railways for supply of wagons. Due to the low volume of procurement by Indian Railways and the resultant intense unhealthy competition, the pricing of the wagon as finalised by the Indian Railway is un-remunerative and is likely to result in loss on execution of this contract over a period of time. Consequently, the Company and Cimmco Limited has recognised loss of Rs. 2259.43 lacs during the year on such onerous contract in terms of Accounting Standard 29- Provisions, Contingent Liabilities and Contingent Assets and disclosed it as exceptional loss during the year.
- (b) Rs 520.63 lacs represents demand raised by the sales tax department (net off Rs 73.78 lacs of sales tax forms submitted by the Company till date) in case of Cimmco Limited relating to the period 1995 to 2001 for non submission of sales tax forms and others.
- 38.** Construction Contract disclosure as per Accounting Standard 7(Revised) in case of Corporated Shipyard Private Limited, a wholly owned subsidiary of Titagarh Marine Limited are given below :

	As at March 31, 2015	As at March 31, 2014
Contract Income recognised as revenue during the year	-	443.60
Aggregate amount of cost incurred and recognised profits (less recognised losses) till date	-	270.85
Advances received (unadjusted)	-	48.45
Retention amount	-	-
Gross amount due from customers	<b>144.41</b>	231.22
Gross amount due to Customers for contract work	-	-

## Notes to Consolidated Financial Statements as at and for the year ended March 31, 2015

39. (a) In case of Cimmco Limited, the financial performance of the Company for the year has been severely impacted by the overall industry scenario and delay of wagons procurement orders by the Indian Railways. Further, during the year, the Company has suffered exceptional losses on account of unremunerative procurement prices set by Indian Railways as a result of intense unhealthy competition and also some tax disputes of the past relating to the pre-acquisition period. Titagarh Wagons Limited, the ultimate parent company is committed to provide suitable financial support to the Company for the near future and has also contributed additional capital amounting to Rs.4,000 lacs in the form of Preference Shares, directly as well as through another of its subsidiary company. The Company is also confident of improvement in the industry scenario and being awarded wagon supply contracts during the next year. In view of the above, the financial statements of the Cimmco Limited have been prepared on a going concern basis.
- (b) In case of Times Marine Enterprises Private Limited (TMEPL), the Company has accumulated losses and its net worth has fully eroded as at the balance sheet date. Titagarh Marine Limited, the parent company is committed to provide suitable financial support to the Company so as to ensure its business continuity. Accordingly, the above have been considered by the management of TMEPL for the preparation of the financial statements on a going concern basis.
40. The Shareholders of the Company have approved through postal ballot on April 13, 2015, raising of funds by way of equity shares and / or other securities in accordance with applicable provisions of Companies Act, 2013 and SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 for an aggregate amount not exceeding Rs 25,000.00 lacs or equivalent thereof in foreign currency in such manner and on such terms and conditions as may be deemed appropriate by the Board.
41. Previous period's figures including those given in brackets have been rearranged where necessary to conform to the current period's classification.

As per our Report of even date  
For **S. R. Batliboi & Co. LLP**  
Chartered Accountants  
ICAI Firm Registration No.: 301003E

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

Place : Kolkata  
Dated : May 22, 2015

For and on behalf of the Board of Directors

**J. P. Chowdhary**  
Executive Chairman

**Sunirmal Talukdar**  
Director

**Anil Kumar Agarwal**  
Chief Financial Officer

**Sudipta Mukherjee**  
Director

**Dinesh Arya**  
Company Secretary

**TITAGARH WAGONS LIMITED**

CIN: L27320WB1997PLC084819

Registered Office : 1B, Aster Court, 3 Loudon Street, Kolkata-700017

Phone: +91 33 40190800 Fax : +91 33 40190823 E Mail: corp@titagarh.biz; Web:www.titagarh.biz

**PROXY FORM**

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

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

Registered Address : .....

E Mail ID : .....

Folio No/Client ID : .....

DP ID : .....

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

(1) Name : .....Address : .....

E Mail ID : ..... Signature : ..... or failing him

(2) Name : .....Address : .....

E Mail ID : ..... Signature : ..... or failing him

(3) Name : .....Address : .....

E Mail ID : ..... Signature : .....

as my/our proxy to attend and vote(on a poll) for me/us and on my behalf at the 18th Annual General Meeting of the Company to be held on Thursday, the 24th day of September, 2015 at 2.00 P.M at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata-700017 and at any adjournment thereof in respect of Resolutions as are indicated below:

Resolution No.	Resolution Proposed	Optional *	
		For	Against
	<b>Ordinary Businesses</b>		
1	Adoption of Annual Financial Statement, Reports of the Board of Directors and Auditors' for Financial Year ended 31st March, 2015 and Adoption of Consolidated Financial Statements for the Financial Year ended 31st march, 2015.		
2	Declaration of Dividend @ INR 0/80. per share recommended by the Board.		
3	Re-appointment of Shri J P Chowdhary as a Director/Executive Chairman, liable to retire by rotation.		
4	Ratification of appointment of Statutory Auditors and authorize board of directors to fix their remuneration.		
	<b>Special Business</b>		
5	Re-appointment/continuation of employment of Shri J P Chowdhary, Executive Chairman.		
6	Re-appointment of Shri Umesh Chowdhary, Vice Chairman & Managing Director for a term of five years w.e.f 1st October, 2015.		
7	Approval for payment of Commission to Non-Executive Directors of the Company.		
8	Approval for payment of fees and reimbursement of expenses to Directors of the Company.		
9	Ratification of Remuneration of Cost Auditor.		

Signed this.....day of.....2015

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

Affix  
Revenue  
Stamp

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

2. For the text of the Resolutions, Explanatory Statement & Notes, please refer to the Notice Convening the 18th Annual General Meeting dated 12th August, 2015.

3. "It is optional to put "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the "For" or " Against" column blank against any or all resolutions ,your Proxy will be entitled to vote in the manner as he/she thinks appropriate.





*Titagarh Firema Adler SpA, a Subsidiary in Italy*



*Titagarh Wagons AFR, a Subsidiary in France*



*Titagarh Wagons Limited, India*



# Filing of Annual Report with the Stock Exchange

1	Name of the Company	Titagarh Wagons Limited (Standalone Financial Statement)
2	Annual financial statements for the year ended	31 <sup>st</sup> March, 2015
3	Types of audit observation	Unqualified
4	Frequency of observation	Not Applicable
5	To be signed by- <ul style="list-style-type: none"> <li>Vice Chairman and Managing Director and CEO</li> <li>Chief Financial Officer</li> <li>Auditor of the Company</li> <li>Chairman of Audit Committee</li> </ul>	<ul style="list-style-type: none"> <li>Shri Umesh Chowdhary</li> <li>Shri Anil Kumar Agarwal</li> <li>Shri Kamal Agarwal, Partner of S.R. Batliboi &amp; Co. LLP, Chartered Accountants</li> <li>Shri D N Davar</li> </ul>

For S. R. BATLIBOI & CO. LLP

Firm Registration Number: 301003E

CHARTERED ACCOUNTANTS

per Kamal Agarwal

Partner

Membership No. 58652

For Titagarh Wagons Limited

(Umesh Chowdhary)

Vice Chairman & Managing Director

Date : August 12, 2015

Place: Kolkata

CIN : L27320WB1997PLC084819

Registered Office: 1B Aster Court 3, Loudon Street, Kolkata - 700 017

Corporate Office: Titagarh Towers, 756 Anandapur, E.M. Bypass, Kolkata - 700107, India

Ph: +91 33 40190800 | Fax: +91 33 40190823 | Email: corp@titagarh.in | Web: www.titagarh.biz

TITAGARH WAGONS LIMITED





## Filing of Annual Report with the Stock Exchange

- |   |  |   |
|---|--|---|
| 1 | Name of the Company  | <b>Titagarh Wagons Limited (Consolidated Financial Statement)</b>   |
| 2 | Annual Financial Statements for the year ended   | 31 <sup>st</sup> March, 2015  |
| 3 | Type of Audit Qualification  | Qualified Audit Report  |
| 4 | Frequency of qualification   | Note no. (i) (mentioned below): Was Emphasis of Matter for FYE 2011-12, and qualification for FYE 2012-13, FYE 2013-14 and FYE 2014-15.<br>Notes no. (ii) and (iii) (mentioned below): Note (ii) Qualification for FYE 2013-14 and 2014-15 and Note (iii) for FYE 2014-15.  |
| 5 | Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors' report. | <i>(i) Note No. 15.2(a) regarding certain claims of a step-down subsidiary company amounting to Rs. 4695.36 Lacs (Rs. 2449.67 Lacs as at 31<sup>st</sup> March, 2014) net of Rs. 150 lacs (Rs. 75 Lacs) received under a guarantee given by the Company, which have been considered good of recovery by the management. Although the management is hopeful to recover the claims in full, pending decision of the Courts/ Arbitration proceedings we are unable to comment on their recoverability. Our audit opinion on the consolidated financial statements for the previous year was also qualified in respect of the above matter.</i> |

*(ii) Note No. 13(a) regarding recognition of net deferred tax asset (DTA) of Rs. 286.55 lacs on unabsorbed depreciation and brought forward business losses upto 31<sup>st</sup> March 2015, by a step down subsidiary company based on the future profitability projections made by the management. However, in absence of sufficient appropriate audit evidence we are unable to express an opinion on the virtual certainty of achieving these projections as required by Accounting Standard 22, Accounting for Taxes on Income, and the consequential impact, if any, on these financial statements.*

*(iii) A subsidiary company had recognised certain indirect expenses including expenses on business and market development amounting to Rs. 332.20 Lacs as a part of intangible assets under development on the basis that the project has not started commercial production. This being a matter of management estimation and in absence of adequate information on the evaluation of nature of activities performed during the year, we are unable to comment on the appropriateness of such capitalisation in terms of accounting standard 26 on intangible assets including any consequential adjustments that may be required in this regard in these consolidated financial statements.*

### Management Response

- (i) The qualification pertains to Cimmco Limited, a subsidiary of a





**TITAGARH**

jointly controlled enterprise namely, Cimco Equity Holdings Private Limited (CEHPL) where TWL held 50% of equity shares in the previous year and which has since become a step down subsidiary due to TWL's stake in equity of CEHPL having gone up to 100% and whose financials have been consolidated into the Company's financial statement of accounts and the management response is given below:

1. The claim of Rs. 4695.36 lacs (last year 50% i.e. Rs. 2449.67 lacs of which Rs.203.98 lacs recovered as detailed below) consists of two separate claims which are pending before different forum/court:

- a) Rs. 3952.34 lacs recoverable from Indian Railways on account of difference of lease rental for the wagons leased to Indian Railways:

In the year 1997-98 Cimmco had entered into 3 separate sub-lease rental agreements with Indian Railways (IR) for lease to IR of 1200 wagons for a primary period of 10 years. However, owing to changes in the rate of Income Tax as well as the depreciation rate as per the Income Tax Act, the sub-lease rentals payable by IR to Cimmco in terms of the sub-lease agreements were impacted and IR, on a misinterpretation of the relevant clause in the sub-lease agreements, did not release the differential sub-lease rental to the Company. Although the issues were clarified, IR continued to withhold the differential payment and being compelled by non-recovery of its dues Cimmco invoked the Arbitration Clause and referred the matter to Arbitration on 27/10/2004. Due to the erosion of the net worth of Cimmco as at 30.06.2000 and Cimmco having become sick, the operations of Cimmco were suspended/closed with effect from 13.11.2000. As such, only a skeleton staff/personnel were available in Cimmco to actively pursue the matter. This led to lack of attention to the arbitration in the matter for a long time.

Cimmco has been aggressively pursuing with the Arbitration Tribunal to expeditiously complete the Arbitration proceedings which had been kept in abeyance for the parties to explore the possibilities of amicable settlement. However, since the Tribunal did not fix further dates of hearing, a petition was filed before the Hon'ble High Court of Delhi on 14<sup>th</sup> August, 2014 seeking reconstitution of the Arbitration Tribunal. The matter was heard on 22<sup>nd</sup> August, 2014, however the Tribunal recommenced the proceedings and arguments have been concluded on May 2, 2015. Thereafter, the Tribunal has fixed September 7, 8 and 9, 2015 for making and publishing the award. Cimmco is convinced of merit of the case. The management is hopeful of recovering the amount and hence this amount has been considered good of recovery.

- b) Primary Lease Rental aggregating Rs 203.98 lacs withheld by SBI Capital Markets Limited:







The above amount has since been recovered and therefore does not figure in the qualification pertaining to the FYE 31/03/2015.

- c) Insurance claim of Rs. 743.02 lacs ( Last year 50% i.e. Rs. 371.51 lacs) is recoverable from National Insurance Company in terms of the order passed by the Hon'ble National Consumer Disputes Redressal Commission (NCDRC) in favour of Cimmco. Although an appeal has been filed by National Insurance Company before the Hon'ble Supreme Court of India, the matter is pending for hearing by the apex court and running in list. In view of the fact that judgment in the forum/fora below the Hon'ble Supreme Court has been in favour of Cimmco, the management is hopeful of recovering the amount.

2. The deferred tax asset (DTA) of Rs.286.55 lacs; in respect of Corporated Shipyard Private Limited, step down subsidiary of the Company which has the established credentials recorded with the Government authorities for building vessels/barges and has been diligently pursuing contracts and therefore based on profitability projections, the management is virtually certain that there would be adequate profits in future to address the issue of net DTA.

3. The expenses amounting to Rs.332.20 lacs relate to the certain portion of preoperative expenditure of the Company's subsidiary Titagarh Agrico Private Limited (TAPL) which is in the process of implementing the project to manufacture tractors and is yet to commence commercial operations, accounted for in accordance with the applicable Accounting Standard 26. However, the auditors of the Company differ in their interpretation of the said Accounting Standard relating to the said portion of preoperative expenditure and have therefore expressed such qualified opinion. The approval for prototypes (ICT) from Central Farm Machinery Training & Testing Institute, Budni (M.P.), Government of India, the competent authority is expected shortly and TAPL shall commence bulk commercial production/operation soon thereafter and therefore, the management is certain that accordingly the issue would stand addressed in due course.

- 6 Additional comments from the Board/Audit Committee chair. During the review of the subject Consolidated Financial Statements, Audit Committee interacted with the Statutory Auditors and management periodically and after perusal of the information furnished, followed by deliberations on each item involved in the qualified opinion, forwarded the Consolidated Financial Statements to the Board for final consideration.





Keeping in view the nature of transactions/issues behind such qualified opinion and time taken for their resolution, particularly in respect of the claims pending decision of the court/forum concerned, being beyond the Company and Subsidiaries' control as well, the Audit Committee while commending the said Financial Statements nevertheless specifically advised the management to take the best possible steps to attend to the said items appearing in the Auditors' Report with a view to moving towards a Report without any qualification or adverse remark at the earliest.

7	To be signed by-	
	<ul style="list-style-type: none"><li>• Vice Chairman and Managing Director and CEO</li><li>• Chief Financial Officer</li><li>• Auditor of the Company</li><li>• Chairman of Audit Committee</li></ul>	<ul style="list-style-type: none"><li>• Shri Umesh Chowdhary</li><li>• Shri Anil Kumar Agarwal</li><li>• Shri Kamal Agarwal, Partner of S.R. Batliboi &amp; Co. LLP, Chartered Accountants</li><li>• Shri D N Davar</li></ul>

For S. R. BATLIBOI & CO. LLP

Firm Registration Number: 301003E

CHARTERED ACCOUNTANTS

per Kamal Agarwal

Partner

Membership No.58652



For Titagarh Wagons Limited

(Umesh Chowdhary)

Vice Chairman & Managing Director and CEO

(Anil Kumar Agarwal)

Chief Financial Officer

(D.N. Davar)

Chairman of the Audit Committee

Date : August 12, 2015

Place : Kolkata

Form B - TWL- CFS- FY 2014-15

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2015/08

CIN : L27320WB1997PLC084819

Registered Office: 1B Aster Court 3, Loudon Street, Kolkata - 700 017

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**TITAGARH WAGONS LIMITED**