

cimmco

Annual Report 2011 - 2012



Cimmco Limited

CORPORATE INFORMATION

Board of Directors*

Shri J P Chowdhary	Executive Chairman
Shri Umesh Chowdhary	Vice Chairman and Managing Director
Shri D N Davar	Independent Director
Shri Anil Kumar Agarwal	Nominee Director (Cimco Equity Holdings Pvt. Ltd.)
Shri Rakesh Mohan Agarwal	Non-Executive Director
Shri Jagdish Kumar Shukla	Independent Director
Dr. G B Rao	Independent Director
Shri M J Z Mowla	Independent Director
Shri K S B Sanyal	Independent Director

* As on 31.07.2012

Company Secretary

Shri Dipankar Ganguly

Remuneration Committee

Shri D N Davar	Chairman
Shri J K Shukla	Member
Shri M J Z Mowla	Member

Audit Committee

Shri J K Shukla	Chairman
Shri D N Davar	Member
Shri Anil Kumar Agarwal	Member
Shri K S B Sanyal	Member
Shri J P Chowdhary	Special Invitee
Shri Umesh Chowdhary	Special Invitee

Shareholders'/Investors' Grievance Committee

Shri J K Shukla	Chairman
Shri Umesh Chowdhary	Member
Shri M J Z Mowla	Member
Shri D N Davar	Special Invitee

Statutory Auditors

M/s. S R Batliboi and Co.
Chartered Accountants

Bankers

ICICI Bank Limited
Syndicate Bank

Registered Office

Premlata, 4th Floor
39, Shakespeare Sarani, Kolkata-700017
Telephone : 91 33 4019 0800 Fax : 91 33 2289 1655
Email : corp@cimmco.in

Works

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

Registrar and Transfer Agent

Karvy Computershare Private Limited
Plot No. 17 - 24, Vittal Rao Nagar
Madhapur, Hyderabad 500 081
Phone : +91- 40-44655000
Fax : +91-40-23420814
E-mail : einward.ris@karvy.com

NOTICE

NOTICE is hereby given that the Sixty-seventh Annual General Meeting of the members of CIMMCO LIMITED will be held on Saturday, the 15th day of September, 2012 at 'Kalakunj', 48 Shakespeare Sarani, Kolkata-700017 at 1:00 P.M. to transact the following business:

Ordinary Business:

1. To consider and adopt the audited Balance Sheet of the Company as at March 31, 2012, Statement of Profit & Loss and Cash Flow Statement for the financial year ended that date, together with the Reports of the Directors and Auditors thereon.

2. To appoint a Director in place of Shri J K Shukla who retires by rotation and being eligible offers himself for reappointment.

3. To appoint a Director in place of Dr. G B Rao who retires by rotation and being eligible offers himself for reappointment.

4. To appoint Auditors and fix their remuneration by passing with or without modification(s), the following Resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. S R Batliboi & Co; Chartered Accountants of 22 Camac Street, Block C, 3rd Floor, Kolkata-700016 having Firm Registration No. 301003E, be and are hereby re-appointed as auditors of the Company to hold office until the conclusion of the next Annual General Meeting to conduct the audit of the books of accounts of the Company for the financial year 2012-13, and the Board of Directors of the Company be and is hereby authorised to fix their remuneration plus other applicable expenses in connection with statutory audit and/or continuous audit and also such other remuneration, as may be decided to be paid by the Board/Committee of the Board, for performing duties 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:

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

"RESOLVED THAT Shri M J Z Mowla, who was appointed as an Additional Director w.e.f. the 8th November, 2011 and holds office upto the date of this Annual General Meeting and in respect of whom a notice under Section 257 has been received from a member signifying his intention to propose Shri Mowla's candidature for the office of the Director, be and is hereby appointed as an Independent Director of the Company liable to retire by rotation."

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

"RESOLVED THAT Shri K S B Sanyal, who was appointed as an Additional Director w.e.f. the 24th March, 2012 and holds office upto the date of this Annual General Meeting and in respect of whom a notice under Section 257 has been received from a member signifying his intention to propose Shri Sanyal's candidature for the office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

7. To consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:

"RESOLVED THAT approval of the shareholders be and is hereby accorded pursuant to the Part III of the Schedule XIII, Sections 198, 269, 309 and other applicable provisions of the Companies Act, 1956 (the Act) and Article 160 of the Articles of Association of the Company to the appointment of Shri Manoj Jha as Managing Director for the period 24th March, 2012 to 30th July, 2012 by the Board of Directors on the terms and conditions contained in the Agreement entered into with Shri Manoj Jha who has subsequently resigned and his resignation accepted by the Board effective from the close of business hours on the 30th July, 2012, at a remuneration by way of salary, perquisites and other allowances approved by the Remuneration Committee at its meeting held on the 24th March, 2012 and such remuneration

paid/payable pro rata for the term served by Shri Manoj Jha as Managing Director and an application for which has been made by the Company to the Central Government.

RESOLVED FURTHER THAT the Board of Directors (which term shall include a Committee thereof) be and is hereby authorised to accept the remuneration paid/payable to Shri Manoj Jha with such modifications as may be directed by the Central Government and do all such acts, deeds, matters and things as in its absolute discretion, it may consider necessary, expedient or desirable, and to settle any question or doubt that may arise in relation thereto."

8. 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 shareholders of the Company under Section 31 and such other provisions of the Companies Act, 1956 as may be applicable, be and is hereby accorded to alter the Articles of Association as follows, pursuant to Green Initiative in Corporate Governance launched by Ministry of Corporate Affairs vide its circulars No. 17/2011 and No. 18/2011 dated April 21, 2011 and April 29, 2011 respectively authorising, the despatch of documents i.e. Notice of General Meeting, Postal Ballot, Annual Report, or any communication to be sent to the shareholders in electronic mode and participation by Shareholders or Directors in meetings under Companies Act, 1956 through electronic mode vide circular Nos. 27/2011 and 28/2011 dated May 20, 2011, 35/2011 dated June 6, 2011 and 72/2011 dated December 27, 2011:

The following new paragraph be inserted under the Article 88 of Articles of Association:

'Notices of general meetings, postal ballot, soft copies of Annual Reports, any communication under the provisions of the Act or other statute(s) sent by electronic mail to the shareholders shall be a valid despatch under Section 53 of the Act.'

The following new paragraph be inserted under the Article 92 of Articles of Association:

'Participation of shareholders in e-voting at any general meeting or postal ballot exercise and any business transacted and result whereof is announced in accordance with the applicable statute(s) shall constitute a valid and binding decision of such meeting or postal ballot on all the shareholders of the Company.'

The following new paragraph be inserted under the Article 99 of Articles of Association:

'Subject to any rights or restrictions for the time being attached to any class or classes of shares, on e-voting in video conferencing, on a show of hands, every member participating in e-meeting shall have one vote; and on a poll, the e-voting rights of the members shall be as laid down in the applicable provisions of law/statutes.'

The following new paragraph be inserted under the Article 148 of Articles of Association:

'Every Director participating in e-meeting shall count for valid quorum as laid down in the applicable provisions of law/statutes.'

"RESOLVED FURTHER that notwithstanding anything to contrary contained in the Articles of Association, such of the clauses or sub-clauses of Articles of Association as are not specifically set out hereinabove shall stand altered to facilitate implementation of the circulars/communication issued by the Ministry of Corporate Affairs in regard to e-service, e-voting, video conferencing of the meetings of the Board and shareholders as may be introduced from time to time and be in force for the time being."

Place : Kolkata

Date : July 30, 2012

Registered Office :
Premlata, 4th Floor,
39, Shakespeare Sarani,
Kolkata 700017

By Order of the Board of Directors

Dipankar Ganguly
Company Secretary

NOTICE

NOTES :

- As stipulated under Clause 49 of the Listing Agreement, information in respect of the Directors of the Company seeking appointment/re-appointment/re-election at this Annual General Meeting is appearing in Corporate Governance Report, annexed to the Directors' Report.
- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND THE MEETING AND TO VOTE ON A POLL INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM AS PER THE FORMAT INCLUDED IN THE ANNUAL REPORT, DULY COMPLETED, SHOULD BE RETURNED TO THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE MEETING.
- The Register of Members and the Share Transfer Books of the Company will remain closed from the 8th of September, 2012 to the 15th of September, 2012 (both days inclusive), for the purpose of holding the Annual General Meeting.
- Members holding shares in dematerialized mode are requested to intimate all changes pertaining to their bank accounts, mailing addresses, etc. to their Depository Participants only and not to the Company/RTA. Changes intimated to the Depository Participants will then be automatically reflected in the Company's records, which would help the Company and RTA to provide efficient and better service to the Members.
- Members seeking any information regarding the Accounts of the Company are requested to write to the Company at least ten days before the date of the Meeting, so as to enable the Management to keep the information ready at the Meeting.
- All the documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company between 10.30 A.M. and 1.30 P.M. till the date of the 67th Annual General Meeting on all days except Saturdays, Sundays and holidays and shall also be available for inspection at the Annual General Meeting or any adjournment thereof.
- Members are requested to register their e-mail addresses with NSDL/CDSL and/or with the Company at the Registered Office of the Company at Premlata, 4th Floor, 39, Shakespeare Sarani, Kolkata 700017 along with Folio No./Client ID and DP ID for receiving the Report and Accounts, Notices etc in electronic mode, as a measure of support to the "Green Initiative in the Corporate Governance" of the Ministry of Corporate Affairs, Government of India.

The Company shall also display full text of these communications/documents/reports at its website www.cimmco.in and physical copies of such communications/documents/Annual Reports will be made available at the Registered Office of the Company for inspection by the shareholders during the office hours on working days.

In case you desire to receive the documents mentioned above in physical form, please write to us at the Registered Office of the Company at Premlata, 4th Floor, 39, Shakespeare Sarani, Kolkata 700017 quoting your Folio No./Client ID and DP ID.

EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956

Item No. 5 & 6

In order to strengthen the Board, Shri M J Z Mowla and Shri K S B Sanyal were appointed as Additional Directors of the Company w.e.f. 08.11.2011 and 24.03.2012 respectively.

Shri M J Z Mowla holds a Bachelor's degree and is a Law Graduate. He is expert in legal and corporate management. Shri K S B Sanyal holds Masters Degree, in English Literature from the Punjab University and is also CBIM, FIP (London). He has over 40 years of experience as a Professional Manager in various sectors. He was also Sheriff of Kolkata (1986-87).

None of the above Directors hold any shares in the Company. The respective profiles and details of these directors are provided as per Clause 49 in the Corporate Governance Report annexed to the Annual Report.

Continuation of the aforesaid Directors on the Board would be in the interest of the Company.

Except the above Directors who are concerned or interested in their respective appointments no other Director is concerned or interested in the respective Resolutions under the Items No. 5 & 6.

Item No. 7

In view to tap the potential growth of Heavy Engineering Division, the Board appointed Shri Manoj Jha as Managing Director w.e.f. the 24th March, 2012, who however, subsequently resigned w.e.f. 30th July, 2012.

However, the Company is required by the provisions of the Sections mentioned in the Resolution No. 7 to obtain the approval of Central Government and the members.

The Board recommends passing of the Resolution at Item No. 7. None of the Directors is interested or concerned in this Resolution.

Item No. 8

The Ministry of Corporate Affairs has vide Circular No.17/2011 dated 21.04.2011 followed by Circular No. 18/2011 dated 29.04.2011, taken "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies through electronic mode and introduced e-mail addresses as one of the modes of sending communication to the shareholders under Section 53 of the Companies Act 1956. Further, Board and General Meetings by video conferencing have been allowed by the Circular Nos. 27/2011 & 28/2011 dated May 20, 2011, 35/2011 dated June 6, 2011 and 72/2011 dated December 27, 2011.

The new interface with the members is a welcome step as it would not only help to save the environment and facilitate fast communication but will also lead to cost saving for your Company.

To implement the said Circulars, the Company proposes to alter the Articles of Association, and to send the members various documents including Notices, Annual Report etc. in the electronic form to the e-mail addresses of members provided by them and made available to us by the Depositories (NSDL/CDSL), which they are advised to update by registering changes, if any, in their e-mail address from time to time with the concerned Depository.

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

The Directors recommend passing of the Resolution as a Special Resolution.

Place : Kolkata

Date : July 30, 2012

Registered Office :
Premlata, 4th Floor,
39, Shakespeare Sarani,
Kolkata 700017

By Order of the Board of Directors

Dipankar Ganguly
Company Secretary

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the 67th Annual Report, together with the audited accounts of the Company for the financial year ended March 31, 2012.

Financial Results

The performance of the Company has been satisfactory during the financial year ended the 31st March, 2012.

(Rs. in lacs)

Particulars	Year ended 31.03.2012 (12 Months)	Year ended 31.03.2011 (9 Months)
Turnover	23,651.30	11,782.02
Profit/(Loss) before Extra-ordinary Items & Tax	3,279.09	1,002.96
Less : Exceptional Items	2,475.99	635.95
Profit before Taxation	803.10	367.01
Add/(Less) : Deferred Tax Credits/(Charge)	(384.47)	726.70
Less : Wealth Tax & Fringe Benefit Tax	-	1.22
Profit after Taxation	418.63	1,093.71
Loss brought forward from previous period	2,011.08	3,104.79
Loss carried to Balance Sheet	1,592.45	2,011.08
Reserves & Surplus	16,160.58	15,855.50
Earnings per Share (Rs.)	2.08	5.43

As the previous financial year comprised of nine months, performance for the financial year ended the 31st March, 2012 is not comparable with that of the preceding financial year. Adjustment of exceptional items against the Profit before Tax has resulted in lower Profit after Taxation, despite improvement in revenue and topline for the financial year under review.

Dividend

In the absence of adequate profit available for appropriation and accumulated loss being carried forward, your Directors do not recommend any dividend for the year under review.

Review of Operations and Future Outlook

During the year ended the 31st March, 2012 your Company successfully executed the order for Wagons secured from the Indian Railways and produced 1299 and sold 1302 wagons from its plant at Bharatpur.

Facilities of your Company have been streamlined for operational efficiency and are capable of manufacturing large volume of rolling stock. However, order for the number of Wagons entitled to be allocated to the Company is yet to be released by the Indian Railways (IR). The execution of first tranche of the quantity ordered by IR as per its decision based on a change in complete reversal of its stand in non-compliance with the Order passed by the Hon'ble Board for Industrial & Financial Reconstruction (BIFR), has been progressing as per schedule.

Your Company's facilities at Bharatpur are also equipped to manufacture various products viz. Cement/Mineral Plant Equipment, Hydro Mechanical Equipment, Pressure Vessel Equipment and orders for the said verticals are being aggressively pursued. Overall the outlook for current year is cautiously optimistic.

Management Discussion and Analysis

The Management Discussion and Analysis Report as stipulated under Clause 49 of the Listing Agreement with Stock Exchanges, forming part of Directors' Report for the year under review, is given in a separate

section of this Annual Report.

Directors

Shri J K Shukla and Dr. G B Rao, Directors retire by rotation and being eligible, offer themselves for re-appointment at the ensuing AGM. Shri Manoj Jha inducted as an Additional Director was appointed as Managing Director w.e.f. the 24th March, 2012. Shri M J Z Mowla and Shri K S B Sanyal appointed as Additional Directors by the Board w.e.f. 8th November, 2011 and 24th March, 2012 respectively, hold office upto the date of ensuing Annual General Meeting and in accordance with Section 260 of the Act are eligible for appointment. Notice(s) pursuant to Section 257 proposing the candidature of the Directors named hereinabove have been received from the members of the Company proposing their appointment.

During the year under review, the term of Shri J P Gupta as Executive Director ended on the 31st July, 2011 and he continued as a Non Executive Director till the 5th December, 2011 before retiring at the last Annual General Meeting held on the said date. Shri Jamil Ashraf, Shri Ravi Kumar, Directors and Dr. Vinay Mohan, Director (Corporate Affairs) & Officiating CFO resigned from the Board w.e.f. the 17th October, 2011, 5th December, 2011 and the 31st March, 2012 respectively. Shri Manoj Jha's resignation from the office of Director & Managing Director has been accepted w.e.f. 30.07.2012.

Directors' Responsibility Statement

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors confirm that:

- in preparation of the annual accounts for the financial year ended March 31, 2012 the applicable accounting standards have been followed and proper explanations relating to material departures, if any, have been provided;
- the accounting policies selected and applied are consistent and the judgments and estimates made are reasonable and prudent so as

DIRECTORS' REPORT

to give a true and fair view of the state of affairs of the Company at the end of the financial year, and of the Profit of the Company for that period;

- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis.

Auditors:

Statutory Auditors

The Statutory Auditors of the Company, M/s. S. R. Batliboi & Co., Chartered Accountants, retire at the conclusion of the forthcoming Annual General Meeting and are eligible for re-appointment. The Audit Committee and Board recommend the reappointment of M/s. S. R. Batliboi & Co., Chartered Accountants as Statutory Auditors of your Company. They have intimated their willingness to continue and submitted the certificate pursuant to Section 224(1B) of the Companies Act, 1956 about their eligibility for reappointment.

Cost Auditors

Pursuant to the provisions of Sections 224, 226 & 233B of the Companies Act, 1956 and read with the Order No F. No 52/26/CAB/2010 dated 24.01.2012 issued by Cost Audit Branch, Ministry of Company Affairs, Government of India for Cost Audit of the products manufactured by the Company classified under industry head Engineering Machinery, M/s Sinha Chaudhuri & Associates, Cost Accountants, were appointed as Cost Auditors of the Company for the Financial Year ended 31st March, 2013.

Auditors' Report

Notes 13.2A and 32 when read together with the relevant notes on accounts and accounting policies are self explanatory. The observation of Statutory Auditors regarding no internal audit having been carried out has been addressed by the management and the outgoing Internal Auditors have completed their report. M/s. L B Jha & Co., Chartered Accountants have been appointed as Internal Auditors of the Company to strengthen and streamline the internal audit system.

Public Deposits

During the year under review, no public deposits were accepted by the Company.

Promoter Group

In accordance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, details of Promoters, Promoter Group and its constituents are disclosed in a statement annexed to this Report. None of the Promoters have pledged any Shares held by them in the Company.

Corporate Governance

A separate section on Corporate Governance as prescribed under Clause 49 of the Listing Agreement along with the Certificate obtained from a

Practising Company Secretary regarding compliance with conditions of Corporate Governance is included in the Annual Report.

Listing with Stock Exchanges

The equity shares of the Company are listed at The National Stock Exchange of India Limited (NSE), The Bombay Stock Exchange Limited (BSE), The Delhi Stock Exchange Limited (DSE), The Calcutta Stock Exchange Limited (CSE) and The Madhya Pradesh Stock Exchange Limited (MPSE) and Listing fees for the financial year ending the 31st March, 2013 have also been duly paid.

Disclosures

- Under Section 217(2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Amendment Rules, 2011, as amended:**

Particulars of employee(s) drawing remuneration to the extent applicable as per the aforesaid Section are disclosed in the Annexure A to this Report.

- Under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, as amended:**

The disclosure required under the aforesaid provision has been attached separately and marked as Annexure B to this Directors' Report and forms part of this Report.

Corporate Social Responsibility

Your Company's endeavors to contribute suitably to the society by being involved in a series of community welfare programmes, directly or through philanthropic organizations would continue. Bharatpur plant is located close to the Bharatpur Bird Sanctuary amidst vast green area and all care is taken to preserve the environment to allow the nature's expanse to remain healthy and grow healthily.

Acknowledgements

Your Directors wish to place on record their appreciation for the cooperation and support of the secured lenders viz. ICICI Bank, Syndicate Bank and Governments of Rajasthan, Madhya Pradesh and Delhi, local administration/other Government Departments; for contribution of the employees/ex-employees of the Company and all other stakeholders.

On behalf of the Board

J. P. Chowdhary
Executive Chairman

Place : Kolkata
Date : July 30, 2012

ANNEXURE TO THE DIRECTORS' REPORT

As required under Regulation 3 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, the following entities constitute "Group" for the purpose of the aforesaid Regulations:

Promoter and Promoter Group shareholding as at 31st March, 2012

Name of shareholders	Number of shares held	% of total paid up equity
Promoter		
Kimco Equity Holdings Pvt. Ltd.	1,52,81,496	75.84
Promoter Group		
Mr. Gaurav Kajaria	14,000	0.07
Mrs. Vinita Bajoria	13,424	0.07
Mrs. Sumita Kandoi	4,000	0.02
Total Promoter/Promoter Group Holding	1,53,12,920	76.00*

*The Promoter Holding reduced by 7,92,575 equity shares due to invocation of pledge thereon on 04.04.2012 and stood at 72.07% of the total paid up capital of the Company.

The following entities although not holding any equity shares in the Company are Promoter Group entities as disclosed in the disclosures/distribution pattern submitted to the Stock Exchanges:

Listed:

- (1) Titagarh Wagons Limited
- (2) Continental Valves Limited
- (3) Apex Traders & Exporters Limited

Unlisted:

- (1) Greysam and Co. Private Limited
- (2) Titagarh Capital Private Limited
(Formerly Flourish Securities and Finance Private Limited)
- (3) Titagarh Freight Car Private Limited
- (4) Titagarh Singapore Pte. Limited
- (5) Titagarh Wagons AFR

- (6) Titagarh Capital Management Services Private Limited
- (7) Tecalemit Industries Limited
- (8) Navyug Business Private Limited
- (9) Simplex Developments Private Limited
- (10) Traco International Investment Private Limited
- (11) Singhal Contractors and Builders Private Limited
- (12) Shivalik Mercantile Private Limited
- (13) Titagarh Logistics Infrastructures Private Limited
- (14) Titagarh Marine Limited
- (15) Bhatpara Papers Limited
- (16) Titagarh Papers Limited
- (17) West Bengal Pulpwood Development Corporation Limited
- (18) Sourenee Leaves Private Limited
- (19) Corporated Shipyard Private Limited
- (20) Times Marine Enterprises Private Limited

Individuals:

- (1) Shri Jagdish Prasad Chowdhary
- (2) Shri Umesh Chowdhary
- (3) Smt. Savitri Devi Chowdhary
- (4) Smt. Rashmi Chowdhary
- (5) Smt. Bimla Kajaria
- (6) Smt. Panna Devi Kajaria
- (7) Shri Pawan Kumar Kajaria
- (8) Shri Sanjay Kumar Bajoria
- (9) Shri Saket Kandoi
- (10) Shri Subhash Kandoi
- (11) Shri Aditya Kumar Saraogi
- (12) Shri Sushil Kumar Saraogi

Non-Incorporated Promoter Group entities:

- (1) JP Chowdhary and Others (HUF)
- (2) Prithish Family Trust
- (3) Sree Kashi Nath Bhagwati Devi Chowdhary Charitable Trust
- (4) Umesh Chowdhary (HUF)

ANNEXURE A

Particulars required under the Companies (Particulars of Employees) Amendment Rules, 2011

Particulars	
Name of the Employee	Shri Manoj Jha
Designation	Managing Director
Remuneration Received (Rs.)#	Rs. 1,09,678
Nature of employment	Contractual
Nature of duties of employee	Managing the day to day affairs of the Company
Qualifications	B. Tech. (Production Engineering)
Experience (Years)	28
Date of commencement of employment	24-03-2012
Age (Years)	52
Last employment held	Hindustan Motors Ltd.
Number and % of equity shares held in the Company	NIL

Employed for the part of the year. In addition to the above remuneration, Shri Manoj Jha, being Corporate Group Adviser w.e.f. 23.3.2012, was paid Rs. 34,839 as Retainership fees by a Group Company.

ANNEXURE TO THE DIRECTORS' REPORT

ANNEXURE B

Particulars required under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988.

A. CONSERVATION OF ENERGY :

a) Energy conservation measures taken :

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

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.
3. Replacement of rewound and inefficient drives.

c) Impact of measures at (a) and (b) above for reduction of energy consumption and consequent impact on cost of production of goods :

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

d) Total energy consumption and energy consumption per unit of production :

a)	2011-12	2010-11	
i) Electricity Purchased			
Units (Kwh)	2013207	1382508	
Total Amount (Rs. in lacs)	113.59	73.12	
Rate/Unit (Rs. in lacs)	5.64	5.29	
ii) Furnace Oil/LDO/LVFO			
Quantity (K Litres)	75516.00	31522.00	
Total cost (Rs. in lacs)	31.82	12.32	
Average rate (Rs.)	42.13	39.42	
b) Consumption per unit of production			
Products	Standards (if any)	2011-12	2010-11
No. of Wagons produced		1299	575
Electricity (Kwh) per Wagon manufactured		1549.81	2404.36
HSD Oil (Ltrs)		58.13	54.35

B. TECHNOLOGY ABSORPTION

1. Efforts made in technology absorption

Research & Development (R & D)

1. Specific areas in which R & D carried out by the Company :

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

2. Benefits derived as a result of the above R&D :

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

3. Future plan of action :

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

4. Expenditure on R & D :	(Rs./lacs)
	2011-12
Capital	Nil
Recurring	Nil
Total	Nil
Total R & D expenditure as a percentage of total turnover	N.A.

Technology absorption, adaptation and innovation

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

The Company is in the process of innovative solutions for optimum processes used for manufacture of wagons.

2. Benefits derived as a result of the above efforts :

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

3. Information on imported technology :

- i) Technology imported : Nil
- ii) Year of import : N.A.
- iii) Has technology been fully absorbed? : N.A.
- iv) If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action : N.A.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities relating to exports, initiatives taken to increase exports, development of new export markets and export plans :

The Company at present has no order for exports. However the Company is fully equipped to seize the export opportunities, if any coming its way.

b) Total foreign exchange used and earned : Foreign exchange used - Rs. 86.45 lacs and earned is NIL.

For and on behalf of the Board

Place : Kolkata
Date : July 30, 2012

J. P. Chowdhary
Executive Chairman

ANNEXURE TO THE DIRECTORS' REPORT

MANAGEMENT DISCUSSION AND ANALYSIS

OVERALL REVIEW

The overall performance of the Company during the financial year ended the 31st March, 2012 has been satisfactory. Order for Wagons secured from Indian Railway during the year under the review was executed successfully. However, adjustment of exceptional items resulted in lower Profit After Tax despite significant gross revenues generated.

BUSINESS SEGMENTS

Wagons

- a) Industry Outlook : The Railway Budget announced in February 2012 declared the intention to align the annual plan investment in five focus areas of track, bridges, signaling, rolling stock and station/terminal development. With this focus on capacity augmentation and modernization, the overall industry outlook in the medium term appears to be encouraging.
- b) Opportunities : The Railway Budget envisages private investment schemes for Wagon Leasing, Private Freight terminals, Container train operations etc. being made more attractive to PPP partners. This initiative augurs well for the private demand for Wagons, besides expected increase in demand from the Indian Railways.
- c) Challenges : Uncertainty as to timely availability of raw materials & components and rising costs are major challenges for Wagon Industry in India. The dependence on one customer i.e. Indian Railways is a serious concern in as much as any change in the Government policy stands to directly impact the industry.
- d) Segment Review and Analysis:

	Unit	March 31, 2012	March 31, 2011
Production of Wagons	No.	1299	575
Sales	No.	1302	572
Average Realisation	Rs.Lacs/No.	16.14	18.46

Comparative data are not given since the previous financial year was of nine months ended 31st March, 2011 whereas the financial year under review comprises twelve months ended 31st March, 2012.

Review of operations : Performance of the Wagons segment has been satisfactory and the Company's facilities have been streamlined at Bharatpur plant to cater to the requirement of customers.

- e) Company Outlook : The Company has received orders for 353 BCNHL and 347 BOXNHL Wagons from the Railway Board, which are currently under execution as per schedule. The Company is aggressively pursuing orders from private customers besides the Railway Board. This augurs well for the current financial year.

The Company is also pursuing orders for the following verticals :

Heavy Earthmoving and Mining Machinery :

Due to uncertainty in the economy there has been some reduction in the demand in this sector. However compared to the other industries, the demand for construction equipments still remains good.

As the Company is in the expansion / growth stage, there is an opportunity for these products viz. Mechanical Cranes, Hydraulic Excavators, RT Cranes etc.

Industrial Fabrication :

Cement/mineral plant equipment, Hydro- mechanical equipment and Pressure vessel equipment offer great potential which the Company plans to tap, having had past experience in this vertical. The Company has received orders under these verticals which are being executed.

RISKS AND CONCERNS

The major risk factors applicable to the Company are:

Dependence on the Indian Railways

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

Increase in the cost of raw materials and other inputs

- (i) The major raw materials required by the Company include steel, specialized components including bogies, coupler sets, air brakes etc. which are exposed to volatility in prices and availability in required specifications.
- (ii) Steel based raw materials being the principal inputs in manufacturing wagons and heavy engineering equipment, cost of finished goods totally depends on the prices of steel prevalent in both National and International markets which are highly volatile and cyclical in nature.

However, the risk is mitigated to some extent as the most of the contracts have price variation clause.

Risk of performance guarantee, product warranty and liquidated damages

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

Risks associated with Organic growth of business

Growth and expansion of the business of the Company involves financial, managerial & other risks. The Company has engaged the services of professional firm to identify and submit a report on risk mitigation.

ANNEXURE TO THE DIRECTORS' REPORT

INTERNAL CONTROL SYSTEM AND ADEQUACY

The Company has an adequate system of internal controls for imposing necessary checks to ensure that (i) its assets are safeguarded, (ii) the transactions are authorised, recorded and reported properly; and (iii) the accounting records are properly maintained and its financial statements are reliable.

For ensuring the correctness of the internal checks and control, the Company has appointed a firm of Chartered Accountants to conduct internal audit for strengthening the checks and balances.

Discussion on Financial Performance with respect to Operational Performance

Notwithstanding the factors referred to hereinabove impacting the operations, securing of order for wagons, streamlined operations which were restarted after suspension for eight years better manufacturing processes, focus on improved productivity, optimization of resource deployment resulted in satisfactory performance.

Human Resources & Industrial Relations

The Company recognizes that employees represent its greatest assets and potential. It is only through motivated, creative and business-minded employees the Company can regain and sustain its position in the Industry. After revival of the Company, focus is laid on building up the team at different verticals for realizing the optimum potential of the Company. As on March 31, 2012, the Company had 158 employees in its roll.

Industrial relations at the factory site of the Company and otherwise remained cordial.

Cautionary Statement

Statements made in the Management Discussion & Analysis Report which seeks to describe the Company's objective, projections, estimates, expectations or predictions may be considered to be "forward-looking statements" within the meaning of applicable securities laws and/or regulations, based on beliefs of the management of your Company. Such statements reflect the Company's current views with respect to the future events and are subject to risks and uncertainties.

Many factors could cause the actual result to be materially different from those projected in this report, including amongst others, changes in the general economic and business conditions affecting demand/supply and price conditions in the segment in which the Company operates, change in business strategy, interest rates, inflation, deflation, foreign exchange rates, competition in the industry, changes in governmental regulations, tax laws and other Statutes and other incidental factors.

The Company does not undertake any obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

For and on behalf of the Board

Place : Kolkata
Date : July 30, 2012

J. P. Chowdhary
Executive Chairman

CORPORATE GOVERNANCE REPORT

1. Company's Philosophy on Corporate Governance

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

2. Board of Directors

A. Composition & Category

The composition of the Board of Directors of the Company including independent and non-independent directors as at March 31, 2012 as set out below, is in compliance with Clause 49 of the Listing Agreement.

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

Sl No.	Director	No. of Board Meetings attended	Attendance at previous AGM on 05/12/2011	No. of other Directorships held ^a	No. of other Membership/ Chairmanship in Committees ^b	Executive/ Non-Executive/ Independent
1.	Shri J P Chowdhary	6	Absent	4	-	Executive Chairman
2.	Shri Umesh Chowdhary	7	Present	3	1	Vice Chairman & Managing Director
	Shri J. P. Gupta	NIL	N.A.	-	-	Executive Director
3.	Shri Anil Kumar Agarwal	8	Present	2	1	Non Executive (Nominee of CEHPL)
4.	Shri J K Shukla	4	Absent	-	-	Independent
	Shri Ravi Kumar	2	N.A.	-	-	Independent
5.	Shri D N Davar	8	Present	13	9	Independent
6.	Dr. G B Rao	2	Absent	4	-	Independent
	Shri J Ashraf	3	N.A.	-	-	Independent
7.	Shri R M Agarwal	4	Absent	-	-	Non Executive Director
	Dr. Vinay Mohan	4	N.A.	-	-	Executive Director
8.	Shri M J Z Mowla	4	Present	-	-	Independent
9.	Shri K S B Sanyal	NIL	N.A.	2	-	Independent
	Shri Manoj Jha	N.A.	N.A.	-	-	Managing Director & Chief Executive officer

a. Excludes directorships in Indian private limited companies, foreign companies, companies u/s 25 of the Companies Act, 1956 (the Act).

b. Committees include only Audit Committee and Shareholders'/Investors' Grievance Committee.

Notes:

- Shri Ravi Kumar and Shri Jamil Ashraf resigned from the Board w.e.f. 05.12.2011 & 17.10.2011 respectively.
- Shri M J Z Mowla was appointed as Additional Director w.e.f. 08.11.2011.
- Shri J P Gupta's term as Executive Director ended on 31st July, 2011.
- Dr. Vinay Mohan, Director (Corporate Affairs) & Officiating CFO resigned from the Board w.e.f. 31.03.2012.
- Shri Manoj Jha was appointed as Managing Director w.e.f. 24.03.2012 and resigned w.e.f. 30.07.2012.
- Shri K.S.B.Sanyal was appointed as Additional Director w.e.f. 24.03.2012.
- Shri J P Chowdhary and Shri Umesh Chowdhary are related to each other.

B. Board Meetings held during the Financial Year ended the 31st March, 2012

Eight (8) meetings of the Board of Directors were held: on 10th May, 2011, 24th May, 2011, 13th August, 2011, 17th October, 2011, 10th November, 2011, 5th December, 2011, 10th February, 2012 and 24th March, 2012 during the financial year ended March 31, 2012.

C. Appointment/Reappointment of Directors

Shri J K Shukla and Dr. G B Rao, Directors retire by rotation and are eligible for reappointment. Shri Manoj Jha was inducted as an Additional Director and appointed Managing Director w.e.f. 24th March, 2012. Shri M J Z Mowla and Shri K S B Sanyal who were co-opted as Additional Directors by the Board w.e.f. 08th November, 2011 and 24th March, 2012 respectively, vacate office at the ensuing Annual General Meeting and are eligible for appointment pursuant to Section 257 of the Act, 1956. A brief resume together with the other directorships/committee memberships of the directors being appointed/reappointed are given below:

- Shri J. K. Shukla**, aged 68 years, is an independent Director of the Company. He is a retired executive of Life Insurance Corporation of India (LIC), with vast experience and expertise in corporate management. He joined the Board on December 28, 2008.
- Dr. G B Rao**, aged 68 years has 45 years experience in senior positions in Finance, Legal and General Management including as Finance Director of large competencies in Foreign Collaborations, Project Funding, Financial Restructuring, Mergers, Amalgamations and Acquisitions. Dr. Rao authored Ph.D. thesis on "A study on the Pattern and Trends in Capital Markets of India-Raising Money from Capital Market" and has co-authored a pioneering book- "Guide to Project Financing" and has been past president of the ICSI, ICWAI and Rotary Club, Modinagar. Dr. Rao, a University Topper in B.Com, is fellow member of ICAI, ICWAI, ICSI, IIFT, IIA, BIM(London), IIA(USA) and member of Government of India, Ministry of Company Affairs- "Core Group on Corporate Governance Audit" and Taxation Sub Committee of CII

CORPORATE GOVERNANCE REPORT

and ex-member of Advisory Committee on Capital Issue Control and Expert Committee on Tax Return Forms, Directorate of Income Tax of Ministry of Finance, Advisory Committee of Department of Company Affairs of Ministry of Law and Justice and Company Affairs, National Productivity Council and Banking and Finance Sub Committee of FICCI, ASSOCHAM, PHCOI. He joined the Board of Directors of the Company on 31.03.2011.

He is also Director of Sandhar Technologies Barcelona, SL, Mars Finance and Consultancy Services Ltd., Sai Krishna Capital Ltd., Suja Global Solutions Ltd., G.B. Capital Pvt. Ltd, Landmark Property Development Company Limited.

- (iii) **Shri Manoj Jha**, aged 52 years is a professional with B. Tech (Production Engineering) from Ranchi University. Shri Jha has 28 years' experience and has served various reputed companies in senior position. Shri Jha has expertise in restructuring, marketing, product planning and development, and business management. Shri Jha last served Hindustan Motors Ltd as Managing Director. He is also a director of Arkin Creations Ltd. However, Shri Jha's resignation has been accepted by the Board w.e.f. 30th July, 2012.
- (iv) **Shri M J Z Mowla**, aged 67 years, is an independent Director. He holds a Bachelor's degree and is a Law Graduate. He is expert in legal and corporate management. He joined the Company's Board on the 8th November, 2011.
- (v) **Shri K S B Sanyal**, aged 79 years, holds Masters Degree, in English Literature from the Punjab University and is also CBIM, FIP (London). He was Chairman of Andrew Yule & Company Limited and Tide Water Oil Co. India Ltd. He has over 40 years of experience as a Professional Manager in various sectors. He was also Sheriff of Kolkata (1986-87). Shri Sanyal is a Director of Phillips Carbon Black Ltd. and IFGL Refractories Ltd.

None of the above mentioned Directors hold any shares in the Company.

3. Board Committees

A. Audit Committee

The Audit Committee comprises Shri D N Davar, Shri Ravi Kumar, Shri J K Shukla, Shri Anil Kumar Agarwal, Shri K S B Sanyal and Shri M J Z Mowla. Shri Umesh Chowdhary & Shri R M Agarwal are Special Invitees to the Committee. Shri J.K.Shukla, retired executive of Life Insurance Corporation of India (LIC) with expertise in corporate management is the Chairman of the Audit Committee. Shri Ravi Kumar ceased to be a member of the Committee w.e.f. 05.12.2011. Shri Dipankar Ganguly, Company Secretary acts as the Secretary to the Audit Committee. The role and duties of the Audit Committee have been defined by the Board of Directors under Section 292A of the Companies Act, 1956 and cover the areas mentioned under Clause 49 of the Listing Agreement (as amended from time to time).

Attendance of the Directors at the Audit Committee Meetings held :

Sl. No.	Name of the Director	Date of Audit Committee Meetings					
		10.05.11	24.05.11	13.08.11	10.11.11	10.02.12	24.03.12
1.	Shri J. K. Shukla	Present	Present	Present	Absent	Present	Absent
2.	Shri Anil K Agarwal	Present	Present	Present	Present	Present	Present
3.	Shri Ravi Kumar	Absent	Present	Present	Absent	N.A.	N.A.
4.	Shri D N Davar	Present	Present	Present	Present	Present	Present
5.	Shri M J Z Mowla	N.A.	N.A.	N.A.	Present	Present	Present
6.	Shri K S B Sanyal	N.A.	N.A.	N.A.	N.A.	N.A.	Absent

B. Remuneration Committee

Shri D N Davar is Chairman of the Remuneration Committee and Shri J K Shukla, Shri Ravi Kumar and Shri M J Z Mowla being the other members. Shri Ravi Kumar ceased to be a member w.e.f. 05.12.2011.

During the financial year ended March 31, 2012 two meetings of the Remuneration Committee were held on 10th May, 2011 and 24th March, 2012.

Attendance of the Directors at the Remuneration Committee Meetings held :

Sl. No.	Name of the Director	Date of Remuneration Committee Meetings	
		10.05.11	24.03.12
1.	Shri J. K. Shukla	Present	Absent
2.	Shri Ravi Kumar	Absent	N.A.
3.	Shri D N Davar	Present	Present
4.	Shri M J Z Mowla	N.A.	Present

The 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.

CORPORATE GOVERNANCE REPORT

All the elements of remuneration package of individual directors are disclosed in Table below :

Remuneration paid to all the Directors of the Company during Financial Year ended 31.03.2012 and their shareholding in the Company:

Rs. in Lakhs

Sl. No.	Name of the Director	Number of Shares Held	Salary & Perquisites	Sitting Fees	Total Amount
1.	Shri J. P. Gupta	NIL	3.90	-	3.90
2.	Shri Vinay Mohan	NIL	11.88	-	11.88
3.	Shri Manoj Jha	NIL	1.10	-	1.10
4.	Shri Anil K Agarwal	NIL	-	1.40	1.40
5.	Shri J. K. Shukla	NIL	-	1.20	1.20
6.	Shri Ravi Kumar	NIL	-	0.50	0.50
7.	Shri R. M. Agarwal	NIL	-	0.40	0.40
8.	Shri D N Davar	NIL	-	2.10	2.10
9.	Dr. G B Rao	NIL	-	0.20	0.20
10.	Shri Jamil Ashraf	NIL	-	0.30	0.30
11.	Shri M J Z Mowla	NIL	-	1.10	1.10
	Total	NIL	16.88	7.20	24.08

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

C. Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee is headed by Shri J K Shukla. Shri Ravi Kumar was Chairman of the Committee till 04.12.2011, Shri Umesh Chowdhary and Shri M J Z Mowla being the other members. Shri D N Davar is a Special Invitee, was present in all the Meetings.

Attendance of the Directors at the Shareholders'/Investors' Grievance Committee Meetings :

Name of the Director	Date of Shareholders'/Investors' Grievance Committee Meetings			
	10.05.11	13.08.11	10.11.11	10.02.12
Shri J K Shukla	Present	Present	Absent	Present
Shri Ravi Kumar	Absent	Present	Absent	N.A.
Shri Umesh Chowdhary	Present	Present	Present	Present
Shri M J Z Mowla	N.A.	N.A.	Present	Present

During the year ended March 31, 2012 the Company received 35 complaints from investors which have been duly attended to and resolved by MCS Limited (Ex-RTA) and Karvy Computershare Pvt. Ltd., the present RTA. No investors' grievance was pending as at March 31, 2012.

Share transfers and requests for other services are disposed by the RTA within the time stipulated in the Listing Agreements.

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

4. General Body Meetings

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

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

Particulars of last three AGMs :

No. of AGM	Year	Venue	Date	Time	Special Resolution passed
66th	2011	Kala Kunj, Kala Mandir, 48, Shakespeare Sarani, Kolkata 700 017	05.12.2011	3.00 PM	3
65th	2010	Speaker Hall of the Constitution Club of India, Rafi Marg, New Delhi 110001	29.12.2010	10.00 AM	1
64th	2009	Registered Office at Birla Nagar, Gwalior 474004	31.12.2009	11.00 AM	3

No Resolutions were passed through Postal Ballot during the year.

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

5. Disclosures

i) Subsidiary Company

The Company does not have any subsidiary company.

ii) Related Party Transactions

The transactions entered into by the Company with the 'Related Parties' during the financial year ended March 31, 2012 are set out in the Notes to Financial Statements forming part of the Annual Report. The related party transactions were at an arm's length basis and do not conflict with the interest of the Company at large.

CORPORATE GOVERNANCE REPORT

iii) Code of Conduct for Prohibition of Insider Trading

In compliance with SEBI (Prevention of Insider Trading) Regulations, 1992 the Company has in place a 'Code of Conduct' applicable to the Directors and Senior Management Personnel to emphasize the importance of ethical behavior and for protection of all stakeholders' interest. Shri Dipankar Ganguly, Company Secretary has been appointed as Compliance Officer in respect of the compliance with the Code. In accordance with Clause 49 of the Listing Agreement, Chief Executive Officer's certificate of compliance of the Code of Conduct by the Board and Senior Management is appended to this report.

iv) Non-Compliance/Strictures/Penalties

No penalties and/or strictures have been imposed on the Company by any Stock Exchange or SEBI or any other Statutory Authority, on any matter relating to the Capital Market during the last three years.

v) The Company affirms that no personnel has been denied access to the Audit Committee.

vi) Compliance with mandatory & non-mandatory requirements

The Company complies with all the mandatory requirements as prescribed under Clause 49 of the Listing Agreement.

In non mandatory requirements, the Company has constituted a Remuneration Committee for deciding the remuneration to be paid to the Directors and relative of Directors, if any.

6. Means of Communication

The quarterly and annual financial results are published in compliance with Clause 41 of the Listing Agreement, in Business Standard (English daily) and Aajkal or Ekdin (Bangla edition). Besides, information and latest updates and the announcements regarding the Company including its shareholding pattern are also available on the website of the Company: www.cimmco.in and on the website(s) of NSE/BSE.

7. General Shareholder Information

A. Annual General Meeting

Day, Date & Time : Saturday, 15th September, 2012 at 1.00 P.M.

Venue : Kala Kunj, Kala Mandir, 48, Shakespeare Sarani, Kolkata 700 017

B. Financial Calendar

The tentative financial calendar for the current financial year, i.e. April 01, 2012 to March 31, 2013 is set out below:

Schedule for the Financial Year (FY) 2012-13

Publication of	Schedule
Unaudited Financial Results Quarter ended June 2012	July-August, 2012
Unaudited Financial Results Quarter ended September 2012	October-November, 2012
Unaudited Financial Results Quarter ended December 2012	January-February, 2013
For Financial Year 2012-13	April- May, 2013

C. Book Closure

The period of Book Closure is from 8th September, 2012 to 15th September, 2012 (both days inclusive).

D. Dividend Payment Date

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

E. In accordance with newly inserted clause 5A of Listing Agreement, the Company has identified 11,407 folios comprising of 96,992 equity shares of face value of Rs. 10/- each, which are unclaimed as on 31st March, 2012. The Company is in the process of sending reminders to the concerned shareholders in accordance with the said clause.

F. Listing on Stock Exchanges

The equity shares of the Company are listed at the National Stock Exchange of India Limited (NSE), Bombay Stock Exchange Limited (BSE), Delhi Stock Exchange Limited (DSE), The Calcutta Stock Exchange Limited (CSE) and the Madhya Pradesh Stock Exchange Limited (MPSE). The Company is regular in payment of Listing Fee to the Stock Exchanges, as well as, the Annual Custodial Fees payable to the Depositories, i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Fees for the year 2012-13 have been duly paid. The shares of the Company are traded at BSE and trading in equity shares of the Company at NSE has been resumed since 8th September, 2011.

Stock Code

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

Codes assigned to the equity shares of the Company

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

G. Market Price Data

Monthly closing high and low quotations and volume of shares traded on the Bombay Stock Exchange Limited and National Stock exchange of India Limited (w.e.f. September, 2011) are shown in the Chart below.

CORPORATE GOVERNANCE REPORT

Monthly High- Low at BSE

Month	High (Rs.)	Low (Rs.)	Volume (in Nos.)	Sensitive Index	
				High	Low
April, 2011	122.00	87.15	17,143	19811.14	18976.19
May, 2011	132.80	88.10	37,999	19253.87	17786.19
June, 2011	127.25	100.25	38,413	18873.39	17314.38
July, 2011	118.90	103.00	85,160	19131.70	18131.86
August, 2011	115.50	72.50	33,751	18440.07	15765.53
September, 2011	88.85	78.05	10,898	17211.80	15801.01
October, 2011	84.50	75.20	6,917	17908.13	15745.43
November, 2011	87.00	71.15	34,048	17702.26	15478.69
December, 2011	84.00	62.65	17,048	17003.71	15135.86
January, 2012	80.00	58.50	21,854	17258.97	15358.02
February, 2012	79.95	64.05	85,626	18523.78	17061.55
March, 2012	79.95	54.10	52,206	18040.69	16920.61

Monthly High- Low at NSE

Month	High (Rs.)	Low (Rs.)	Volume (in Nos.)	CNX NIFTY	
				High	Low
September, 2011	87.30	79.00	81	6529.77	6128.56
October, 2011	82.65	73.00	424	6797.88	6021.97
November, 2011	88.00	70.00	1,442	6708.99	5969.67
December, 2011	86.80	54.15	6,494	6421.38	5763.88
January, 2012	79.80	58.05	28,631	6606.36	5881.28
February, 2012	80.00	65.40	93,405	7120.15	6647.46
March, 2012	79.20	53.70	63,955	6939.53	6580.17

There is no trading in Delhi Stock Exchange Ltd., Calcutta Stock Exchange Ltd. and Madhya Pradesh Stock Exchange Ltd.

H. Registrar & Share Transfer Agent (RTA)

Karvy Computershare Private Limited

(Unit: Cimmco Limited)

Plot No. 17 – 24, Vittal Rao Nagar, Madhapur, Hyderabad 500 081, Phone:+91-40-44655000, Fax:+91-40-23420814

E-mail for Investors: einward.ris@karvy.com

I. Share Transfer System

For registration of transfer of shares held in physical mode, the share certificate(s) in original, alongwith the share transfer deed(s) and other relevant documents, should be submitted at the Registered Office/Corporate Office of the Company or with its RTA. In case the documents are in order, the requests for registration of transfer of shares is processed which takes upto 2 weeks from the date of receipt of complete documentation.

J. Distribution of Shareholding

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

Shareholding Pattern as at March 31, 2012 (Category)

Category of Shareholders	Mode of Holding Shares		Total Shareholding	
	Physical	Demat	Number	%
Promoters and Promoter Group	-	1,53,12,920	1,53,12,920	76.00*
Bodies Corporate	3,98,792	25,48,319	29,47,111	14.63
Financial Institutions/Banks	1,31,382	32,114	1,63,496	0.81
Mutual Funds	1,877	368	2,245	0.01
Insurance Companies	-	1,71,222	1,71,222	0.85
NRIs	424	17,684	18,108	0.09
Individuals	4,19,618	10,96,766	15,16,384	7.53
Clearing Members	-	17,040	17,040	0.08
Total	9,52,093	1,91,96,433	2,01,48,526	100.00

*The Promoter holding reduced by 7,92,575 equity shares due to invocation of pledge thereon on 04.04.2012 and stood at 72.07% of the total paid-up capital of the Company.

CORPORATE GOVERNANCE REPORT

Distribution of Shareholding as on March 31, 2012

Range of shares	Folio/Client ID		Shareholding	
	Number	%	Number	%
Up to 500	60,371	99.4465	7,84,847	3.8953
From 501 to 1,000	167	0.2751	1,27,020	0.6304
From 1,001 to 2,000	73	0.1202	1,14,848	0.5700
From 2,001 to 3,000	31	0.0511	76,337	0.3789
From 3,001 to 4,000	14	0.0231	50,340	0.2498
From 4,001 to 5,000	6	0.0099	27,536	0.1367
From 5,001 to 10,000	15	0.0247	1,05,465	0.5234
10,001 and above	30	0.0494	1,88,62,133	93.6155
Total	60,707	100.00	2,01,48,526	100.00

K. Dematerialization of Shares

The number of equity shares of the Company held in dematerialized mode through National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and in physical form as on March 31, 2012 are as follows:

Shareholding in Demat & Physical modes as on March 31, 2012

NSDL		CDSL		Physical		Total	
No. of Shares	% of Capital	No. of Shares	% of Capital	No. of Shares	% of Capital	No. of Shares	% of Capital
1,88,61,849	93.61	3,34,584	1.66	9,52,093	4.73	2,01,48,526	100.00%

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

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

M. Plant Location

Mal Godown Road, Bharatpur 321001, Rajasthan

N. Address for Correspondence

Company	RTA
Registered Office : Premlata Building, 4th Floor, 39, Shakespeare Sarani, Kolkata 700 017 Phone : 91 33 4019 0800 Fax : 91 33 2289 1655 E-mail : corp@cimmco.in	Karvy Computershare Private Limited (Unit : Cimmco Limited) Plot No. 17 - 24, Vittal Rao Nagar Madhapur, Hyderabad 500 081 Phone : +91- 40-44655000 Fax : +91-40-23420814 E-mail for Investors : einward.ris@karvy.com

For and on behalf of Cimmco Limited

Place : Kolkata
Date : July 30, 2012

J. P. Chowdhary
Executive Chairman

CORPORATE GOVERNANCE REPORT

Chief Executive Officer (CEO) Certification

The Board of Directors

Cimmco Limited

Dear Sirs,

We have reviewed the financial statements read with the Cash Flow Statement of Cimmco Limited for the year ended, the 31st day of March 2012 and to the best of our knowledge and belief, we state that:

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

Kolkata, July 30, 2012

J. P. Chowdhary
Executive Chairman & CEO

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, 2012.

Kolkata
Date: July 30, 2012

For Cimmco Limited
J. P. Chowdhary
Executive Chairman & CEO

Certificate on Corporate Governance

To the Members of
Cimmco Limited

We have examined the compliance of conditions of Corporate Governance by Cimmco Limited for the period from 1st April 2011 to 31st March 2012, as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.

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

In our opinion and to the best of my information and according to explanations given to us, we certify that the Company has complied with the conditions of the Corporate Governance, as stipulated in above mentioned Listing Agreement.

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

Place : Kolkata
Date : July 30, 2012

BP Dhanuka
Practicing Company Secretary
CP No. 6041
FCS 615

AUDITORS' REPORT

To

The Members of Cimmco Limited

1. We have audited the attached Balance Sheet of **Cimmco Limited** ('the Company') as at March 31, 2012 and also the Statement of Profit and Loss and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (as amended) ('the Order') issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
 - i. We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - ii. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - iii. The Balance Sheet, the Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account;
 - iv. In our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
 - v. On the basis of the written representations received from the directors, as on March 31, 2012, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on March 31, 2012 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - vi. Without qualifying our opinion, attention is drawn to Note No. 13.2A on the financial statements regarding certain claims of Rs. 4899.34 lacs (net of Rs. 150 lacs received under a guarantee given by the Company) which have been considered good of recovery since the management, based on the current status of negotiation is hopeful to recover these claims in full and accordingly no adjustments are considered necessary in these financial statements;
 - vii. *Attention is drawn to Note No. 32 on the financial statements regarding non provision against demand of Rs. 1800 lacs plus interest thereon (amount unascertainable) made by Asset Reconstruction Company (India) Limited (ARCIL), as the management feels that no liability exists thereagainst after ARCIL has invoked its security of pledged shares. The impact, if any, of the above non provision is presently unascertainable, pending receipt of a "No Due Certificate" from ARCIL;*
The above matter had also caused us to qualify our audit opinion on the financial statements for the period ended March 31, 2011.
 - viii. In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effects of our observation in Para vii above*, the said accounts, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :-
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2012;
 - b) in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

per RKAGRAWAL
Partner

Membership No. : 16667

Place : Kolkata
Date : April 28, 2012

AUDITORS' REPORT

ANNEXURE TO THE AUDITORS' REPORT

Referred to in our report of even date to the members of Cimmco Limited as at and for the year ended March 31, 2012

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) All fixed assets have not been physically verified by the management during the year but there is a regular programme of verifying the fixed assets over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
- (c) There was no disposal of substantial part of fixed assets during the year.
- (ii) (a) The management has 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 Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on such physical verification.
- (iii) (a) 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 301 of the Companies Act, 1956. Therefore, the provisions of clauses 4(iii)(b) to (d) of the Order, are not applicable.
- (b) According to the information and explanations given to us, the Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956. Therefore, the provisions of clauses 4 (f) and (g) of the Order are not applicable.
- (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, 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, no major weakness has been noticed in the internal control system in respect of these areas and we have also not observed any continuing failure to correct major weakness in the internal control system of the Company.
- (v) In our opinion and as informed to us, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956.
- (vi) The Company has not accepted any deposits from the public during the year.
- (vii) *During the year, no internal audit was carried out and, accordingly, we are unable to comment on the internal audit system.*
- (viii) 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 209(1)(d) of the Companies Act, 1956, related to the manufacture of wagons and engineering products and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.
- (ix) (a) Undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues have generally been regularly deposited with the appropriate authorities though *there has been slight delays in a few cases.*
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty and cess on account of any dispute, are as follows :

AUDITORS' REPORT

Name of the statute	Nature of dues	Amount (Rs.in lacs)	Period to which the amount relates	Forum where dispute is pending
The Central Excise Act, 1944	Incorrect availment of CENVAT credit, non-payment of excise duty etc.	370.15	Various	At various Appellant Authorities, High Court, Supreme Court
The Customs Act, 1962	Differential customs duty, penalty for non realization of export proceeds	61.17	The details are not readily available	
The Rajasthan Sales Tax Act / Central Sales Tax Act, 1956	Differential sales tax	1,864.24	1982-1983 1987-1988 1989-1990 1996-2001	Deputy Commissioner, Jaipur
The Income Tax Act, 1961	Disallowance of certain tax benefits	2,661.00	2007-2008	Income Tax Appellate Tribunal
The Foreign Trade Development & Regulation Act, 1992	Penalty for non fulfillment of export obligations	6,423.00	Various	Director General of Foreign Trade

- (x) Without considering the consequential effects, if any, of the matter stated in para vii of our report whose impact is presently unascertainable, the Company's accumulated losses at the end of the financial year are less than fifty per cent of its net worth and it has not incurred cash losses in the current and immediately preceding financial period.
- (xi) 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 financial institution, bank or debenture holders.
- (xii) According to the information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable.
- (xiv) In our opinion, the Company is not dealing or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Order are not applicable.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The Company has not made any preferential allotment of shares during the year to parties or companies covered in the register maintained under Section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money through public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

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

per RKAGRAWAL
Partner
Membership No. : 16667

Place : Kolkata
Date : April 28, 2012

BALANCE SHEET as at March 31, 2012

(Rs. in lacs)

	Notes	As at March 31, 2012	As at March 31, 2011
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	2,014.85	2,014.85
Reserves and Surplus	4	16,160.58	15,855.50
		<u>18,175.43</u>	<u>17,870.35</u>
Non-current liabilities			
Long term borrowings	5	4,166.67	7,500.00
Long term provisions	6	17.54	6.43
		<u>4,184.21</u>	<u>7,506.43</u>
Current liabilities			
Short term borrowings	7	5,736.99	8,941.08
Trade payables	8.1	942.10	5,169.60
Other current liabilities	8.2	1,457.75	3,705.12
Short term provisions	6	29.23	14.48
		<u>8,166.07</u>	<u>17,830.28</u>
TOTAL		<u>30,525.71</u>	<u>43,207.06</u>
II. ASSETS			
Non current assets			
Fixed assets			
Tangible assets	9	17,081.23	17,227.88
Intangible assets	9	14.04	7.65
Capital work-in-progress		264.91	311.18
Non-current investments	10	0.05	0.05
Deferred tax asset (Net)	11	480.31	864.78
Long term loans and advances	12	50.54	30.98
		<u>17,891.08</u>	<u>18,442.52</u>
Current Assets			
Inventories	14	3,742.58	9,168.05
Trade receivables	13.1	1,087.92	4,733.29
Cash and bank balances	15	2,284.85	3,384.24
Short term loan and advances	12	597.85	2,383.93
Other current assets	13.2	4,921.43	5,095.03
		<u>12,634.63</u>	<u>24,764.54</u>
TOTAL		<u>30,525.71</u>	<u>43,207.06</u>
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the financial statements

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

per **R. K. Agrawal**
Partner
Membership No. 16667

Place : Kolkata
Dated : April 28, 2012

For and on behalf of the Board of Directors

J P Chowdhary
Executive Chairman

D N Davar
Director

Umesh Chowdhary
Vice Chairman

Ashis Toshniwal
Chief Financial Officer

Manoj Jha
Managing Director & CEO

Dipankar Ganguly
Company Secretary

STATEMENT OF PROFIT & LOSS for the year ended March 31, 2012

(Rs. in lacs)

	Notes	Year ended March 31, 2012	9 months ended March 31, 2011
Income			
Revenue from operations (gross)	16	23,651.30	11,782.02
Less: Excise Duty		616.07	205.84
Revenue from operations (net)		23,035.23	11,576.18
Other Income	17	139.19	289.75
Total Revenue (I)		23,174.42	11,865.93
Expenses			
Cost of raw materials & components consumed	18	13,038.35	7,732.82
Decrease in inventories of finished goods, Work in progress and saleable scrap	19	924.18	98.98
Excise Duty and Cess on Stocks (note 34)		17.59	50.32
Employee benefits expenses	20	336.95	285.69
Other expenses	21	4,423.64	2,290.22
Total Expenses (II)		18,740.71	10,458.03
Earning before finance cost, tax, depreciation & amortization and exceptional items (EBIDTA) (I-II)		4,433.71	1,407.90
Depreciation & amortization expense	9	277.84	140.52
Less : Recoupment from revaluation reserve		113.55	0.31
Finance costs	22	990.33	264.73
Profit before taxes & exceptional items		3,279.09	1,002.96
Exceptional items	33	2,475.99	635.95
Profit before Taxes		803.10	367.01
Tax expense			
Deferred tax charge/(credit)		384.47	(726.70)
Total tax expense		384.47	(726.70)
Profit for the year		418.63	1,093.71
Earnings per equity share	23		
[Nominal value of share Rs. 10/- (Rs. 10/-)]			
Basic & Diluted		2.08	5.43
			(Not annualised)
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.**
Firm Registration No: 301003E
Chartered Accountants

per **R. K. Agrawal**
Partner
Membership No. 16667

Place : Kolkata
Dated : April 28, 2012

For and on behalf of the Board of Directors

J P Chowdhary
Executive Chairman

D N Davar
Director

Umesh Chowdhary
Vice Chairman

Ashis Toshniwal
Chief Financial Officer

Manoj Jha
Managing Director & CEO

Dipankar Ganguly
Company Secretary

CASH FLOW STATEMENT for the year ended March 31, 2012

(Rs. in lacs)

	Yer ended March 31, 2012	9 months ended March 31, 2011
A. Cash Flow from Operating Activities		
Profit before tax	803.10	367.01
Non-cash adjustment to reconcile profit before tax to net cash flows		
Depreciation & amortization expenses	164.29	140.21
Loss on Sale of Fixed Assets (Net)	-	16.65
Exceptional Items	2,475.99	635.95
Irrecoverable debt / advances written off	-	174.43
Excess Provisions written back	-	(0.97)
Net gain on sale of current investments (Non Trade)	-	(0.20)
Interest expense	1,194.17	203.45
Interest income	(106.82)	(137.48)
Dividend income on current investments (Non Trade)	-	(5.53)
Operating Profit before Working Capital Changes	4,530.73	1,393.52
Movements in working capital :		
Increase/(decrease) in trade payables and other current liabilities	(7,120.72)	(6,174.35)
Increase in Provisions	25.86	1.42
Decrease/(Increase) in Trade Receivables and other Current Assets	3,443.20	(3,501.50)
Decrease/(increase) in inventories	4,335.27	(2,484.70)
Decrease/(increase) in loans and advances	593.68	330.95
Cash generated from/(used in) operations	5,808.02	1,914.04
Direct taxes paid (net of refunds)	(27.09)	39.48
Net Cash Flow from Operating Activities (A)	5,780.93	1,874.56
B. Cash Flow from Investing Activities		
Purchase of Fixed Assets	(112.70)	(402.15)
Purchase of non current investments	-	(750.00)
Proceeds from sale of non current investments	-	750.20
Fixed deposits and Margin Money Deposits	1,678.36	(2,826.95)
Interest received	128.01	99.04
Dividends received	-	5.53
Net Cash Flow from/(used in) Investing Activities (B)	1,693.67	(3,124.33)
C. Cash Flow from Financing Activities		
Proceeds from long-term borrowings	4,000.00	7,500.00
Repayment of Long Term Borrowings	(6,500.00)	(4,394.02)
Net movement in Short Term Borrowings	(3,204.09)	1,515.74
Interest Paid	(1,194.17)	(3,309.43)
Repayment of Public Deposit	-	(2.28)
Refund of Share Application Money	-	(0.79)
Net Cash flow from/(used in) Financing Activities (C)	(6,898.26)	1,309.22
Net Increase in Cash and Cash Equivalents (A+B+C)	576.34	59.45
Cash and Cash Equivalents at the beginning of the year	125.16	65.72
Cash and cash equivalents at the end of the year	701.50	125.17
Components of cash and equivalents		
Cash on hand	0.26	1.62
Balances with Banks :		
On current accounts	128.09	123.55
On deposit account	573.15	-
Total cash and cash equivalents	701.50	125.17

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

per **R. K. Agrawal**
Partner
Membership No. 16667

Place : Kolkata
Dated : April 28, 2012

For and on behalf of the Board of Directors

J P Chowdhary
Executive Chairman

D N Davar
Director

Umesh Chowdhary
Vice Chairman

Ashis Toshniwal
Chief Financial Officer

Manoj Jha
Managing Director & CEO

Dipankar Ganguly
Company Secretary

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2012

1. CORPORATE INFORMATION

Cimmco limited (the Company) is a public company domiciled in India and incorporated under the provisions of the Companies Act, 1956. Its shares are listed on five stock exchanges in India including Bombay Stock Exchange and National Stock Exchange. The Company is engaged in the manufacturing and selling of wagons and engineering goods. The Company primarily caters to the domestic market.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared to comply in all material respects with the Accounting Standards notified by the Companies' Accounting Standards Rules, 2006, (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis, under the historical cost convention, except for certain fixed assets which are revalued. The accounting policies applied by the Company are consistent with those used in the previous year, except for 'b' below.

b) Change in accounting policy

Presentation and disclosure of financial statements

During the year ended March 31, 2012, the revised Schedule VI notified under the Companies Act, 1956 has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous period figures in accordance with the Revised Schedule VI requirements applicable in the current year.

c) Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

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), taxes, incidental expenses, erection/commissioning/trial run expenses and borrowing costs 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.

e) Depreciation & Amortisation on tangible & Intangible fixed assets

Depreciation is provided using the Straight Line Method as per the useful lives of the fixed assets estimated by the management, or at the rates prescribed under Schedule XIV of the Companies Act, 1956 whichever is higher.

Depreciation on revalued assets is provided at the rates specified in Section 205(2) (b) of the Companies Act, 1956. However in case of fixed assets whose life is determined by the valuer to be less than their useful life under Section 205, depreciation is provided at the higher rate, to ensure the amortization of these assets over their life determined by the valuer.

Additional depreciation arising due to revaluation of tangible fixed assets is adjusted against Revaluation Reserve.

Leasehold Land is amortized over the period of lease.

Depreciation on fixed assets added / disposed off during the period, is provided on pro-rata basis with reference to the date of addition / disposal.

Computer softwares capitalized as intangible are amortised over their useful life of 5 years.

f) Intangibles

Research costs are expensed as and when incurred. Development expenditure incurred on an individual project are carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortized 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 5 years and are capitalized as intangible fixed assets.

g) Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, 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 finance charges and reduction of the lease liability based on the implicit rate of return. Finance charges are charged directly against income. Lease management fees, legal charges and other initial direct costs are capitalized.

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

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2012

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets, 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 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 net selling price of the assets and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

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

A previously recognized impairment loss is increased or reversed depending on 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.

j) Investments

Investments that are readily realizable and intended to be held for not more than a year 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 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 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 is 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 weighted average basis.

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 economic benefits will flow to the Company and the revenue can be reliably measured.

Sale of Goods

Revenue from sale of goods is recognized on dispatch of goods to customers, which is incidental to transfer of significant risk and reward of ownership. Sales are net of returns, claims, discounts etc.

Income from Services

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

Interest

Interest 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 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.

n) Retirement and other Employee Benefits

Retirement benefits in the form of Provident Fund and Employee State Insurance are defined contribution schemes and the contributions are charged to the Statement of Profit and Loss 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 based on actuarial valuation, as per projected unit credit method made at the end of each financial period.

Short term compensated absences are provided for based on estimates. 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.

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

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2012

o) Taxes on Income

Tax expense comprises of current, deferred and prior year tax expenses, if any.

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 current year timing differences between taxable income and accounting income for the period 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 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. Unrecognized deferred tax assets of earlier periods are re-assessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

At each balance sheet date, the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized 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 realised. 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 business are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Allocation of common costs

Common allocable costs are allocated to each segment 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"

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.

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 & Contingencies

Provisions involving substantial degree of estimation in measurement (without being discounted to their present value) are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Contingent Assets are neither recognized nor disclosed in the financial statements. Contingent liabilities are not provided for and are disclosed by way of Notes.

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.

s) 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.

t) Liquidated Damages

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

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 and amortization expense, finance costs, tax expense and exceptional items.

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.

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2012

	As at March 31, 2012 Rs. in Lacs	As at March 31, 2011 Rs. in Lacs
3. SHARE CAPITAL		
Authorised Shares		
5,00,00,000 (5,00,00,000) Equity shares of Rs. 10/- each	5,000.00	5,000.00
	5,000.00	5,000.00
Issued, Subscribed and fully paid-up-Shares		
2,01,48,526 (2,01,48,526) Equity shares of Rs. 10/- each fully paid up	2,014.85	2,014.85
	2,014.85	2,014.85
a) 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. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company in proportion to the number of equity shares held by the shareholders.		
b) Shares held by Cimco Equity Holdings Private Limited, the holding Company	As at March 31, 2012 Rs. in Lacs	As at March 31, 2011 Rs. in Lacs
1,44,88,921 (1,62,88,923) Equity shares of Rs. 10/- each fully paid up	144.89	162.89
c) Details of share issued for consideration other than cash	As at March 31, 2012 No. of shares	As at March 31, 2011 No. of shares
Equity shares allotted as fully paid up pursuant to contracts for consideration other than cash	10,07,426	10,07,426
d) Details of shareholders holding more than 5% shares in the Company	As at March 31, 2012	As at March 31, 2011
	No. of shares	No. of shares
Cimco Equity Holdings Private Limited, the holding company	1,44,88,921	1,62,88,923
Asset Reconstruction Company (India) Limited	28,07,428	10,07,426
	% holding	% holding
	71.91%	80.84%
	13.93%	5.00%
The above information is as per records of the Company and/or intimation received by the Company from respective shareholders after considering impact of pledge invocation notice received before balance sheet date.		
e) Details of equity shares pledged by the Promoter or persons forming part of the Promoter Group ("Promoter Group") of the Company as on the balance sheet date are as follows:		
	As at March 31, 2012	As at March 31, 2011
Total number of equity shares held by the Promoter Group*	1,45,20,345	1,63,20,347
Total number of equity shares held pledged by the Promoter Group*	-	54,40,102
Percentage of total shares pledged to total shareholding of the Promoter Group	NA	33.33%
Percentage of total shares pledged to total outstanding shares of the Company	NA	27.00%
* After considering the impact of pledge invocation		
4. RESERVES AND SURPLUS	As at March 31, 2012 Rs. in Lacs	As at March 31, 2011 Rs. in Lacs
A. Securities Premium Account		
Balance as per the last financial statements	3,220.32	3,220.32
B. Revaluation Reserve		
Balance as per the last financial statements	14,646.26	14,646.57
Less : Amount transferred to the Statement of Profit and Loss	113.55	0.31
	14,532.71	14,646.26
C. Deficit in the Statement of Profit and Loss		
Balance as per the last financial statements	(2,011.08)	(3,104.79)
Profit for the year	418.63	1,093.71
Net Deficit in the Statement of Profit and Loss	(1,592.45)	(2,011.08)
Total Reserves and Surplus	16,160.58	15,855.50
	(A+B+C)	

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2012

5. LONG TERM BORROWINGS

	Non-current portion		Current maturities	
	As at	As at	As at	As at
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
Secured				
Term Loans from a Bank	4,166.67	7,500.00	833.33	-
Amount disclosed under other current liabilities (Note 8.2)	-	-	(833.33)	-
Total	4,166.67	7,500.00	-	-

Term loan from a bank carries interest @ 13%. The loan is repayable in 6 half yearly instalments of Rs. 833.33 lacs each starting from December 2012. 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.

6. PROVISIONS

	Long-term		Short-term	
	As at	As at	As at	As at
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
Provisions for employee benefits :				
Gratuity (Note 24)	9.12	6.43	8.92	2.89
Leave benefits (Note 24)	-	-	11.89	11.59
	9.12	6.43	20.81	14.48
Other provisions for :				
Warranties	8.42	-	8.42	-
Liquidated damages	-	-	-	-
	8.42	-	8.42	-
Total	17.54	6.43	29.23	14.48

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

	Warranties		Liquidated damages	
	Year ended	9 months ended	Year ended	9 months ended
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
At the beginning of the year	-	-	-	-
Arisen during the year	16.84	-	181.50	-
Utilized during the year	-	-	(181.50)	-
At the end of the year	16.84	-	-	-
Current portion	8.42	-	-	-
Non-current portion	8.42	-	-	-

7. SHORT TERM BORROWINGS (REPAYABLE ON DEMAND)

	As at		As at	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
Secured				
Cash credits from banks		3,161.65		1,515.74
Loan from a related party		2,469.00		7,319.00
Total Secured		5,630.65		8,834.74
Unsecured				
From EXIM Bank		106.34		106.34
Total Unsecured		106.34		106.34
Total		5,736.99		8,941.08

Notes :

- Cash credits from banks are secured by first pari passu charge over all current assets, both present and future and also by a second pari passu charge over the entire fixed assets of the Company (excluding land at Gwalior). The cash credit is repayable on demand and carries interest @11% to 14% p.a.
- Loan from a related party is secured by first pari passu charge (created / to be created) over entire fixed assets (excluding land at Gwalior) and also by first pari passu charge on all the current assets of the Company, both present and future. The loan is repayable on demand and does not carry any interest.
- Loan from Exim Bank has become due for payment and does not bear interest.

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2012

	As at March 31, 2012 Rs. in Lacs	As at March 31, 2011 Rs. in Lacs
8. TRADE PAYABLES & OTHER CURRENT LIABILITIES		
8.1 TRADE PAYABLES (INCLUDING ACCEPTANCES)		
Payables for goods & services [including acceptances Rs. Nil (Rs. 1539.76 Lacs)]	942.10	5,169.60
Total Trade Payables	942.10	5,169.60
8.2 OTHER LIABILITIES		
Current maturities of long term borrowings (Note 5)	833.33	-
Advance from customers	287.62	2,205.97
Statutory payables	87.18	528.55
Lease Rent Payable	-	686.64
Other liabilities	241.81	278.79
Investor Education and Protection Fund :		
Unpaid Debentures (Not due)	5.17	5.17
Unpaid fractional share (Not due)	2.64	-
Total Other Liabilities	1,457.75	3,705.12
Total Current Liabilities	2,399.85	8,874.72

Notes :

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

9. FIXED ASSETS

(Rs. in Lacs)

	Tangible										Intan- gible Comp- puter soft- ware	Total Fixed Assets
	Land - Free- hold	Land - Lease- hold	Buildings	Plant & Machi- neries	Railway Sidings	Furni- ture & Fixtures	Office equip- ments	Comp- puters	Vehi- cles	Total		
Cost or valuation												
At July 1, 2010	52.00	1,084.01	2,318.84	3,422.24	41.77	68.96	88.24	93.95	87.44	7,257.45	10.47	7,267.92
Purchases	-	-	19.37	240.36	-	1.16	3.57	3.26	12.54	280.26	-	280.26
Revaluation (a)	7,568.30	7,078.27	-	-	-	-	-	-	-	14,646.57	-	14,646.57
Disposals	-	-	-	-	-	54.46	84.29	69.49	33.60	241.84	-	241.84
At March 31, 2011	7,620.30	8,162.28	2,338.21	3,662.60	41.77	15.66	7.52	27.72	66.38	21,942.44	10.47	21,952.91
Purchases	-	-	71.91	52.22	-	-	-	0.20	4.27	128.60	8.98	137.58
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2012	7,620.30	8,162.28	2,410.12	3,714.82	41.77	15.66	7.52	27.92	70.65	22,071.04	19.45	22,090.49
Depreciation & Amortization												
At July 1, 2010	-	228.43	1,157.20	3,144.48	35.86	52.20	70.94	71.40	40.28	4,800.79	1.26	4,802.05
Charge for the period	-	14.25	53.18	59.80	1.15	0.71	2.42	3.18	4.27	138.96	1.56	140.52
Disposals	-	-	-	-	-	52.03	72.91	67.85	32.40	225.19	-	225.19
At March 31, 2011	-	242.68	1,210.38	3,204.28	37.01	0.88	0.45	6.73	12.15	4,714.56	2.82	4,717.38
Charge for the year	-	132.14	70.22	58.70	1.79	0.99	0.35	4.49	6.57	275.25	2.59	277.84
Disposals	-	-	-	-	-	-	-	-	-	-	-	-
At March 31, 2012	-	374.82	1,280.60	3,262.98	38.80	1.87	0.80	11.22	18.72	4,989.81	5.41	4,995.22
Net Block												
At March 31, 2011	7,620.30	7,919.60	1,127.83	458.32	4.76	14.78	7.07	20.99	54.23	17,227.88	7.65	17,235.53
At March 31, 2012	7,620.30	7,787.46	1,129.52	451.84	2.97	13.79	6.72	16.70	51.93	17,081.23	14.04	17,095.27

(a) Capitalised on revaluation of Company's freehold and leasehold land at net replacement basis, as on March 31, 2011, based on the report of an approved valuer.

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2012

10. NON-CURRENT INVESTMENTS

(Valued at cost unless stated otherwise)	No of Shares		Face value per share (Rs.)	As at	As at
	As at March 31, 2012	As at March 31, 2011		March 31, 2012	March 31, 2011
				Rs. in Lacs	Rs. in Lacs
Non-trade investments					
In fully paid up equity shares					
Quoted					
Ryam Commerce & Plantations Limited*	5,000	5,000	10	-	-
Orissa Sponge Iron & Steel Limited	550	550	10	0.05	0.05
Unquoted					
The Kutch Salt & Allied Industries Limited*	625	625	10	-	-
Udyog Services Limited*	2	2	100	-	-
In partly paid up equity shares					
P. T. Nalin, Indonesia* (Lying with a bank under lien as security against bank guarantee)	4,000	4,000	\$100	-	-
Trade investments					
In fully paid up unquoted equity shares					
Wagon India Limited*	1,500	1,500	10	-	-
				0.05	0.05
Aggregate amount of quoted investments				0.05	0.05
Aggregate amount of unquoted investments				-	-
Market value of quoted investments				1.65	1.55

* Carrying Value after write down - Re.1.00 (Re. 1.00)

11. DEFERRED TAX ASSETS (NET)

	As at March 31, 2012	As at March 31, 2011
	Rs. in Lacs	Rs. in Lacs
Deferred Tax Liability		
Timing difference on depreciable assets	394.57	430.63
	394.57	430.63
Deferred Tax Assets		
Expenses allowable against taxable income in future years	15.18	6.94
Brought forward losses and unabsorbed depreciation	859.70	1,288.47
	874.88	1,295.41
Net Deferred Tax Assets	480.31	864.78

In terms of Accounting Standard 22, net deferred tax asset of Rs 480.31 Lacs has been recognized in the accounts up to March 31, 2012, based on confirmed sales orders, which are expected to generate sufficient taxable profits in the future to set-off the above deferred tax asset. Deferred tax asset of Rs 998.70 Lacs (Rs 471.87 Lacs) has not been recognised in the accounts in terms of the accounting policy indicated in Note 2 (o) above.

12. LOANS AND ADVANCES

Unsecured, considered good unless stated otherwise

	Non-current (Long term)		Current (Short term)	
	As at March 31, 2012	As at March 31, 2011	As at March 31, 2012	As at March 31, 2011
	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs	Rs. in Lacs
Capital Advances	21.40	-	-	-
Security Deposits	29.14	30.98	-	-
Advance recoverable in cash or kind	-	-	277.27	1,659.38
Advance Income Tax/Tax Deducted at Source (Net of Provision)	-	-	214.73	539.90
Balance with statutory/government authorities	-	-	91.80	177.35
Prepaid expenses	-	-	14.05	7.30
Total	50.54	30.98	597.85	2,383.93

Advances recoverables in cash or kind includes :

i) Rs. 4.27 Lacs (Rs. NIL) due from an officer of the Company. Maximum amount due at any time during the year Rs 7.49 Lacs (Rs NIL).

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2012

		Current	
		As at March 31, 2012	As at March 31, 2011
		Rs. in Lacs	Rs. in Lacs
13. TRADE RECEIVABLES AND OTHER ASSETS			
13.1 TRADE RECEIVABLES			
Unsecured, considered good unless stated otherwise			
Outstanding for a period exceeding six months from the date they are due for payment		45.16	352.31
Other receivables		1,042.76	4,380.98
Total		1,087.92	4,733.29
13.2 OTHER ASSETS			
Unsecured, considered good unless stated otherwise			
Refunds and claims recoverable		4,899.34	5,051.75
Interest accrued on fixed deposits		22.09	43.28
Total		4,921.43	5,095.03
A) Refunds and claims recoverable includes the following :			
i) 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.			
ii) Rs 203.97 Lacs (Rs 203.97 Lacs) due from SBI Capital Markets Limited (SBI Caps) on account of Company's share of lease rental. The amount is retained by SBI Caps due to certain tax disallowances, which are contested by SBI Caps separately. Further, SBI Caps has claimed Rs 1128.95 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 29. The Company is pursuing the matter with SBI Caps and is hopeful to recover the dues.			
iii) Rs. 743.02 Lacs, net of Rs. 150.00 Lacs received under a 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 Honb'le 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.			
14. INVENTORIES			
(Valued at lower of cost and net realizable value)			
		As at March 31, 2012	As at March 31, 2011
		Rs. in Lacs	Rs. in Lacs
Raw materials & components		1,629.85	5,988.99
Work in progress		563.35	1,504.92
Finished goods		571.53	632.65
Stores & spares		360.47	502.62
Saleable Scrap		617.38	538.87
Total		3,742.58	9,168.05
15. CASH AND BANK BALANCES			
		Current	
		As at March 31, 2012	As at March 31, 2011
		Rs. in Lacs	Rs. in Lacs
Cash and cash equivalents			
Balances with banks :			
On current accounts		128.09	123.55
Deposits with original maturity of less than three months		573.15	-
Cash on hand		0.26	1.62
		701.50	125.17
Other bank balances			
Balances with banks :			
On unpaid debenture account		5.17	5.17
On unpaid fractional share entitlement		2.64	-
Deposits with original maturity for more than 3 months but less than 12 months		1,500.00	-
Margin money deposit @		75.54	3,253.90
		1,583.35	3,259.07
Total		2,284.85	3,384.24

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

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2012

	Year ended March 31, 2012 Rs. in Lacs	9 months ended March 31, 2011 Rs. in Lacs
16. REVENUE FROM OPERATIONS		
Revenue from operations		
Sale of finished products	21,099.42	10,589.49
Sale of raw materials & components	1,613.58	772.71
Sale of services	422.23	65.00
Other operating revenues		
Scrap sales	471.04	288.34
Others	45.03	66.48
Revenue from operations (gross)	23,651.30	11,782.02
Less: Excise duty	616.07	205.84
Revenue from operations (net)	23,035.23	11,576.18
Details of products sold		
Finisheds goods sold		
Wagons	21,010.10	10,557.69
Others	89.32	31.80
	21,099.42	10,589.49
Raw materials & components sold		
Steel	1,296.47	772.71
Components	317.11	-
	1,613.58	772.71
Details of services rendered		
Fabrication	422.23	65.00
	422.23	65.00
17. OTHER INCOME		
Interest Income on bank deposits	106.82	137.48
Dividend Income on current investments (Non Trade)	-	5.53
Net gain on sale of current investments (Non Trade)	-	0.20
Excess provisions written back	-	0.97
Debts written off in earlier years now recovered	-	145.57
Other non operating income	32.37	-
Total	139.19	289.75
18. COST OF RAW MATERIALS & COMPONENTS CONSUMED		
Opening stock	5,988.99	3,778.28
Add : Purchases	9,769.41	9,943.53
	15,758.40	13,721.81
Less: Closing stock	1,629.85	5,988.99
Less : Raw material & components written off (Note 33)	1,090.20	-
Cost of raw materials & components consumed	13,038.35	7,732.82
Details of raw materials & components consumed		
Bogie	4,320.33	1,755.67
Couplers with Draft Gear	2,183.37	729.98
Steel	74.03	43.42
Wheel sets	289.45	459.95
Other Components (b)	6,171.17	4743.8
	13,038.35	7,732.82

(a) The consumption figures shown above are after adjusting excess and shortages, if any, on physical count, unserviceable items, etc and excluding materials received from customers on free supply basis.

(b) It is not practicable to furnish information in view of the large number of items which differ in size and nature; each, however, being less than 10% in value of the total consumption figures.

NOTES TO FINANCIAL STATEMENTS

as at and for the year ended March 31, 2012

19. DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND SALEABLE SCRAP	Year ended March 31, 2012 Rs. in Lacs	9 months ended March 31, 2011 Rs. in Lacs
Closing Stock		
Finished Goods	571.53	632.65
Work in Progress	563.35	1,504.92
Saleable scrap	617.38	538.87
	1,752.26	2,676.44
Opening Stock		
Finished Goods	632.65	599.48
Work in Progress	1,504.92	1,493.11
Saleable scrap	538.87	682.83
	2,676.44	2,775.42
	924.18	98.98
DETAILS OF INVENTORIES		
Finished Goods		
Wagons	551.95	624.04
Others	19.58	8.61
	571.53	632.65
Work in Progress		
Wagons	486.74	1,446.04
Others	76.61	58.88
	563.35	1,504.92
Saleable scrap		
	617.38	538.87
	1,752.26	2,676.44
20. EMPLOYEE BENEFITS EXPENSES		
Salaries, wages and bonus	269.80	232.94
Contribution to provident & other funds	20.04	16.61
Gratuity Expense	8.72	-
Staff Welfare Expenses	21.51	14.26
Directors' Remuneration		
Remuneration to Managing and Whole Time Directors :		
- Salary, Wages, Bonus, etc	15.87	19.73
- Perquisites	-	2.15
- Contribution to Provident Fund	1.01	-
	16.88	21.88
Total	336.95	285.69
21. OTHER EXPENSES		
Consumption of stores & spares	1,632.84	609.05
Cost of raw materials & components sold	882.45	406.86
Job Processing and other Machining Charges (including contract labour charges)	951.20	476.33
Power & Fuel	204.40	113.01
Design & Development Expenses	5.59	4.64
Repairs and maintenance		
Plant & Machinery	13.05	31.86
Buildings	35.45	29.40
Others	3.61	24.89
Rent	33.75	30.43
Rates & Taxes	2.44	5.22
Insurance	9.75	9.02
Advertising and sales promotion	18.02	34.13
Brokerage and commission	0.75	0.28
Travelling and conveyance	62.82	48.25
Legal and professional fees	150.56	126.04
Directors sitting fees	7.10	4.40
Carried Forward	4,013.78	1,953.81

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2012

		Year ended March 31, 2012 Rs. in Lacs	9 months ended March 31, 2011 Rs. in Lacs
21. OTHER EXPENSES (Continued)			
	Brought Forward	4,013.78	1,953.81
Payment to Auditors			
As Auditor			
Audit fee	10.00		10.00
Limited reviews	9.00		3.00
In other capacity			
Other services (certification fees)	0.60		0.08
Reimbursement of expenses	0.34	19.94	0.52
Liquidated damages		181.51	-
Provision for Warranties		16.84	-
Loss on foreign exchange differences (net)		0.82	-
Irrecoverable debts/ advances written off		-	174.43
Loss on sale of fixed assets (net)		-	16.65
Miscellaneous expenses		180.47	92.26
Prior period expenses (net)		10.28	39.47
Total		4,423.64	2,290.22
22. FINANCE COSTS			
Interest Expense [Net of subsidy Rs 311.77 Lacs (Rs 68.15 lacs)]		882.40	135.30
Bank Charges		107.93	129.43
Total		990.33	264.73
23. EARNING PER SHARE (EPS)		Year ended March 31, 2012	9 months ended March 31, 2011
Present number of weighted average equity shares		2,01,48,526	2,01,48,526
Profit for the year (Rs in Lacs)		418.63	1,093.71
Nominal value shares (Rs)		10.00	10.00
Earning per share - Basic & Diluted (Rs.)		2.08	5.43*
* Not annualised			

24. GRATUITY AND OTHER POST EMPLOYMENT BENEFIT PLANS

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

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

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

	(Rs. in Lacs)			
	Gratuity (non-funded)		Leave (non-funded)	
	Year ended March 31, 2012	9 months ended March 31, 2011	Year ended March 31, 2012	9 months ended March 31, 2011
Statement of Profit and Loss				
Net employee benefit expenses recognized				
Current service cost	4.13	4.21	1.12	1.11
Interest cost on benefit obligation	0.82	0.59	0.70	0.65
Net actuarial (gains)/ losses recognised in the period	3.77	(5.77)	(1.20)	(0.34)
Net benefit expenses	8.72	(0.97)	0.62	1.42
Balance Sheet				
Net liability				
Present value of defined benefit obligations	18.04	9.32	11.89	11.59
Changes in the present value of the defined benefit obligations are as follows :				
Opening defined benefit obligations	9.32	10.29	11.59	10.17
Current service cost	4.13	4.21	1.12	1.11
Interest cost	0.82	0.59	0.70	0.65
Benefits paid	-	-	(0.32)	-
Actuarial (gains)/ losses on obligations	3.77	(5.77)	(1.20)	(0.34)
Closing defined benefit obligations	18.04	9.32	11.89	11.59

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2012

The principal assumptions used in determining gratuity and leave liability are shown below :

Discount rate	8.00%	8.00%	8.00%	8.00%
Rate of increase in salary	5.00%	5.00%	5.00%	5.00%
Expected average working life of the employees	14.23	14.02	14.23	14.02
Mortality table	Standard table LIC (1994 - 1996)			

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

Amounts for the current and previous periods are as follows :

	2011-12	2010-11	2009-10	2008-09	2007-08
Gratuity					
Defined benefit obligations	18.04	9.32	10.29	26.09	1386.32
Experience adjustments on plan liabilities	3.77	(5.77)	(22.79)	(115.16)	(231.93)
Leave					
Defined benefit obligations	11.89	11.59	10.17	7.61	124.45
Experience adjustments on plan liabilities	(1.20)	(0.34)	(6.03)	(117.81)	(32.98)
The amount provided for defined contribution plan are as follows :			Year ended March 31, 2012 Rs. in Lacs		9 months ended March 31, 2011 Rs. in Lacs
Provident fund			15.70		13.48
Employees' state insurance			5.35		3.13
Total			21.05		16.61

25. LEASES

The Company has taken certain office premises on non cancellable operating lease for a period of 3 years, which are renewable on expiry of the lease period at mutually acceptable terms.

	Year ended March 31, 2012 Rs. in Lacs		9 months ended March 31, 2011 Rs. in Lacs
Lease payment recognised in the statement of profit and loss under heading 'Rent'	30.90		23.78
Particulars of future lease payments are as under :	Upto 1 year	Later than 1 year and not later than 5 years	More than 5 years
Future lease payments	28.98	-	-
	(28.24)	(28.24)	-

26. SEGMENT INFORMATION

Business Segments : The Company has only one business segment, i.e., Wagon & Engineering Products and thus no further disclosures are required in accordance with Accounting Standard-17 notified by the Companies (Accounting Standards Rules), 2006 (as amended).

Geographical Segments : The Company primarily operates in India and therefore the analysis of geographical segments is demarcated into its Indian and Overseas Operations.

	Year ended March 31, 2012 Rs. in Lacs	9 months ended March 31, 2011 Rs. in Lacs
Geographical Segment Revenue		
Domestic (net of excise duty)	23,035.23	11,576.18
Overseas	-	-
Total	23,035.23	11,576.18

27. RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Holding Company	: Cimco Equity Holdings Private Limited
Joint Venturer of Holding Company	: Titagarh Wagons Limited
Key Management Personnel (KMPs)	: Mr. J P Chowdhary – Executive Chairman (with effect from May 10, 2011) Mr. Umesh Chowdhary – Vice Chairman & Managing Director Mr. J P Gupta - Executive Director (upto August 1, 2011) Mr. Manoj Jha, Managing Director (with effect from March 24, 2012) Dr. Vinay Mohan - Executive Director (with effect from May 10, 2011 upto March 31, 2012)
Relatives of KMPs	: Ms. Manju Gupta, Wife of Mr. J P Gupta
Enterprises over which KMP/ Shareholders/ Relatives have significant influence	: Titagarh Capital Private Limited (Formerly Flourish Securities and Finance Private Limited)

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2012

Details of transactions between the Company and related parties and outstanding balances are given below :

Rs in Lacs

Nature of transactions	Holding Company		Joint venturer of Holding Company		KMP		Relatives of KMP		Enterprise over which KMP/shareholders/relatives have significant influence		Total	
	31.3.12	31.3.11	31.3.12	31.3.11	31.3.12	31.3.11	31.3.12	31.3.11	31.3.12	31.3.11	31.3.12	31.3.11
Revenue from Operations (Gross)												
Titagarh Wagons Limited			1,498.65	(883.77)							1,498.65	883.77
Purchase of raw materials and components												
Titagarh Wagons Limited			4,329.48	(2,784.27)							4,329.48	(2,784.27)
Payment of Rent												
Ms. Manju Gupta							-	(2.70)			-	(2.70)
Directors Remuneration												
Mr. J P Gupta					3.90	(21.88)					3.90	(21.88)
Dr. Vinay Mohan					11.88	(-)					11.88	(-)
Mr. Manoj Jha					1.10	(-)					1.10	(-)
Refund of share application money												
Cimco Equity Holdings Pvt. Ltd.	-	(0.79)									-	(0.79)
Put option given to Lenders												
Titagarh Wagons Limited			-	(13,000.00)							-	(13,000.00)
Pledge of shares												
Cimco Equity Holdings Pvt. Ltd.	-	(1,439.57)									-	(1,439.57)
Loans received												
Titagarh Capital Private Limited									-	(7,319.00)	-	(7,319.00)
Loans refunded												
Titagarh Capital Private Limited									4,850.00	(-)	4,850.00	(-)
Balance outstanding as at the year end - Debit												
Titagarh Wagons Limited			2.55	(-)							2.55	(-)
Balance outstanding as at the year end - Credit												
Titagarh Wagons Limited			-	(2,013.26)							-	(2,013.26)
Mr. J P Gupta					-	(4.44)					-	(4.44)
Ms. Manju Gupta							-	(0.30)			-	(0.30)
Titagarh Capital Private Limited									2,469.00	(8,002.22)	2,469.00	(8,002.22)

28. CAPITAL AND OTHER COMMITMENTS

	As at March 31, 2012 Rs. in Lacs	As at March 31, 2011 Rs. in Lacs
Estimated amount of capital commitments (net of advances) remaining to be executed	<u>2.57</u>	<u>NIL</u>

29. CONTINGENT LIABILITIES

Disputed claims contested by the Company and pending at various courts.*	9,215.46	9,382.37
Matters under appeal with :		
Sales tax authorities	661.00	1,914.08
Income tax authorities	2,661.00	3366.22
Excise Authorities	366.15	436.78
Customs authorities	29.00	-
DGFT	6,423.00	2,122.00
Letters of Credit, Bills discounted and Bank Guarantees outstanding	2,991.57	8,167.70
Custom Duty on import of equipments and spare parts under EPCG-scheme	640.28	640.28

* Includes Rs 5034.56 Lacs (Rs 5034.56 Lacs) which in terms of BIFR order, even if decided against the Company, would stand at Rs 503.46 Lacs (Rs 503.46 Lacs) only.

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

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2012

30. VALUE OF IMPORTS CALCULATED ON CIF BASIS

Components	Year ended	9 months ended
	March 31, 2012	March 31, 2011
	Rs. in Lacs	Rs. in Lacs
	86.45	NIL

31. IMPORTED AND INDIGENEOUS RAW MATERIALS, COMPONENTS AND STORES & SPARES CONSUMED

	Year ended March 31, 2012		9 months ended March 31, 2011	
	Rs.in Lacs	% of total consumption	Rs.in Lacs	% of total consumption
Raw materials & components				
Imported	302.64	2.32%	-	-
Indigeneous	12,735.71	97.68%	7,877.41	100.00%
	13,038.35	100.00%	7,877.41	100.00%
Stores & spares				
Imported	-	-	-	-
Indigeneous	1,632.84	100.00%	609.05	100.00%
	1,632.84	100.00%	609.05	100.00%

32. In respect of the secured loans which have already been repaid in full by the Company and a Promoter Group Company in earlier period, Asset Reconstruction Company (India) Limited (ARCIL) has raised certain demands to the extent of Rs 1,800 lacs plus interest thereon. ARCIL has released all charges on the assets of the Company and has also invoked guarantee given by way of pledge of shares by the holding Company. The Company has already provided liability to the extent of cost of shares pledged by the holding company and expects no further payment in the matter. The Company is also pursuing with ARCIL to obtain "no due certificate", pending which no additional provision has been made in the accounts during the year.

33. Exceptional Items represent balances due since period prior to sanction of rehabilitation scheme by the Board for Industrial and Financial Reconstruction and consist of following:

	Year ended	9 months ended
	March 31, 2012	March 31, 2011
	Rs. in Lacs	Rs. in Lacs
Irrecoverable debts & advances written off	1,575.90	-
Raw materials & components written off	1,090.20*	-
Unspent/unclaimed liabilities written back	(190.11)	-
Finance charges	-	635.95
	2,475.99	635.95

* Represents amount written off (net of custom duty liability of Rs. 160 Lacs), considering the uncertainty involved in reclaiming the said inventory which are lying in the bonded warehouse since long.

34. Excise Duty & Cess on stocks represents differential excise duty and cess on opening and closing stock of finished goods and saleable scrap.

35. COMPARATIVES

Previous period's figures including those given in brackets have been rearranged where necessary to conform to the current period's classification under Revised Schedule VI as stated in Note 2 above. Further, the previous period's figures being for nine months are not comparable with the current period's figures, which are for twelve months.

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

per **R. K. Agrawal**
Partner
Membership No. 16667

Place : Kolkata
Dated : April 28, 2012

For and on behalf of the Board of Directors

J P Chowdhary
Executive Chairman

D N Davar
Director

Umesh Chowdhary
Vice Chairman

Ashis Toshniwal
Chief Financial Officer

Manoj Jha
Managing Director & CEO

Dipankar Ganguly
Company Secretary

PROXY FORM

REGD. FOLIO NO. : D.P.ID No.....

NO. OF SHARES : Client ID No.....

I/We

of

..... being a Member/Members of CIMMCO LIMITED

hereby appoint..... of.....

or failing him of.....

or failing him of.....

as my/our Proxy to attend and vote for me/us on my/our behalf at the 67th ANNUAL GENERAL MEETING of the Company to be held on Saturday, the 15th September, 2012 or at any adjournment thereof.



Signed this day of 2012

Signature Revenue Stamp

Note : The Proxy Form duly completed must reach/be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the meeting.



ATTENDANCE SLIP

Please complete the Attendance Slip and hand it over at the entrance of the Meeting Hall. Please also bring your copy of the Annual Report.

I hereby record my presence at the 67th ANNUAL GENERAL MEETING of the Company at "Kalakunj", 48, Shakespeare Sarani, Kolkata 700017 on Saturday, the 15th September, 2012 at 1.00 P.M.

REGD. FOLIO NO. : D.P.ID No.....

NO. OF SHARES : Client ID No.....

NAME OF THE SHAREHOLDER / PROXY (IN BLOCK LETTERS)
(If the Proxy attends, instead of Shareholder)

SIGNATURE OF THE SHAREHOLDER OR PROXY