



Cimmco Limited
Annual Report 2013-14

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CORPORATE INFORMATION*

Board of Directors

Shri J P Chowdhary	<i>Executive Chairman</i>
Shri Umesh Chowdhary	<i>Vice Chairman and Managing Director</i>
Shri D N Davar	<i>Independent Director</i>
Shri Anil Kumar Agarwal	<i>Nominee Director</i> <i>Cimco Equity Holdings Private Limited</i>
Shri Jagdish Kumar Shukla	<i>Independent Director</i>
Shri Rakesh Mohan Agarwal	<i>Non Executive Director</i>
Dr. G B Rao	<i>Independent Director</i>
Shri M J Z Mowla	<i>Independent Director</i>
Shri K S B Sanyal	<i>Independent Director</i>
Shri R N Tiwari	<i>Director (Works)</i>

Chief Financial Officer

Shri Raj Kumar Agarwal

Company Secretary

Shri Dipankar Ganguly

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

Nomination &

Remuneration Committee

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

Stakeholders'

Relationship Committee

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

Auditors

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

Bankers

ICICI Bank Limited
Syndicate Bank

Registered Office

cimmco Limited

CIN : L28910WB1943PLC168801

756, Anandapur, E M Bypass, Kolkata-700107

Telephone: +91 33 40190800

Fax: +91 33 40190823, Email: corp@cimmco.in

Works

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

Registrar and Transfer Agent (RTA)

Karvy Computershare Private Limited
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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Sixty-ninth Annual General Meeting of the members of CIMMCO LIMITED will be held at "Rotary Sadan", 94/2, Chowringhee Road, Kolkata-700020 on Thursday, the 11th of September, 2014 at 10.30 A.M. to transact the following businesses:

Ordinary Business :

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2014, the Reports of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Anil Kumar Agarwal (DIN: 01501767) who is a nominee of the holding company and retires by rotation at this Annual General Meeting pursuant to the provisions of Section 152 of the Companies Act, 2013 and being eligible, has offered himself for re-appointment.
3. To appoint a Director in place of Shri J. K. Shukla (DIN: 01780212) who retires by rotation at this Annual General Meeting pursuant to the provisions of Section 152 of the Companies Act, 2013 and being eligible, has offered himself for re-appointment.
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 LLP; Chartered Accountants of 22 Camac Street, Block C, 3rd Floor, Kolkata-700016 having Firm Registration No. 301003E, pursuant to the provisions of Section 139 of the Companies Act, 2013 read with the Rules made thereunder be and are hereby re-appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) until the conclusion of the Seventy First (71st) AGM of the Company (subject to ratification of their appointment at every AGM) 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 if any other than those referred to hereinabove and the remuneration so fixed may be paid at such intervals during the year as may be decided by the Board/Committee of the Board."

Special Business :

5. To appoint Shri J K Shukla as an Independent Director and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Clause 49 of the Listing Agreement, Shri Jagdish Kumar Shukla (DIN: 01780212), an

Independent Director of the Company since 31/03/2009 who retires by rotation at this Annual General Meeting and has offered himself for re-appointment, be and is hereby appointed as Independent Director of the Company to hold office for a term ending on the 31st March, 2019."

6. To appoint Shri M J Z Mowla as an Independent Director and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Clause 49 of the Listing Agreement, Shri M J Z Mowla (DIN: 01004409), an Independent Director of the Company since 08/11/2011 be and is hereby appointed as Independent Director of the Company to hold office for a term ending on the 31st March, 2019."
7. To appoint Shri K S B Sanyal as an Independent Director and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Clause 49 of the Listing Agreement, Shri K S B Sanyal (DIN: 00009497), an Independent Director of the Company since 24/03/2012 be and is hereby appointed as Independent Director of the Company to hold office for a term ending on the 31st March, 2019."
8. To appoint Dr. G B Rao as an Independent Director and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Clause 49 of the Listing Agreement, Dr. G B Rao (DIN: 00493992), an Independent Director of the Company since 31/03/2011 be and is hereby appointed as Independent Director of the Company to hold office for a term ending on the 31st March, 2019."
9. To consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:
"RESOLVED THAT pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the consent of the members be and is hereby accorded to payment of Rs. 45,000

NOTICE OF ANNUAL GENERAL MEETING

(Rupees Forty-Five Thousand only) as remuneration plus taxes as may be applicable and reimbursement of reasonable out of pocket expenses as may be incurred by the firm, to M/s. D. Radhakrishnan & Co.; Cost Accountants, 11-A Dover Lane, Flat No. B1/34, Kolkata-700029 appointed by the Board as Cost Auditors of the Company for the year 2014-15."

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

"RESOLVED THAT pursuant to the revised Clause 49 of the Listing Agreement and other enabling/applicable provisions of law as may be applicable and subject to such approvals, consents, permissions of the authorities as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors to enter into a contract or arrangement or Continuing Contract/Arrangement for purchase/sale of materials and/or supply of services between Titagarh Wagons Limited, holding company (TWL) and the Company from time to time during the three financial years ending on the 23rd May, 2017 with an estimated ceiling of Rs. 60 Crores per annum and on the terms and conditions as may be mutually agreed upon between the Board of Directors of TWL and the Company.

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

Place : Kolkata
Date : August 07, 2014
Registered Office :
756 Anandapur,
E M Bypass, Kolkata -700107

By Order of the Board of Directors
Dipankar Ganguly
Company Secretary

Notes :

- A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL, ON HIS BEHALF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies submitted on behalf of limited companies, societies etc. must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
- Proxies in order to be effective must be received by the Company at the registered office address not less than 48 hours before the commencement of the Annual General Meeting (AGM).
- The Register of Members and the Share Transfer Books of the Company will remain closed from the Saturday, the 6th September, 2014 to Thursday, the 11th September, 2014 (both days inclusive), for the purpose of holding the Annual General Meeting.
- 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.
Please note that as a member of the Company upon receipt of request, you will be entitled to receive free of cost, copy of such communications/documents/Annual Reports and all other documents required to be attached thereto.
- The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company.
- Details under Clause 49 of the Listing Agreement with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.
- Electronic copy of the Annual Report for 2014 is being sent to all the members whose email IDs are registered with the Company/ Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Annual Report for 2014 is being sent in the permitted mode.
- Electronic copy of the Notice of the 69th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip is being sent to all the members whose email IDs are registered with the Company/Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 69th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip is being sent in the permitted mode.
- Members may also note that the Notice of the 69th Annual General Meeting and the Annual Report for 2014 will also be available on the Company's website www.cimmco.in for their download. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost.

NOTICE OF ANNUAL GENERAL MEETING

10. Voting through electronic means

A. In compliance with provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 69th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services provided by National Securities Depository Limited (NSDL):

(a) **In case of Shareholders' receiving e-mail from NSDL**

- (i) Open the e-mail and open PDF file viz: "Cimmco e-Voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password for e-voting. Please note that the password is an initial password.
- (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
- (iii) Click on Shareholder - Login
- (iv) Put user ID and password as initial password noted in step (i) above. Click Login.
- (v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (vi) Home page of e-Voting opens. Click on e-Voting: Active Voting Cycles.
- (vii) Select "EVEN" of Cimmco Limited
- (viii) Now you are ready for e-Voting as Cast Vote page opens
- (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
- (x) Upon confirmation, the message "Vote cast successfully" will be displayed
- (xi) Once you have voted on the resolution, you will not be allowed to modify your vote
- (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail corp@cimmco.in in a copy marked to evoting@nsdl.co.in.

(b) **In case of Shareholders' receiving Postal Ballot Form by Post:**

- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM.

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

- (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.

B. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the Downloads section of www.evoting.nsdl.com.

C. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.

D. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

E. The e-voting period commences on 5th September, 2014 (9:00 am) and ends on 7th September, 2014 (6:00 pm). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date 8th August, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

F. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 8th August, 2014.

G. Messrs Sushil Goyal & Co., Company Secretaries have been appointed as the Scrutinizers to scrutinize the e-voting process in a fair and transparent manner.

H. The Scrutinizers shall within a period not exceeding three(3) working days from the conclusion of the e-voting period unblock the votes in the presence of at least two (2) witnesses not in the employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.

I. The Results shall be declared at or after the AGM of the Company. The Results declared alongwith the Scrutinizer's Report shall be placed on the Company's website www.cimmco.in and on the website of NSDL within two (2) days of passing of the resolutions at the AGM of the Company.

11. Members are requested to preferably send their queries to the Registered Office atleast 7 days before the date of the Annual General Meeting.

12. The documents pertaining to all the special businesses set out in the Notice are available for inspection at the Registered Office of the Company during 10.30 A.M. to 1.00 P.M. on all working days.

13. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

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

Items No. 5 to 8

Messrs J K Shukla, M J Z Mowla, K S B Sanyal and G B Rao were appointed as Independent Directors on 31st March, 2009, 8th November, 2011, 24th March, 2012 and 31st March, 2011 respectively.

NOTICE OF ANNUAL GENERAL MEETING

In terms of Section 149 of the Act, the above named directors being eligible for appointment are proposed to be appointed as Independent Directors for a term upto 31st March, 2019. In the opinion of the Board, the aforesaid Directors fulfill the conditions specified in the Act and rules made thereunder for their respective appointment as Independent Directors of the Company.

Shri J K Shukla aged 71 years, is a retired executive of Life Insurance Corporation of India (LIC), with vast experience and expertise in corporate management.

Shri M J Z Mowla aged 69 years, is B.A. (Hons), LLB. He has expertise in legal, corporate and General Management with about 44 long years of experience and has served Bata Limited in the past.

Shri K S B Sanyal aged 82 years, holds master Degree in English Literature and is also CBIM, FIP (London). He was Chairman of Andrew Yule & Company Limited and Tide Water Oil Co. India Limited. He has over 44 years of experience as a Professional Manager. He was also Sheriff of Kolkata (1986-87).

Dr. G B Rao, aged 70 years has 49 years experience in senior positions in finance, legal and general management. He is B.Com., a 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 is professionally associated with other prestigious Authorities/Bodies.

The Board considers that the above named Directors' continued association as Independent Directors would be of immense benefit to the Company. Notices in writing under Section 160 of the Act have been received from members signifying intention proposing the candidature of the aforesaid Directors. Accordingly, the Board recommends the resolutions at Items No. 5 to 8 for the approval by the shareholders of the Company.

Except the above named directors, being the appointees, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested, financial or otherwise, in the resolution set out at the Items No. 5 to 8.

Item No. 9

The Company with the recommendation of Audit Committee and approval of the Board at its meeting held on 24th May, 2014, has appointed M/s. D. Radhakrishnan & Co.; Cost Accountants, 11-A Dover Lane, Flat No. B1/34, Kolkata-700029 as Cost Auditor of the Company for the financial year 2014-15 at a remuneration of Rs. 45,000 (Rupees Forty-Five Thousand) Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014 the remuneration of the Cost Auditor, duly approved by the Board shall be ratified by the consent of Shareholders.

The Board recommends the resolution set forth in Item No. 9 above for approval of the members. None of the Directors or Key Managerial Personnel (KMP) or their relatives is in any way concerned or interested in the Resolution.

Item No. 10

Titagarh Wagons Limited (TWL) and the Company propose to enter into transactions of sale/purchase of certain materials and/or provide services related thereto for manufacture of Wagons/products in the ordinary course of business under a continuing contract/arrangement. As TWL is a 'related party' within the meaning of Section 2(76) of the Act, the transaction requires the approval of members by a special resolution under Clause 49 of the Listing Agreement and other enabling/applicable provisions of law. The particulars of such contract/arrangement are as under :

1. Name of related party : Titagarh Wagons Limited
2. Name of the director or key managerial personnel who is related: Shri J P Chowdhary and Shri Umesh Chowdhary
3. Nature of relationship: Titagarh Wagons Limited (TWL) is the holding company and Shri J P Chowdhary, Shri Umesh Chowdhary and Shri D N Davar are common board members.
4. Monetary value: Estimated annual value of materials/services in aggregate not to exceed Rs.60 crore
5. Nature, material terms and particulars of the contract/arrangement:
 - a) Delivery terms : Ex-works of Cimmco
 - b) Freight charges : To be paid by TWL
 - c) Packing charges : To be paid by Cimmco
 - d) Loading charges : To be paid by Cimmco
 - e) Payment : 30 days
 - f) Amount payable will include all taxes as applicable
 - g) Other terms and conditions as may be mutually agreed by TWL and Cimmco
 - h) The terms and conditions stated above are standard in nature and subject to mutually agreed modifications in accordance with purchase order/requisition.

Period: Continuing: Starting from 24th May, 2014 to 23rd May, 2017 unless and until otherwise determined / terminated.

Financial Extent / Limit of Contract : Continuing contract with a ceiling of supply value of Rs.60 crores per year .

The Board recommends the resolution set forth in Item No. 10 above for approval of the members. None of the Directors or Key Managerial Personnel (KMP) or their relatives except Shri J P Chowdhary and Shri Umesh Chowdhary, is in any way concerned or interested in the Resolution.

Place : Kolkata
Date : August 07, 2014
Registered Office :
756 Anandapur,
E M Bypass, Kolkata -700107

By Order of the Board of Directors
Dipankar Ganguly
Company Secretary

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

Particulars	Shri J K Shukla	Shri M J Z Mowla	Dr G B Rao	Shri K S B Sanyal	Shri Anil Kumar Agarwal
Date of Birth	01/07/1943	15/03/1945	18/03/1944	01/12/1932	05/07/1975
Date of Appointment	31/03/2009	08/11/2011	31/03/2011	24/03/2012	14/03/2010
Qualification	Master in Arts (M.A.)	B.A (Hons), LLB.	B.Com, a fellow member of ICAI, ICWAI, ICAI, IIFT, IIA, IIA (USA) and member of "Core Group on Corporate Governance Audit" Government of India Ministry of Company Affairs	Master Degree in English Literature and is also CBIM, FIP (London)	B.Com, Chartered Accountant and Cost Accountant
Expertise in specific Functional Areas	He is a retired executive of Life Insurance Corporation of India (LIC), with vast experience and expertise in corporate management.	He has expertise in legal, corporate and General Management with about 44 long years of experience and has served Bata Limited in the past.	He has 49 years experience in senior positions in finance, legal and general management.	He has over 44 years of experience as a Professional Manager. He was also Sheriff of Kolkata (1986-87).	He has over 20 years of experience in management field
Directorship held in other companies (excluding foreign companies)	Nil	Nil	- Sandhar Technologies Barcelona SL - Mars Finance and Consultancy Services Limited - Sai Krishna Capital Limited - Suja Global Solutions Limited - G B Capital Private Limited Landmark Property Development Limited - Advance Metering Technology Limited	- Phillips Carbon Black Limited - IFGL Refractories Limited - IFGL Exports Limited - Woodlands Multispecialty Hospitals Limited	- Greysam and Co. Private Limited - Cimco Equity Holdings Private Limited - Titagarh Papers Limited - Bhatpara Papers Limited - Titagarh Agrico Private Limited
Membership/ Chairmanship of committees of other companies (including only Audit Committee and Shareholders/ Investors Grievance Committee)	Nil	Nil	Nil	Nil	Shareholders' Grievance Committee Bhatpara Papers Limited
No. of Shares held in the Company	Nil	Nil	Nil	Nil	Nil

DIRECTORS' REPORT

Dear Shareholders,

Your Directors present the 69th Annual Report, together with the audited accounts of the Company for the financial year ended March 31, 2014.

Financial Results

The performance of your Company during the financial year ended the 31st March, 2014 was as follows.

(Rs. in lacs)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Turnover	13,236.27	10,276.19
Profit/(Loss) before Extra-ordinary Items & Tax	450.64	(1,195.25)
Less/Add: Exceptional Items	1,250.00	(235.95)
(Loss) before Taxation	(799.36)	(959.30)
Deferred Tax Assets Reversed/Charge	439.34	40.97
(Loss) after Taxation	(1,238.70)	(1,000.27)
(Loss) brought forward from previous year	(2,592.72)	(1,592.45)
(Loss) carried to Balance Sheet	(3,831.42)	(2,592.72)
Reserves & Surplus	13,694.51	15,046.76
Earnings per Share (Rs.)	(6.15)	(4.96)

Dividend

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

Review of Operations and Future Outlook

During the financial year ended the 31st March, 2014 Wagon production at 644 Wagons was higher by about 21% as compared to 532 units and sales volume of 652 against 524 in the previous financial year was up by about 24%. Revenue from operations at Rs.10,456.24 lacs during the fiscal under review increased by about 12% as compared to Rs.9301.61 lacs in the FY 2012-13. However, your Company requires substantially larger quantity of wagons procurement order than that placed by the Indian Railways during the financial year ended March 31, 2014 to achieve reasonably sustainable financial results. Exceptional item of Rs.1250 lacs representing the settlement of all dues of an institution which participated as the then largest secured lender in the Scheme of Rehabilitation of the Company, charged to Profit before tax of Rs.450.64 lacs for the FY 2013-14 resulted in loss before tax of Rs.799.36 lacs.

As part of your Company's endeavor to mitigate the risk of predominant dependence on business from Indian Railways, a joint

venture has been entered into with two group companies for manufacture of tractors/agriculture implements at Bharatpur plant which is under implementation while development of other products within the core competencies of your Company is receiving consistently focused attention.

With uncertainty in wagons procurement by the Indian Railways persisting, the outlook for the current year is cautious.

Authorised Capital and Issue of Preference Shares

In June, 2014 your Company's authorised capital has been reclassified and then increased from Rs.50 crore of equity to Rs.50 crore of Preference Shares and Rs.25 crore of equity divided into 2,50,00,000 equity shares and 5,00,00,000 preference shares of Rs.10/- each to facilitate issue and allotment of 8% Non Convertible Non Cumulative Preference Shares of Rs.10/- each aggregating Rs.40 crore to the promoter group entities.

Consequent to conversion of securities held by Titagarh Wagons Limited (TWL) in the Company's holding company: Cimco Equity Holdings Private Limited, your Company has become a step down subsidiary of TWL on and from April 15, 2014.

DIRECTORS' REPORT

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 Anil Kumar Agarwal and Shri J. K. Shukla, Directors retire by rotation pursuant to the provisions of the Companies Act, 2013 ('the Act') and are eligible for reappointment. Messrs J K Shukla, K S B Sanyal, M J Z Mowla and G B Rao are proposed to be reappointed as Independent Directors at the ensuing Annual General Meeting (AGM) in accordance with the provisions of Sections 149 and 152 of the Act read with the rules made thereunder and the Clause 49 of the Listing Agreement with the Stock Exchanges concerned.

The information prescribed by Clause 49 of the Listing Agreement in respect of the above said Directors is given in the Notice of AGM.

Directors' Responsibility Statement

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

- (a) in preparation of the annual accounts for the financial year ended March 31, 2014 the applicable accounting standards have been followed and proper explanations relating to material departures, if any, have been provided;
- (b) the accounting policies selected and applied are consistent and the judgments and estimates made are reasonable and prudent so as 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 Loss 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.

Statutory Auditors & Auditor's Report

Messrs S R Batliboi & Co. LLP, Chartered Accountants, Auditors of the Company retire at the conclusion of ensuing 69th AGM and willing to continue, they have issued a certificate about their eligibility for reappointment until the conclusion of 71st AGM pursuant to the provisions of Section 139 of the Companies Act, 2013.

As regards the qualified opinion expressed by the Statutory Auditors, the Note 13.2 in the relevant notes on the financial statement (the Notes) is self explanatory requiring no further specific response from the Directors at this stage. The Company with its persistently diligent efforts is reasonably confident of recovering the entire amount receivable and address the issue in due course. The observation in the Annexure to the Auditor's Report regarding the Company's accumulated losses and cash losses has since been redressed by infusion of funds by the promoters through subscription to the capital of your Company (the Note 35 in the Notes).

Cost Auditors

Messrs D. Radhakrishnan & Co., Cost Accountants have been reappointed as Cost Auditors to conduct cost audit of the accounts maintained by the Company in respect of the products manufactured by the Company, for the Financial Year 2014-15 subject to ratification of their remuneration by the shareholders in accordance with the provisions of Section 148 of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014. The Cost Audit Report for the financial year ended 31st March, 2013 have been filed as stipulated by the applicable provisions of law.

Public Deposits

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

DIRECTORS' 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, 2015 have been duly paid.

Disclosures

1. **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.

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

Acknowledgements

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

Place : Kolkata
Date : August 7, 2014

On behalf of the Board

J. P. Chowdhary
Executive Chairman

ANNEXURE A

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

Particulars	
Name of the Employee	Shri Ram Narayan Tiwari
Designation	Director (Works)
Remuneration Received (Rs. in lakhs)	17.35
Nature of employment	Contractual
Nature of duties of employee	Managing the day to day affairs of the Factory
Qualifications	M.Com., L.L.B., D.LL
Experience (Years)	43
Date of commencement of employment	25-02-2013
Age (Years)	63
Last employment held	Cimmco Ltd.
Number and % of equity shares held in the Company	NIL

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 would result in saving of non renewable sources of power and energy which are scarce and expensive in the country and thus would 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)	2013-14	2012-13
i) Electricity Purchased		
Units (Kwh)	1132290	1248513
Total Amount (Rs. in lacs)	82.08	88.96
Rate/Unit (Rs. in lacs)	7.25	7.13
ii) Furnace Oil/LDO/LVFO		
Quantity (K Litres)	10500	25099.00
Total cost (Rs. in lacs)	5.76	11.72
Average rate (Rs.)	54.89	46.70

b) Consumption per unit of production

Products	Standards (if any)	2013-14	2012-13
No. of Wagons produced		644	532
Electricity (Kwh) per			
Wagon manufactured		1755.49	2346.83
HSD Oil (Ltrs)		16.28	47.18

B. TECHNOLOGY ABSORPTION

1. Efforts made in technology absorption

a) 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 would be carried out in due course.

4. Expenditure on R & D : (Rs./lacs)

	2013-14
Capital	Nil
Recurring	Nil
Total	Nil
Total R & D expenditure as a percentage of total turnover	N.A.

b) Technology absorption, adaptation and innovation

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

The Company is in the process of introducing 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 and earned is NIL.

Place : Kolkata
Date : August 7, 2014

On behalf of the Board
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, 2014 improved, however much larger quantity of wagons is required to achieve reasonably sustainable financial numbers. Loss before tax is due to an exceptional item of Rs.1250 lacs charged to Profit before tax of Rs.450.64 lacs.

BUSINESS SEGMENTS

Wagons

- Industry Outlook: As per the Railway Budget announced in July, 2014, plan outlay of Rs. 64,305 crore during 2014-15 is the highest ever set by the Government of India. Apart from expansion in logistics, focus on safety and environment protection through Green initiatives, strengthening of Railway Tariff Regulatory Authority are noteworthy. Rising oil prices would necessitate cost effective movement of cargo by rail to create consistently continuing reasonable demand for Wagons in future.
- Opportunities: Rail is expected to be the preferred mode of movement of cargo being an effective and more economical mode of carrying goods across the country. The Government's plans to expand the railway network and the project of dedicated freight corridors if implemented in right earnest, Wagon industry offers substantial opportunity which can be seized particularly by the established units to fullest extent.
- Challenges: Uncertainty in timely placement of wagons procurement orders by Indian Railways and availability of funds coupled by the stressed margins due to unhealthy competition in the industry besides rising cost of inputs are major challenges for Wagon Industry in India. The dependence on one customer i.e. Indian Railway 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, 2014	March 31, 2013	% Change
Production of Wagons	No.	644	532	21.05
Sales	No.	652	524	24.43
Average Realisation	Rs.Lacs/No.	16.04	18.18	-11.77

Review of operations : Performance of the Wagons segment has been affected adversely due to placing by Indian Railway of order for substantially lower quantity coupled with lower sale realization per unit during the year under review.

- Uncertainty persists with regard to placement of wagons procurement order by the Indian Railways even as development of markets for other products takes substantial time and hence the outlook for current fiscal is cautious.

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

- 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.
- 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 Audit Committee and management discuss and propose risk mitigation for consideration of the Board to evolve an adequate risk management framework.

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 also 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

The facilities of the Company at Bharatpur plant were under-utilized during the financial year 2013-14 due to insufficient order for Wagons affecting the operational and financial performance accordingly.

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 on building up the teams at different verticals for realizing the optimum potential of the Company. As on March 31, 2014 the Company had 145 employees on 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.

On behalf of the Board

Place : Kolkata

Date : August 7, 2014

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, 2014 (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.	Name of the Director	Category	No. of Board Meetings attended	Attendance at previous AGM on 26/08/2013	No. of other Directorship held	Chairmanship in other Committees	Membership in other Committees
						Chairman	Member
1.	Shri J P Chowdhary DIN : 00313685	Promoter & Executive Chairman	5	Present	9	Nil	1
2.	Shri Umesh Chowdhary DIN : 00313652	Promoter & Vice Chairman & Managing Director	4	Present	9	Nil	2
3.	Shri Anil Kumar Agarwal DIN : 01501767	Non Executive (Nominee of CEHPL)	5	Present	5	Nil	2
4.	Shri J K Shukla DIN : 01780212	Independent & Non-Executive	3	Present	-	2	Nil
5.	Shri D N Davar DIN : 00002008	Independent & Non-Executive	5	Present	14	5	5
6.	Dr. G B Rao DIN : 00493992	Independent & Non-Executive	1	Absent	7	Nil	Nil
7.	Shri R M Agarwal DIN : 02338597	Independent & Non-Executive	-	Absent	-	Nil	Nil
8.	Shri M J Z Mowla DIN : 01004409	Independent & Non-Executive	4	Absent	-	Nil	1
9.	Shri K S B Sanyal DIN : 00009497	Independent & Non-Executive	4	Present	4	Nil	1
10.	Shri R N Tiwari DIN : 06510376	Director (Works)	Nil	Present	-	Nil	Nil

Notes :

- Shri Umesh Chowdhary is son of Shri J P Chowdhary.
- Independent Directors meet with criteria of their independence as mentioned in Clause 49 (I)(A)(iii) of the Listing Agreement.
- Other Directorship do not include alternate directorship, directorship of private limited companies, Section 25 companies and of companies incorporated outside India.
- Chairmanships/Memberships of Board Committees include Audit and Shareholders/Investors Grievance Committees only.

B. Board Meetings held during the Financial Year ended the 31st March, 2014

Five (5) meetings of the Board of Directors were held: on 13th May, 2013, 20th May, 2013 (Adjourned meeting of 13th May, 2013) 5th August, 2013, 9th November, 2013 & 27th January, 2014 during the financial year ended March 31, 2014.

C. Appointment/Reappointment of Directors

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

3. Board Committees

A. Audit Committee

The Audit Committee comprises Shri D N Davar, Shri J K Shukla, Shri Anil Kumar Agarwal and Shri K S B Sanyal. Shri J P Chowdhary and Shri Umesh Chowdhary 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 Dipankar Ganguly, Company Secretary acts as the Secretary to the Audit Committee. The role and duties of the Audit Committee have been defined by the Board of Directors under Section 177 of the Companies Act, 2013 and cover the areas mentioned under Clause 49 of the Listing Agreement (as amended from time to time).

CORPORATE GOVERNANCE REPORT

Terms of Reference of Audit Committee are broadly as follows :

The Audit Committee is responsible for:

- Overseeing the Company's financial reporting process and disclosure of its financial information;
- Recommending the appointment of the Statutory Auditors and fixation of their remuneration;
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors;
- Reviewing and discussing with the Statutory Auditors and the Internal Auditor about internal control systems;
- Reviewing the adequacy and independence of the Internal Audit Function and observations of the Internal Auditor;
- Reviewing major accounting policies and practices and adoption of applicable Accounting Standards;
- Reviewing major accounting entries involving exercise of judgment by the Management;
- Disclosure of Contingent Liabilities;
- Reviewing, if necessary, the findings of any internal investigations by the Internal Auditors and reporting the matter to the Board;
- Reviewing the risk management mechanisms of the Company;
- Reviewing compliance with Listing Agreement and various other legal requirements concerning financial statements and related party disclosure;
- Reviewing the Quarterly and Half-yearly financial results and the Annual financial statements before they are submitted to the Board with particular reference to:
 - Matters required to be included in the Directors Responsibility Statement to be included in the Board of Directors report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment of management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Disclosure of any related party transactions;
 - Qualifications in the draft audit report;
- Reviewing the operations, new initiatives, and performance of the business divisions;
- Looking into the reasons for substantial defaults in payments to depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors, if any;
- Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors

Attendance of the Directors at the Audit Committee Meetings held :

Sl. No.	Name of the Director	Date of Audit Committee Meetings				
		13.05.13	20.05.13 (adjourned meeting of 13.05.13)	05.08.13	09.11.13	27.01.14
1.	Shri J. K. Shukla	Absent	Absent	Present	Present	Present
2.	Shri Anil K Agarwal	Present	Present	Present	Present	Present
3.	Shri D N Davar	Present	Present	Present	Present	Present
4.	Shri K S B Sanyal	Present	Present	Present	Absent	Present

B. Remuneration Committee

Shri D N Davar is Chairman of the Remuneration Committee with Shri J K Shukla and Shri M J Z Mowla being the other members.

There was no meeting of Remuneration Committee held during the financial year ended March 31, 2014.

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.

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 31.03.2014 and their shareholding in the Company. (Rs. in lakhs)

Sl.	Name of the Director	Number of Shares held	Salary & Perquisites	Sitting Fees	Total Amount
1.	Shri Anil K Agarwal	NIL	-	0.90	0.90
2.	Shri J. K. Shukla	NIL	-	0.90	0.90
3.	Shri M J Z Mowla	NIL	-	0.60	0.60
4.	Shri D N Davar	NIL	-	1.30	1.30
5.	Dr. G B Rao	NIL	-	0.10	0.10
6.	Shri K S B Sanyal	NIL	-	0.60	0.60
7.	Shri R N Tiwari	NIL	17.35	-	-
	Total	Nil	17.35	4.40	4.40

CORPORATE GOVERNANCE REPORT

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

Pursuant to revised Clause 49 of Listing Agreement and the provisions of the Companies Act, 2013, the Committee discharges the functions of Remuneration & Nomination Committee stipulated thereby and as such Nomination Committee has been merged into it and the Committee has been renamed Remuneration & Nomination Committee by the Board of Directors at its meeting held on May 24, 2014.

C. Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee is headed by Shri J K Shukla with Shri Umesh Chowdhary and Shri M J Z Mowla being the other members. Shri D N Davar is a Special Invitee to all the meetings of the Committee.

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

Name of the Director	Date of Shareholders'/Investors' Grievance Committee Meetings			
	13.05.13	05.08.13	09.11.13	27.01.14
Shri J K Shukla	Absent	Present	Present	Present
Shri Umesh Chowdhary	Present	Present	Present	Absent
Shri D N Davar (Special Invitee)	Present	Present	Present	Present
Shri M J Z Mowla	Present	Present	Absent	Present

During the year ended March 31, 2014 the Company received 42 complaints from investors which have been duly attended to and resolved by Karvy Computershare Pvt. Ltd., RTA of the Company. No investors' grievance was pending as at March 31, 2014. There was no Investor complaint pending against the Company as at March 31, 2014 on SCORES, web based complaint redressal system of SEBI.

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, is Compliance Officer.

Pursuant to the revised Clause 49 of Listing Agreement and the provisions of the Companies Act, 2013, the Committee discharges the functions stipulated thereby and has therefore been renamed Stakeholders' Relations Committee by the Board of Directors at its meeting held on May 24, 2014.

D. Nomination Committee

The Nomination Committee is headed by Shri D N Davar and Shri M J Z Mowla and Shri K S B Sanyal are the other members.

There was no meeting of Nomination Committee held during the financial year ended on 31st March, 2014

The Committee has been merged into Remuneration Committee by the Board at its meeting held on 24th May, 2014.

E. Committee of Directors

The Committee of Directors consists of four members namely Shri J P Chowdhary, Shri Umesh Chowdhary, Shri D N Davar and Shri Anil Kumar Agarwal.

Attendance of the Directors at the Committee of Directors meeting held :

Sl. No.	Name of the Director	Date of Meeting of Committee of Directors	
			26.08.13
1.	Shri J P Chowdhary		Present
2.	Shri Umesh Chowdhary		Present
3.	Shri D N Davar		Present
4.	Shri Anil Kumar Agarwal		Present

F. Internal Complaints Committee

The Committee has been formed by the Board as per the requirement of Section 4 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Committee is headed by Smt. Vinita Bajoria as Presiding Officer and Smt. Zinia Mitra Bose, Smt. June Coelho and Smt. Indira Lily Pichler -Member representing Family India Foundation & Calcutta Marudyan, NGO are the other members. There was no complaint of any issue falling under the purview of the Committee during the financial year ended March 31, 2014.

4. General Body Meetings

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

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

Particulars of last three AGMs :

No. of AGM	Year	Venue	Date	Time	Special Resolution passed
68th	2013	Kala Kunj, Kala Mandir, 48, Shakespeare Sarani, Kolkata 700 017	26.08.2013	10.00 AM	2
67th	2012	Kala Kunj, Kala Mandir, 48, Shakespeare Sarani, Kolkata 700 017	15.09.2012	1.00 PM	2
66th	2011	Kala Kunj, Kala Mandir, 48, Shakespeare Sarani, Kolkata 700 017	05.12.2011	3.00 PM	3

CORPORATE GOVERNANCE REPORT

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, 2014 are set out in the Notes to Financial Statements forming part of the Annual Report. The related party transactions were effected at an arm's length basis and do not conflict with the interest of the Company at large.

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.

vii) All the information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board of Directors for its consideration.

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

Code of Conduct for Independent Directors

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

Whistle Blower Policy/Vigil Mechanism

The Policy as mandated by Clause 49 of the Listing Agreement and Section 177 of the Companies Act, 2013, has been duly adopted by Board on April 12, 2014 for the safeguard of employees and Directors. The mechanism is processed under the surveillance of Audit Committee. No personnel have been denied access to the Audit Committee. Vigil Mechanism Policy is available on the website of the Company - www.cimmco.in.

6. Means of Communication

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

7. General Shareholder Information

A. Annual General Meeting

Day, Date & Time : Thursday, 11.09.2014 at 10:30 A.M

Venue : Rotary Sadan, 94/2, Chowringhee Road, Kolkata 700 020.

B. Financial Calendar

The tentative financial calendar for the current financial year, i.e. April 01, 2014 to March 31, 2015 is set out below :

Schedule for the Financial Year (FY) 2014-15

Publication of	Schedule
Un-Audited Financial Results Quarter ended June 2014	August 07, 2014
Un-Audited Financial Results Quarter ended September 2014	October-November, 2014
Un-Audited Financial Results Quarter ended December 2014	January-February, 2015
Audited Financial Results for Financial Year 2014-15	April- May, 2015

C. Book Closure

The period of Book Closure is from Saturday, 6th September, 2014 to Thursday, 11th September, 2014 (both days inclusive).

CORPORATE GOVERNANCE REPORT

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 transferred 92551 Nos. of Equity Shares in Unclaimed Suspense Account opened with Karvy Stock Broking Ltd. in Electronic format. i.e. transferring the same in Demat Account.

F. Listing on Stock Exchanges

The equity shares of the Company are listed at 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 2014-15 have been duly paid. The shares of the Company are traded at BSE and NSE.

Stock Code

The codes assigned to the equity shares of the Company by NSE, BSE 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 are shown in the Chart below.

Monthly High-Low at BSE

Month	High (Rs.)	Low (Rs.)	Volume (in Nos.)	Sensitive Index	
				High	Low
April, 2013	25.00	15.80	6,701	19,622.68	18,144.22
May, 2013	25.00	16.25	5,490	20,443.62	19,451.26
June, 2013	21.00	16.25	1,695	19,860.19	18,467.16
July, 2013	18.10	12.60	1,087	20,351.06	19,126.82
August, 2013	14.70	14.00	281	19,569.20	17,448.71
September, 2013	14.70	11.80	713	20,739.69	18,166.17
October, 2013	16.10	10.95	2,749	21,205.44	19,264.72
November, 2013	19.00	13.70	2,999	21,321.53	20,137.67
December, 2013	20.50	17.50	56,021	21,483.74	20,568.70
January, 2014	21.00	16.55	54,956	21,409.66	20,343.78
February, 2014	17.85	15.60	6,552	21,140.51	19,963.12
March, 2014	17.00	13.25	38,340	22,467.21	20,920.98

Monthly High-Low at NSE

Month	High (Rs.)	Low (Rs.)	Volume (in Nos.)	CNX-NIFTY	
				High	Low
April, 2013	28.55	18.35	4,095	5,962.30	5,477.20
May, 2013	21.05	17.50	573	6,229.45	5,910.45
June, 2013	20.95	17.35	626	6,011.00	5,566.25
July, 2013	20.85	18.00	1,637	6,093.35	5,675.75
August, 2013	18.00	17.00	246	5,808.50	5,254.05
September, 2013	16.15	14.60	70	6,142.50	5,318.90
October, 2013	14.60	14.50	337	6,309.05	5,700.95
November, 2013	16.80	13.80	1,583	6,342.95	5,972.45
December, 2013	20.10	17.00	16,740	6,415.25	6,129.95
January, 2014	20.25	19.00	1,459	6,358.30	6,027.25
February, 2014	18.30	14.05	5,080	6,282.70	5,933.30
March, 2014	14.75	13.15	6,113	6,730.05	6,212.25

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

CORPORATE GOVERNANCE REPORT

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- 40-4465 5000, Fax : +91-40-2342 0814, E-mail for Investors : einward.ris@karvy.com

I. Share Transfer System

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

J. Distribution of Shareholding

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

Shareholding Pattern as at March 31, 2014 (Category)

Category of Shareholders	Mode of Holding Shares		Total Shareholding	
	Physical	Demat	Number	%
Promoters and Promoter Group	-	1,50,95,345	1,50,95,345	74.92
Bodies Corporate	3,91,325	17,05,600	20,96,925	10.40
Financial Institutions/Banks	1,21,310	9,58,477	10,79,787	5.36
Mutual Funds	1,000	784	1,784	0.01
Trust	680	50	730	
NRIs	377	15,056	15,433	0.07
Individuals	3,21,927	15,22,983	18,44,910	9.17
Clearing Members	-	13,612	13,612	0.07
Total	8,36,619	1,93,11,907	2,01,48,526	100.00

Distribution of Shareholding as on March 31, 2014

Range of Shares	Folio/Client ID		Shareholding	
	Number	%	Number	%
Up to 5000	47,859	99.29	6,82,916	3.39
From 5001 to 10,000	155	0.32	1,18,230	0.58
From 10,001 to 20,000	67	0.14	1,02,427	0.51
From 20,001 to 30,000	35	0.07	86,179	0.43
From 30,001 to 40,000	17	0.04	60,502	0.30
From 40,001 to 50,000	11	0.02	49,861	0.25
From 50,001 to 1,00,000	18	0.04	1,34,419	0.67
1,00,001 and above	37	0.08	1,89,13,992	93.87
Total	48,199	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, 2014 are as follows :

Shareholding in Demat & Physical modes as on March 31, 2014

NSDL		CDSL		Physical		Total	
No. of Shares	% of Capital	No. of Shares	% of Capital	No. of Shares	% of Capital	No. of Shares	% of Capital
1,90,01,833	94.31	3,10,074	1.54	8,36,619	4.15	2,01,48,526	100

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

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

M. Plant Location

Mal Godown Road, Bharatpur 321001, Rajasthan

CORPORATE GOVERNANCE REPORT

N. Address for Correspondence

Company	RTA
Registered Office : 756, Anandapur E M Bypass Kolkata 700 107 Phone : 91 33 4019 0800 Fax : 91 33 4019 0827 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- 40-4465 5000 Fax : +91-40-2342 0814 E-mail for Investors : einward.ris@karvy.com

Place : Kolkata
 Date : August 07, 2014

For and on behalf of Cimmco Limited
J. P. Chowdhary
Executive Chairman

Declaration Affirming Compliance of Provisions of the Code of Conduct

To the best of my knowledge and belief and on the basis of declarations given to me, I hereby affirm that all the Board members and the senior management personnel have fully complied with the provisions of the Code of Conduct for Directors and Senior Management Personnel during the financial year ended 31st March, 2014.

Place : Kolkata
 Date : August 07, 2014

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 year ended on 31st March 2014, 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 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 our 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 Clause 49 of the Listing Agreement.

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

Place : Kolkata
 Date : August 07, 2014

For **Sushil Goyal & Co.**
Company Secretaries
Sushil Kumar Goyal
Proprietor
 CP No. : 8289
 FCS : 3969

INDEPENDENT AUDITOR'S REPORT

To

The Members of Cimmco Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Cimmco Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4th April 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

Basis for Qualified Opinion

We draw attention to note No. 13.2 regarding certain claims of Rs 4899.34 lacs (Rs 4899.34 lacs as at 31st March 2013), net of Rs 150 lacs received under a guarantee given by the Company, which have been considered good of recovery by the management. Although the management is hopeful to recover the claims in full, pending decision of the Courts/ Arbitration proceedings we are unable to comment on their recoverability. Our audit opinion on the financial statements for the previous year was also qualified in respect of the above matter.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph*, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4th April 2014 issued by the Ministry of Corporate Affairs;
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.

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

Firm Registration No. : 301003E

Chartered Accountants

per **Bhaswar Sarkar**

Partner

Membership No. : 55596

Place : Kolkata

Date : May 29, 2014

INDEPENDENT AUDITOR'S REPORT

ANNEXURE TO THE AUDITOR'S REPORT

Referred to in our report of even date to the members of Cimmco Limited as at and for the year ended March 31, 2014

- (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 a 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. Accordingly, the provisions of clause 4(iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.
 (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. Accordingly, the provisions of clause 4 (iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, having regard to the explanation that some of the items purchased are of special nature and suitable alternative sources do not exist for obtaining comparable quotations thereof, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas.
- (v) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.
- (vi) The Company has not accepted any deposit from the public within the purview of Section 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the rules framed there under.
- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (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. We have not, however, made a detailed examination of the same.
- (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.
 (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 :

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 and non-maintenance of separate records for common inputs and input services used for production of exempted and non-exempted excisable products etc.	2508.15	Various	At various Appellate Authorities, High Court, Supreme Court, Commissioner of Central Excise

INDEPENDENT AUDITOR'S REPORT

Name of the Statute	Nature of Dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
The Customs Act, 1962	Differential Customs Duty, Penalty for non realization of export proceeds	32.17	The details are not readily available	
The Rajasthan Sales Tax Act / Central Sales Tax Act, 1956	Differential Sales Tax	1321.41	1982-1983 1987-1988 1989-1990 1996-2001	Deputy Commissioner, Jaipur

- (x) Without considering the consequential effects, if any, of the matter stated in the basis for qualified opinion paragraph of our auditors' report, the Company's accumulated losses at the end of the financial year are more than fifty percent of its net worth. The Company has incurred cash losses in the current and immediately preceding financial year.
- (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 bank. The Company did not have any outstanding dues in respect of a financial institution or debenture holders during the year.
- (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 to the Company.
- (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 to the Company.
- (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.

Place : Kolkata
Date : May 29, 2014

For **S. R. BATLIBOI & CO. LLP**
Firm Registration No. : 301003E
Chartered Accountants
per **Bhaswar Sarkar**
Partner
Membership No. : 55596

BALANCE SHEET as at March 31, 2014

		(Rs. in lacs)	
	Notes	As at March 31, 2014	As at March 31, 2013
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	2,014.85	2,014.85
Reserves and surplus	4	13,694.51	15,046.76
		<u>15,709.36</u>	<u>17,061.61</u>
Non-current liabilities			
Long term borrowings	5	3,264.67	5,802.33
Long term provisions	6	11.31	10.20
		<u>3,275.98</u>	<u>5,812.53</u>
Current liabilities			
Short term borrowings	7	2,874.12	1,678.04
Trade payables	8.1	1,131.16	1,714.56
Other current liabilities	8.2	2,947.93	2,360.07
Short term provisions	6	79.54	67.54
		<u>7,032.75</u>	<u>5,820.21</u>
TOTAL		<u>26,018.09</u>	<u>28,694.35</u>
II. ASSETS			
Non-current assets			
Fixed assets			
Tangible assets	9	17,102.76	17,022.88
Intangible assets	9	6.40	10.18
Capital work-in-progress		16.05	254.12
Non-current investments	10	0.05	0.05
Deferred tax assets (net)	11	-	439.34
Loans and advances	12	290.81	281.55
		<u>17,416.07</u>	<u>18,008.12</u>
Current assets			
Inventories	14	1,959.62	3,633.20
Trade receivables	13.1	1,211.17	1,689.04
Cash and bank balances	15	181.61	214.97
Loans and advances	12	346.87	248.66
Other current assets	13.2	4,902.75	4,900.36
		<u>8,602.02</u>	<u>10,686.23</u>
TOTAL		<u>26,018.09</u>	<u>28,694.35</u>
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

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

per **Bhaswar Sarkar**
Partner
Membership No. 55596

Place : Kolkata
Dated : 29th May, 2014

For and on behalf of the Board of Directors

Umesh Chowdhary
Vice Chairman & Managing Director

Anil Kumar Agarwal
Director

Dipankar Ganguly
Company Secretary

STATEMENT OF PROFIT & LOSS for the year ended March 31, 2014

	Notes	(Rs. in lacs)	
		For the year ended March 31, 2014	For the year ended March 31, 2013
Income			
Revenue from operations (gross)	16	13,236.27	10,276.19
Less: Excise duty		422.44	295.26
Revenue from operations (net)		12,813.83	9,980.93
Other income	17	58.09	108.58
Total Revenue (I)		12,871.92	10,089.51
Expenses			
Cost of raw materials & components consumed	18	8,295.73	7,629.10
(Increase)/decrease in inventories of finished goods, Work in progress and saleable scrap	19	778.57	(273.45)
Decrease in excise duty on inventories (Refer Note No. 34)		(29.93)	(7.38)
Purchase of Traded Goods		152.01	-
Employee benefits expenses	20	344.83	374.77
Other expenses	21	1,985.00	2,557.56
Total Expenses (II)		11,526.21	10,280.60
Earning before finance cost, tax, depreciation & amortization and exceptional items (EBIDTA) (I-II)		1,345.71	(191.09)
Depreciation & amortization expense	9	239.89	275.16
Less: Recoupment from revaluation reserve		113.55	113.55
Finance costs	22	768.73	842.55
Profit/(Loss) before taxes & exceptional items		450.64	(1,195.25)
Exceptional items	23	1,250.00	(235.95)
Loss before taxes		(799.36)	(959.30)
Tax expenses			
Deferred tax assets reversed / charge		439.34	40.97
Loss for the year		(1,238.70)	(1,000.27)
Earnings per equity share	24		
[Nominal value of share Rs. 10/- (Rs.10/-)]			
Basic & Diluted (In Rupees)		(6.15)	(4.96)
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

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

per **Bhaswar Sarkar**
Partner
Membership No. 55596

Place : Kolkata
Dated : 29th May, 2014

For and on behalf of the Board of Directors

Umesh Chowdhary
Vice Chairman & Managing Director

Anil Kumar Agarwal
Director

Dipankar Ganguly
Company Secretary

CASH FLOW STATEMENT for the year ended March 31, 2014

(Rs. in lacs)

	For the year ended March 31, 2014	For the year ended March 31, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit / (Loss) before taxation	(799.36)	(959.30)
Adjustments for :		
Depreciation & amortization expense	126.34	161.61
Exceptional items	1,250.00	(235.95)
Provision for doubtful debts and advances	53.79	-
Irrecoverable debts/ advances written off	10.25	11.27
Unspent liabilities / provisions no longer required written back	(29.30)	(23.34)
Interest expense	729.14	975.23
Interest Income on bank deposits	(6.23)	(15.85)
Operating Profit / (Loss) before working capital changes	1,334.63	(86.33)
Movements in working capital:		
Increase/(decrease) in trade payables	(554.09)	1,060.83
Increase/(decrease) in other current liabilities	114.63	(58.89)
Increase in provisions	13.11	30.97
Decrease/ (increase) in trade receivables	443.58	(606.76)
Decrease in inventories	1,673.58	109.38
Decrease/ (increase) in loans and advances	(140.20)	109.58
Cash Generated from Operations	2,885.24	558.78
Taxes Paid	(8.54)	(4.62)
Net cash from Operating Activities	2,876.70	554.16
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including Capital work in progress	(62.16)	(194.57)
Investment in Bank Fixed Deposits	(87.81)	(206.27)
Fixed Deposits encashed/matured	82.33	1,677.97
Interest received	3.84	36.92
Net cash generated / (used) in Investing Activities	(63.80)	1,314.05
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long-term borrowings	(2,537.66)	-
Settlement with Asset Reconstruction Company (India) Limited	(700.00)	-
Increase / (Decrease) in Short Term Borrowings	1,196.08	(1,589.95)
Interest paid	(810.15)	(876.44)
Net cash used in Financing Activities	(2,851.73)	(2,466.39)
Net decrease in Cash & Cash Equivalents (A+B+C)	(38.84)	(598.18)
Cash and Cash Equivalents - Opening Balance	111.13	709.31
Cash and Cash Equivalents - Closing Balance	72.29	111.13
Components of Cash & Cash Equivalents :		
Cash on hand	0.08	1.52
Balances with banks:		
On current accounts	64.74	102.06
On unpaid debenture account*	5.08	5.15
On unpaid fractional share entitlement*	2.39	2.40
Total Cash and Cash Equivalents	72.29	111.13
* The Company can utilize these balances only toward settlement of the respective unpaid debenture and unpaid fractional share entitlement.		

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

per **Bhaswar Sarkar**
Partner
Membership No. 55596

Place : Kolkata
Dated : 29th May, 2014

For and on behalf of the Board of Directors

Umesh Chowdhary
Vice Chairman & Managing Director

Anil Kumar Agarwal
Director

Dipankar Ganguly
Company Secretary

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2014

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 Bombay Stock Exchange Ltd., The Calcutta Stock Exchange Ltd., Delhi Stock Exchange Ltd., Madhya Pradesh Stock Exchange Ltd. and National Stock Exchange of India Ltd. 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 Company has prepared these financial statements to comply in all material respects with the Accounting Standards notified under the Companies Act, 1956 read with General Circular 8/2014 dated 4th April 2014 issued by the Ministry of Corporate Affairs. The financial statements have been prepared under the historical cost convention on an accrual basis except in case of assets for which revaluation is carried out. The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year.

b) 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.

c) 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 cost etc, up to the date the assets are ready for intended use.

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

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

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

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

d) Depreciation & Amortisation on tangible & intangible fixed assets

Tangible Assets

Depreciation on fixed assets is provided on straight-line method at the rates and in the manner prescribed in Schedule XIV to

the Companies Act, 1956 or at rates determined based on the useful life of the assets estimated by the management, whichever is higher. The management's estimate of useful life coincides with Schedule XIV rates.

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

Leasehold Land is amortized over the period of lease i.e. 99 years.

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

Intangible Assets

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

e) 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 recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs are capitalized.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased 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.

f) 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.

g) 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 using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset.

Impairment losses, including impairment on inventories, are recognized in the Statement of Profit and Loss, except for previously revalued tangible fixed assets, where the revaluation

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2014

was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation.

After impairment, depreciation is provided on the revised carrying amount of the assets over 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.

h) 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.

i) 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 a weighted average basis. Cost of finished goods also includes excise duty.

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

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

j) 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, trade discounts etc.

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

Income from services

Revenue 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.

k) Foreign Currency Transactions

Initial Recognition

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

Conversion

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

Exchange differences

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

l) 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 an employee renders the related service. There are no obligations other than the contribution payable to the respective funds.

Gratuity liability is a defined benefit obligation and is provided for 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. Accumulated leave, which is expected to be utilized within the next twelve months is treated as short term employee benefit.

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

m) Taxes on Income

Tax expense comprises of current and deferred taxes.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflect the impact of 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 liabilities are recognised for all taxable timing differences. Deferred tax assets are recognised for deductible timing differences only to the extent that there is reasonable certainty that sufficient future taxable income will be available

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2014

against which such deferred tax assets can be realised. In situations where the Company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

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.

n) 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.

o) 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.

p) 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.

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

q) 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.

r) 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.

s) 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.

t) 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.

u) Measurement of EBIDTA

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.

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2014

	As at March 31, 2014 Rs. in lacs	As at March 31, 2013 Rs. in lacs		
3. SHARE CAPITAL				
Authorised				
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				
2,01,48,526 (2,01,48,526) Equity shares of Rs. 10/- each	2,014.85	2,014.85		
	2,014.85	2,014.85		
a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period				
There is no movement in the share capital during the current year and previous year.				
b) Terms/rights attached to equity shares				
The Company has only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend, if any, 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 them.				
c) Shares held by Cimco Equity Holdings Private Limited, the Holding Company	As at March 31, 2014 Rs. in Lacs	As at March 31, 2013 Rs. in Lacs		
1,50,63,921 (1,44,88,921) Equity shares of Rs. 10/- each fully paid up	1,506.40	1,448.90		
d) Details of shares issued for consideration other than cash during the period of 5 years immediately preceding the reporting date	As at March 31, 2014 No. of shares	As at March 31, 2013 No. of shares		
Equity shares allotted as fully paid up pursuant to contracts for consideration other than cash	10,07,426	10,07,426		
e) Details of shareholders holding more than 5% shares in the Company	As at March 31, 2014	As at March 31, 2013		
	No. of shares % holding	No. of shares % holding		
Cimco Equity Holdings Private Limited, the holding company	1,50,63,921 75.73%	1,44,88,921 71.91%		
Asset Reconstruction Company (India) Limited	22,32,428 10.11%	28,07,428 13.93%		
As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.				
4. RESERVES AND SURPLUS	As at March 31, 2014 Rs. in Lacs	As at March 31, 2013 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	14,419.16	14,532.71		
Less: Amount transferred to the Statement of Profit and Loss	113.55	113.55		
	14,305.61	14,419.16		
C. Deficit in the Statement of Profit and Loss				
Balance as per the last financial statements	(2,592.72)	(1,592.45)		
Loss for the year	(1,238.70)	(1,000.27)		
Net Deficit in the Statement of Profit and Loss	(3,831.42)	(2,592.72)		
Total Reserves and Surplus	(A+B+C) 13,694.51	15,046.76		
5. LONG TERM BORROWINGS	Non-current portion	Current maturities		
	As at As at	As at As at		
	March 31, 2014 March 31, 2013	March 31, 2014 March 31, 2013		
	Rs. in Lacs Rs. in Lacs	Rs. in Lacs Rs. in Lacs		
Secured				
Term Loans from a Bank	1,666.67	3,333.33	1,666.67	1,666.67
Unsecured				
Loan from a related party	1,598.00	2,469.00	-	-
	3,264.67	5,802.33	1,666.67	1,666.67
Amount disclosed under other current liabilities (Refer Note No. 8.2)	-	-	(1,666.67)	(1,666.67)
Total	3,264.67	5,802.33	-	-
(a) The above Term loan carries interest @ 13% p.a. and is repayable in 6 half yearly installments of Rs. 833.33 lacs each starting from June 2013. 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.				
(b) Loan from a related party is repayable in a single bullet on 31st March 2018 and carry interest @ 2.50% p.a for the period April 1, 2012 to March 31, 2014 and 15% p.a. with effect from April 1, 2014.				

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2014

6. PROVISIONS

	Long-term		Short-term	
	As at March 31, 2014 Rs. in Lacs	As at March 31, 2013 Rs. in Lacs	As at March 31, 2014 Rs. in Lacs	As at March 31, 2013 Rs. in Lacs
Provisions for employee benefits :				
Gratuity* (Refer Note No. 25)	11.31	10.20	13.57	13.84
Leave benefits (Refer Note No. 25)	-	-	13.60	14.36
	11.31	10.20	27.17	28.20
Other provisions :				
Warranties	-	-	1.25	16.84
Liquidated damages	-	-	51.12	22.50
	-	-	52.37	39.34
Total	11.31	10.20	79.54	67.54

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

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

	Warranties		Liquidated damages	
	For the year ended March 31, 2014 Rs. in Lacs	For the year ended March 31, 2013 Rs. in Lacs	For the year ended March 31, 2014 Rs. in Lacs	For the year ended March 31, 2013 Rs. in Lacs
At the beginning of the year	16.84	16.84	22.50	-
Arisen during the year	1.25	-	47.61	22.50
Utilized during the year	-	-	(18.99)	-
Unused amounts reversed	(16.84)	-	-	-
At the end of the year	1.25	16.84	51.12	22.50
Current portion	1.25	16.84	51.12	22.50
Non-current portion	-	-	-	-

7. SHORT TERM BORROWINGS

	As at March 31, 2014 Rs. in Lacs	As at March 31, 2013 Rs. in Lacs
	Secured	
Cash credits from banks	2,686.43	1,571.70
Buyers Credit	81.35	-
Total Secured	2,767.78	1,571.70
Unsecured		
From Exim Bank	106.34	106.34
Total Unsecured	106.34	106.34
Total	2,874.12	1,678.04

Notes :

- Cash credits and Buyers credit from banks are secured by first pari passu charge over all current assets, both present and future and also by a second pari passu charge over the entire fixed assets of the Company (excluding land at Gwalior). The cash credit is repayable on demand and carry an interest @13% to 14% p.a. Buyers' Credit carry an interest @ 6 months Libor plus 350 basis points and is repayable by 4th August 2014.
- In case of loan from Exim Bank, the Board For Industrial and Financial Reconstruction (BIFR) has at the request of EXIM Bank, granted permission for recovery of their outstanding loan amount from the Company based on the decision of the Court of Appeal without any interest and penalty. Pending finalisation of the aforesaid appeal, the amount has not been considered as due for payment.

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2014

8. TRADE PAYABLES & OTHER CURRENT LIABILITIES

	As at March 31, 2014 Rs. in Lacs	As at March 31, 2013 Rs. in Lacs
8.1 TRADE PAYABLES (INCLUDING ACCEPTANCES)		
Payables for goods & services [including acceptances Rs. 644.90 lacs (Rs 1,177.40 lacs)]	1,131.16	1,714.56
Total Trade Payables	1,131.16	1,714.56
8.2 OTHER CURRENT LIABILITIES		
Current maturities of long term borrowings (Refer Note No. 5)	1,666.67	1,666.67
Advance from customers	212.97	225.19
Payable towards purchase of fixed assets	4.24	-
Others		
Statutory Payables	179.56	79.58
Employee related liabilities	27.99	33.49
Other Liabilities	831.25	248.80
Interest Accrued but not due	17.78	98.79
Investor education and protection fund will be credited by following amounts (as and when due):		
Unpaid Debentures	5.08	5.15
Unpaid fractional share	2.39	2.40
Total Other Current Liabilities	2,947.93	2,360.07
Total Current Liabilities	4,079.09	4,074.63

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 these accounts.

9. FIXED ASSETS

Rs. in Lacs

	Tangible										Intan- gible	Total Fixed Assets
	Land - Free- hold	Land - Lease- hold	Buildings	Plant & Machi- neries	Railway Sidings	Furni- ture & Fixtures	Office equip- ments	Comp- uters	Vehi- cles	Total	Comp- uter soft- ware	
Cost or valuation At April 1, 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
Additions	-	-	174.60	27.29	-	0.71	0.16	0.99	9.20	212.95	-	212.95
At March 31, 2013	7,620.30	8,162.28	2,584.72	3,742.11	41.77	16.37	7.68	28.91	79.85	22,283.99	19.45	22,303.44
Additions	-	-	258.08	57.91	-	-	-	-	-	315.99	-	315.99
At March 31, 2014	7,620.30	8,162.28	2,842.80	3,800.02	41.77	16.37	7.68	28.91	79.85	22,599.98	19.45	22,619.43
Depreciation & Amortization At April 1, 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
Charge for the year	-	132.14	69.38	55.78	1.13	1.03	0.36	4.64	6.84	271.30	3.86	275.16
At March 31, 2013	-	506.96	1,349.98	3,318.76	39.93	2.90	1.16	15.86	25.56	5,261.11	9.27	5,270.38
Charge for the year	-	132.14	63.64	26.61	0.09	1.03	0.36	4.65	7.59	236.11	3.78	239.89
At March 31, 2014	-	639.10	1,413.62	3,345.37	40.02	3.93	1.52	20.51	33.15	5,497.22	13.05	5,510.27
Net Block												
At March 31, 2013	7,620.30	7,655.32	1,234.74	423.35	1.84	13.47	6.52	13.05	54.29	17,022.88	10.18	17,033.06
At March 31, 2014	7,620.30	7,523.18	1,429.18	454.65	1.75	12.44	6.16	8.40	46.70	17,102.76	6.40	17,109.16

Note :

Land freehold and leasehold of the Company aggregating to Rs. 1,136.01 lacs (Gross block) as on 31st March 2011 were revalued by approved valuers on Replacement Cost basis and the net increase of Rs. 14,646.57 lacs was transferred to Revaluation Reserve. In accordance with the option given in the Guidance Note on Accounting for Depreciation in Companies, the Company recoups such additional depreciation out of revaluation reserve.

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2014

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, 2014	As at March 31, 2013		March 31, 2014 Rs. in Lacs	March 31, 2013 Rs. in Lacs
Non-trade Investments					
In fully paid up equity shares					
Orissa Sponge Iron & Steel Limited	550	550	10.00	0.05	0.05
				0.05	0.05
Aggregate amount of quoted investments				0.05	0.05
Market value of quoted investments				0.36	1.55

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

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

11. DEFERRED TAX ASSETS (NET)	As at March 31, 2014 Rs. in Lacs	As at March 31, 2013 Rs. in Lacs
Deferred Tax Liability		
Timing difference on depreciable assets	-	670.44
	-	670.44
Deferred Tax Assets		
Expenses allowable against taxable income in future years	-	26.42
Brought forward losses	-	989.12
Unabsorbed depreciation	-	94.24
	-	1,109.78
Net Deferred Tax Assets	-	439.34

In view of absence of virtual certainty supported with convincing evidence, the Company has reversed the deferred tax asset arising on account of brought forward losses and unabsorbed depreciation.

12. LOANS AND ADVANCES	Non-current (Long term)		Current (Short term)	
	As at March 31, 2014 Rs. in Lacs	As at March 31, 2013 Rs. in Lacs	As at March 31, 2014 Rs. in Lacs	As at March 31, 2013 Rs. in Lacs
Unsecured, considered good unless stated otherwise				
Capital Advances	2.29	13.81	-	-
Security Deposits	59.30	48.29	10.00	-
Advance recoverable in cash or kind				
Considered good	-	-	308.21	180.86
Considered doubtful	-	-	24.62	-
	-	-	332.83	180.86
Provision for doubtful advances	-	-	24.62	-
	-	-	308.21	180.86
Other loans and advances				
Advance tax	227.89	219.35	-	-
Balance with statutory / government authorities	-	-	8.67	53.09
Prepaid expenses	1.33	0.10	19.99	14.71
Total	290.81	281.55	346.87	248.66

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2014

13. TRADE RECEIVABLES AND OTHER ASSETS

	Current (Short term)	
	As at March 31, 2014 Rs. in Lacs	As at March 31, 2013 Rs. in Lacs
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		
Considered good	277.84	90.07
Considered doubtful	29.17	-
	307.01	90.07
Provision for doubtful debts	29.17	-
	277.84	90.07
Other receivables	933.33	1,598.97
Total	1,211.17	1,689.04

13.2 OTHER ASSETS

Unsecured, considered good unless stated otherwise

Refunds and claims recoverable	4,899.34*	4,899.34
Interest accrued on fixed deposits	3.41	1.02
Total	4,902.75	4,900.36

* Includes the following :

- Rs 3,952.35 Lacs (Rs 3,952.35 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 in active pursuit to recover the balances in response to a past offer of settlement by the Indian Railways. The management is hopeful to recover the amount in full.
- 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 1,128.95 Lacs, being the amount of such disallowance from the Company which as per lease and sub lease arrangement with SBI Caps and Indian Railways is recoverable from Indian Railway on back to back basis and hence included in the contingent liabilities as indicated in Note 29. The Company is pursuing the matter with SBI Caps and is hopeful to recover the dues.
- Rs. 743.02 Lacs, net of Rs. 150.00 Lacs received under guarantee given by the Company, (Rs. 893.02 Lacs) recoverable from National Insurance Company Limited (NICL) towards insurance claims in terms of an order passed by the Hon'ble High Court of Delhi in favour of the Company. NICL has referred the matter to the Hon'ble 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, 2014 Rs. in Lacs	As at March 31, 2013 Rs. in Lacs
Raw materials & components (Refer Note No. 18)	469.99	1,356.53
Work in progress (Refer Note No. 19)	421.50	592.60
Finished goods (Refer Note No. 19)	528.19	762.69
Stores & spares	261.75	250.96
Saleable Scrap (Refer Note No. 19)	278.19	670.42
Total	1,959.62	3,633.20

15. CASH AND BANK BALANCES

Cash and cash equivalents

Cash on hand	0.08	1.52
Balances with banks:		
On current accounts	64.74	102.06
On unpaid debenture account	5.08	5.15
On unpaid fractional share entitlement	2.39	2.40
	72.29	111.13
Other bank balances		
Deposits with original maturity of more than 12 months	-	9.88
Deposits with original maturity of more than 3 months but less than 12 months	5.00	1.81
Margin money deposit @	104.32	92.15
	109.32	103.84
Total	181.61	214.97

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

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2014

16. REVENUE FROM OPERATIONS	For the year ended March 31, 2014 Rs. in Lacs	For the year ended March 31, 2013 Rs. in Lacs	
Revenue from operations			
Sale of finished products	10,456.24	9,301.61	
Sale of Traded Goods	937.60	-	
Sale of raw materials & components	187.14	346.19	
Sale of services	242.05	120.99	
Other operating revenues			
Scrap sales	1,413.24	507.40	
Revenue from operations (gross)	13,236.27	10,276.19	
Less: Excise duty	422.44	295.26	
Revenue from operations (net)	12,813.83	9,980.93	
Details of products sold			
Finished goods sold			
Wagons	10,335.48	9,017.81	
Others	120.76	283.80	
	10,456.24	9,301.61	
Traded Goods			
Wagons	937.60	-	
	937.60	-	
Raw materials & components sold			
Steel	93.24	309.94	
Components	93.90	36.25	
	187.14	346.19	
Details of services rendered			
Fabrication	242.05	120.99	
	242.05	120.99	
17. OTHER INCOME			
Interest Income on bank deposits	6.23	15.85	
Unspent liabilities / provisions no longer required written back	29.30	23.34	
Prior Period Income (net)	-	12.70	
Other non operating income	22.56	56.69	
Total	58.09	108.58	
18. COST OF RAW MATERIALS & COMPONENTS CONSUMED			
Opening stock	1,356.53	1,629.85	
Add: Purchases	7,409.19	7,355.78	
	8,765.72	8,985.63	
Less: Closing stock	469.99	1,356.53	
Cost of raw materials & components consumed	8,295.73	7,629.10	
Details of raw materials & components consumed			
Bogie	2,853.80	2,442.24	
Couplers with Draft Gear	2,317.27	1,856.06	
Steel	474.78	171.46	
Wheel sets	110.47	79.84	
Other Components (b)	2,539.41	3,079.50	
	8,295.73	7,629.10	
(a) The consumption figures shown above are after adjusting excess and shortages, if any, on physical count, unserviceable items, etc and net off discount received on purchases. Further the above does not include materials received from customers on free supply basis.			
(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.			
19. (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND SALEABLE SCRAP	For the year ended March 31, 2014 Rs. in Lacs	For the year ended March 31, 2013 Rs. in Lacs	(Increase) / decrease Rs. in Lacs For the year ended March 31, 2014
Closing Stock			
Finished Goods	528.19	762.69	234.50
Work in Progress	421.50	592.60	171.10
Saleable scrap	278.19	670.42	392.23
	1,227.88	2,025.71	797.83

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2014

19. (INCREASE)/DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND SALEABLE SCRAP (Contd.)	For the year ended March 31, 2014 Rs. in Lacs	For the year ended March 31, 2013 Rs. in Lacs	(Increase) / decrease Rs. in Lacs For the year ended March 31, 2013
Opening Stock			
Finished Goods	762.69	571.53	(191.16)
Work in Progress	592.60	563.35	(29.25)
Saleable scrap	670.42	617.38	(53.04)
	<u>2,025.71</u>	<u>1,752.26</u>	<u>(273.45)</u>
	797.83	(273.45)	
Transferred to tangible fixed assets	19.26	-	
	<u>778.57</u>	<u>(273.45)</u>	
DETAILS OF INVENTORIES		As at March 31, 2014 Rs. in Lacs	As at March 31, 2013 Rs. in Lacs
Finished Goods			
Wagons		528.19	730.32
Others		-	32.37
		<u>528.19</u>	<u>762.69</u>
Work in Progress			
Wagons		303.01	471.05
Others		118.49	121.55
		<u>421.50</u>	<u>592.60</u>
Saleable scrap		<u>278.19</u>	<u>670.42</u>
		<u>1,227.88</u>	<u>2,025.71</u>
20. EMPLOYEE BENEFITS EXPENSES		For the year ended March 31, 2014 Rs. in Lacs	For the year ended March 31, 2013 Rs. in Lacs
Salaries, wages and bonus		286.16	292.32
Contribution to provident & other funds		20.00	21.36
Gratuity Expense (Refer Note No. 25)		0.84	6.00
Staff Welfare Expenses		20.48	33.65
Directors' Remuneration			
Remuneration to Managing and Whole Time Directors :			
- Salary, Wages, Bonus, etc	16.34		20.40
- Contribution to Provident Fund	1.01	17.35	21.44
Total		<u>344.83</u>	<u>374.77</u>
21. OTHER EXPENSES			
Consumption of stores & spares		514.69	937.55
Cost of raw materials & components sold		136.59	289.28
Job Processing and other Machining Charges (including contract labour charges)		496.50	481.84
Power & Fuel		134.70	163.11
Repairs and maintenance			
Plant & Machinery		3.10	5.31
Buildings		62.39	30.99
Others		1.57	1.71
Rent		3.02	19.36
Rates & Taxes		3.47	3.13
Insurance		10.08	7.38
Advertising and sales promotion		14.17	19.67
Brokerage and commission		3.95	0.09
Travelling and conveyance		45.90	71.53
Legal and professional fees		161.76	234.64
Directors sitting fees		4.40	5.90
Payment to Auditors			
As Auditor			
Audit fee		9.00	10.00
Limited reviews		6.00	9.00
In other capacity			
Reimbursement of expenses		0.36	19.30
	Carried Forward	<u>1,611.65</u>	<u>2,290.79</u>

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2014

21. OTHER EXPENSES (Contd.)

	For the year ended March 31, 2014 Rs. in Lacs	For the year ended March 31, 2013 Rs. in Lacs
Brought Forward	1,611.65	2,290.79
Liquidated Damages	102.40	22.50
Less: Adjusted with provision	<u>18.99</u>	<u>-</u>
Provision for Warranties	83.41	22.50
Loss on foreign exchange differences (net)	1.25	-
Provision for doubtful debts and advances	2.99	-
Irrecoverable debts/ advances written off	53.79	-
Miscellaneous expenses	10.25	11.27
Prior period expenses (net) (Refer note (a) below)	221.21	233.00
Total	<u>1,985.00</u>	<u>2,557.56</u>
a) Details of Prior Period Expenses (Net)		
Income		
Raw material consumption	<u>-</u>	<u>14.54</u>
Expenses	<u>-</u>	<u>14.54</u>
Miscellaneous expenses	0.45	1.84
Prior Period Expenses / (Income) (Net)	<u>0.45</u>	<u>(12.70)</u>

22. FINANCE COSTS

Interest Expense [Net of subsidy Rs. 150.02 Lacs (Rs 180.82 lacs)]	729.14	794.41
Bank Charges	<u>39.59</u>	<u>48.14</u>
Total	<u>768.73</u>	<u>842.55</u>

23. EXCEPTIONAL ITEMS

Settlement of claims	1,250.00	-
Unspent / unclaimed Liabilities written back	<u>-</u>	<u>(235.95)</u>
Total	<u>1,250.00</u>	<u>(235.95)</u>

During the current year, the Company and Asset Reconstruction Company (India) Limited (ARCIL) have entered into a settlement with respect to the disputed demand of Rs. 1325 lacs plus interest and liquidated damages being claimed by ARCIL towards its past financial assistance to the Company. In terms of the said settlement, the Company has to pay an amount of Rs. 1250 lacs in twelve monthly installments beginning from September 15, 2013. Necessary provision for such amount of settlement has been done in these accounts and is disclosed as "Exceptional Items". With this settlement, all pending disputes with ARCIL stand resolved and settled and there remains no dispute or claim/demand by ARCIL against the Company.

24. EARNING PER SHARE (EPS)

	For the year ended March 31, 2014 Rs. in Lacs	For the year ended March 31, 2013 Rs. in Lacs
Weighted average number of equity shares	2,01,48,526	2,01,48,526
Loss after taxes (Rs. in lacs)	(1,238.70)	(1,000.27)
Nominal value shares (Rs)	10.00	10.00
Earning per share - Basic & Diluted (Rs.)	(6.15)	(4.96)

25. 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)	
	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2014	For the year ended March 31, 2013
Statement of Profit and Loss				
Net employee benefit expenses recognized in the employee cost				
Current service cost	2.63	4.84	3.31	1.34
Interest cost on benefit obligation	1.98	1.89	1.15	1.20
Net actuarial (gain)/ loss recognised during the year	<u>(3.77)</u>	<u>(0.73)</u>	<u>(4.45)</u>	<u>(0.07)</u>
Net benefit expenses	<u>0.84</u>	<u>6.00</u>	<u>0.01</u>	<u>2.47</u>
Balance Sheet				
Benefit liability				
Present value of defined benefit obligations	24.88	24.04	13.60	14.36

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2014

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

	Gratuity (non-funded)		Leave (non-funded)	
	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2014	For the year ended March 31, 2013
Changes in the present value of the defined benefit obligations are as follows :				
Opening defined benefit obligations	24.04	18.04	14.36	11.89
Current service cost	2.63	4.84	3.31	1.34
Interest cost	1.98	1.89	1.15	1.20
Benefits paid	-	-	(0.77)	-
Actuarial (gains)/ losses on obligations	(3.77)	(0.73)	(4.45)	(0.07)
Closing defined benefit obligations	24.88	24.04	13.60	14.36

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

Discount rate	9.10%	8.25%	9.10%	8.25%
Rate of increase in salary	5.00%	5.00%	5.00%	5.00%
Expected average working life of the employees	12.49	14.86	12.49	14.86
Mortality table		Standard Table LIC (1994 - 1996)		

Amounts for the current and previous periods are as follows :

	For the year ended		For the year ended		Rs. in Lacs
	March 31, 2014	March 31, 2013	March 31, 2012	March 31, 2011	March 31, 2010
Gratuity					
Defined benefit obligations	24.88	24.04	18.04	9.32	10.29
Experience adjustments on plan liabilities	(3.77)	(0.73)	3.77	(5.77)	(22.79)
Leave					
Defined benefit obligations	13.60	14.36	11.89	11.59	10.17
Experience adjustments on plan liabilities	(4.45)	(0.07)	(1.20)	(0.34)	(6.03)

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

The amount provided for defined contribution plan are as follows :

	For the year ended March 31, 2014	For the year ended March 31, 2013
	Rs. in Lacs	Rs. in Lacs
Provident fund	16.81	17.56

26 LEASES

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

	For the year ended March 31, 2014	For the year ended March 31, 2013
	Rs. in Lacs	Rs. in Lacs
The amount of rent expenses included in Statement of Profit and Loss towards operating leases aggregate to	3.02	19.36

27 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.

Geographical Segment Revenue	For the year ended March 31, 2014	For the year ended March 31, 2013
	Rs. in Lacs	Rs. in Lacs
Domestic (net of excise duty)	12,813.83	9,980.93
Overseas	-	-
Total	12,813.83	9,980.93

28 RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Related parties where control exists :

Holding Company : Cimco Equity Holdings Private Limited
 Joint Venturer of Holding Company : Titagarh Wagons Limited

Related parties with whom transactions have taken place during the period :

Key Management Personnel (KMPs) : Mr. J P Chowdhary – Executive Chairman
 Mr. Umesh Chowdhary – Vice Chairman & Managing Director
 Mr. R N Tiwari, Director (w.e.f. February 25, 2013)

Enterprises over which KMP/ Shareholders/ Relatives : Titagarh Capital Private Limited
 have significant influence : Titagarh Agrico Private Limited

NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2014

28 RELATED PARTY DISCLOSURES (Contd.)

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

Rs. in Lacs

Nature of transactions	Holding Company	Joint venturer of Holding Company	KMP	Enterprise over which KMP/shareholders/relatives have significant influence	Total
In relation to the statement of Profit and Loss					
Revenue from Operations (Gross)					
Titagarh Wagons Limited		342.46 (560.99)			342.46 (560.99)
Titagarh Capital Private Limited				937.60 (-)	937.60 (-)
Facility Charges					
Titagarh Agrico Private Limited				5.00 (-)	5.00 (-)
Purchase of raw materials and components					
Titagarh Wagons Limited		5,153.58 (3,518.96)			5,153.58 (3,518.96)
Interest expense on loans taken					
Titagarh Capital Private Limited				63.88 (62.31)	63.88 (62.31)
Unspent / unclaimed Liabilities written back (Exceptional Item)					
Cimco Equity Holdings Private Limited	(235.95)				(235.95)
Directors Remuneration					
Dr. Vinay Mohan			(3.35)		(3.35)
Mr. Manoj Jha			(19.80)		(19.80)
Mr. R. N. Tiwari			17.35 (1.65)		17.35 (1.65)
In relation to the Balance Sheet					
Loans Repaid (including interest accrued and due)					
Titagarh Capital Private Limited				997.09 (-)	997.09 (-)
Balance outstanding as at the year end - Debit					
Titagarh Agrico Private Limited				46.53 (-)	46.53 (-)
Balance outstanding as at the year end - Credit					
Titagarh Capital Private Limited				1,598.09 (2,531.31)	1,598.09 (2,531.31)
Titagarh Wagons Limited		59.03 (154.75)			59.03 (154.75)

29. DERIVATIVE INSTRUMENTS

Derivatives outstanding as at the balance sheet date		As at March 31, 2014 Rs. in Lacs	As at March 31, 2013 Rs. in Lacs
Particulars	Purpose		
Forward contract to buy US\$	Minimising Risk of Currency Exposure on import of goods	USD 135,360 Rs. 81.35 lacs	- -

30. CAPITAL AND OTHER COMMITMENTS

Estimated amount of capital commitments remaining to be executed [net of advances Rs 2.29 lacs (Rs 13.81 lacs)]	17.12	25.59
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NOTES TO FINANCIAL STATEMENTS as at and for the year ended March 31, 2014

31. (A) CONTINGENT LIABILITIES

	As at March 31, 2014 Rs. in Lacs	As at March 31, 2013 Rs. in Lacs
Disputed claims contested by the Company and pending at various courts.*	7,774.09	9,019.96
Matters under appeal with :		
Sales tax authorities	594.41	661.00
Excise Authorities	2,508.15	145.96
Custom Authorities	29.00	29.00
Letters of Credit and Bank Guarantees outstanding	3,844.44	3,480.54
* Includes Rs 5,034.56 Lacs (Rs 5,034.56 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.

(B) The Company had in earlier years, obtained certain advance licenses for making duty free import of inputs subject to fulfilment of export obligation (EO) within the specified time limit from the date of issuance of such licences. Due to the closure of the factory and cancellation of the export orders, the Company could not fulfil the entire export obligation within the permitted time limit. Subsequently, the Company was referred to the Board for Industrial and Financial Reconstruction ("BIFR") vide Case No. 372/2000 dated 27th November, 2000 wherein a rehabilitation package was sanctioned by the BIFR on 11th March 2010. Pursuant to the rehabilitation scheme, the Company made an application to the Policy Relaxation Committee (PRC) of the Department of Foreign Trade for extension of the EO by further 8 years. The Zonal Director General of Foreign Trade (DGFT) vide its letter dated 21st December 2010 has extended the EO period upto 31st March 2016 and the management is confident to achieve the unfulfilled EO within such extended period. The amount of contingent liability towards custom duty saved on unfulfilled export obligations and penal interest if any, is presently unascertainable.

(C) The Company had given 687 wagons to Indian Railways on sub-lease till October 2007 and as per the agreement the sub-lease was renewable at the consent of the Indian Railway on an annual basis. Post the expiry of the original sub-lease term, Indian Railways continued to use the wagons without renewing the sub-lease arrangement. During the year, Company has received a demand of Rs. 1234.20 Lakhs from Titagarh Capital Pvt. Ltd., the owner and original lessor of these wagons for the period October 2007 to March 2014. Titagarh Capital Pvt. Ltd. has pursued the matter in the Honourable High Court of Kolkata and the Honourable Court in an interim measure directed the Indian Railway to set apart the lease rentals for the above period, at the last paid rate of rent, in a fixed deposit account till the matter is finally decided. The Company has not provided for this claim since it has a back-to-back claim for the sub-lease on Indian Railways.

32. VALUE OF IMPORTS CALCULATED ON CIF BASIS

	For the year ended March 31, 2014 Rs. in Lacs	For the year ended March 31, 2013 Rs. in Lacs
Components	134.43	88.16
	134.43	88.16

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

	For the year ended March 31, 2014		For the year ended March 31, 2013	
	Rs. in Lacs	% of total consumption	Rs. in Lacs	% of total consumption
Raw materials & components				
Imported	134.43	1.62%	88.16	1.16%
Indigenous	8,161.30	98.38%	7,540.94	98.84%
	8,295.73	100.00%	7,629.10	100.00%
Stores & spares				
Indigenous	514.69	100.00%	937.55	100.00%
	514.69	100.00%	937.55	100.00%

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

35. The financial performance of the Company has been adversely affected due to delay in release of wagons procurement order by Indian Railways. Owing to accumulated losses, it was essential for the Company to arrange funds for the general corporate purposes, restructuring etc. Accordingly, the Company has approached Titagarh Wagons Limited (Joint Venturer of Holding Company)(TWL) to infuse necessary funds in the Company. TWL have informed the Company that they are willing to subscribe (either directly or through its subsidiaries) to Non-Convertible Redeemable Preference Shares upto an extent of Rs 5000 lacs. The Board of Directors of the Company, at its meeting held on April 12, 2014 has approved the issue of 5,00,00,000 Non-Redeemable Preference Shares of face value of Rs. 10/- each to TWL/Subsidiaries subject to necessary approvals. In view of the above, the financial statements have been drawn up on the basis of going concern assumption.

36. COMPARATIVES

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

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

per **Bhaswar Sarkar**
Partner
Membership No. 55596

Place : Kolkata
Dated : 29th May, 2014

For and on behalf of the Board of Directors

Umesh Chowdhary
Vice Chairman & Managing Director

Anil Kumar Agarwal
Director

Dipankar Ganguly
Company Secretary

cimmco Limited

CIN : L28910WB1943PLC168801

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

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

PROXY FORM

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

Name of the Member(s):

Registered Address :

E Mail ID :

Folio No/Client ID :

DP ID :

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

(1) Name : Address :

E Mail ID : Signature : or failing him

(2) Name : Address :

E Mail ID : Signature : or failing him

(3) Name : Address :

E Mail ID : Signature :

as my/our proxy to attend and vote (on a poll) for me/us and on my behalf at the 69th Annual General Meeting of the Company to be held on Thursday, the 11th day of September, 2014 at 10.30 A.M at "Rotary Sadan," 94/2, Chowringhee Road, Kolkata-700020 and at any adjournment thereof in respect of Resolutions as are indicated below:

Resolution No.	Resolutions Proposed	Optional *	
		For	Against
	Ordinary Businesses		
1	Adoption of Financial Statements, Reports of the Board of Directors and Auditors for Financial Year ended 31st March, 2014		
2	Re-appointment of Shri Anil Kumar Agarwal as a Director, liable to retire by rotation		
3	Re-appointment of Shri J K Shukla as a Director, liable to retire by rotation		
4	Appointment of Auditors and authorize the Board of Directors to fix their remuneration		
	Special Business		
5	Appointment of Shri J K Shukla as an Independent Director, for a term ending 31st March, 2019		
6	Appointment of Shri M J Z Mowla as an Independent Director, for a term ending 31st March, 2019		
7	Appointment of Shri K S B Sanyal as an Independent Director, for a term ending 31st March, 2019		
8	Appointment of Shri G B Rao as an Independent Director, for a term ending 31st March, 2019		
9	Ratification of Remuneration of Cost Auditor		
10	Continuing Contract /Arrangement for purchase/sale of materials with Titagarh Wagons Limited (TWL), Holding Company.		

Signed this.....day of.....2014

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

Affix
Revenue
Stamp

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

2. For the text of the Resolutions, Explanatory Statement & Notes, please refer to the Notice convening the 69th Annual General Meeting dated 7th August, 2014.

3. It is optional to put "X" in the appropriate column against the Resolutions indicated in the Box. If you leave the "For" or "Against" column blank against any or all resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

REGISTERED OFFICE
756 ANANDAPUR
E M BYPASS,
KOLKATA- 700107
CIN: L28910WB1943PLC168801

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FORM B

Filing of Annual Report with the Stock Exchange

1	Name of the Company	CIMMCO Limited
2	Annual Financial Statements for the year ended	31 st March, 2014
3	Type of Audit Qualification	Qualified Audit Report
4	Frequency of qualification	Note mentioned below: Was Emphasis of matter for FYE 2010-11 and 2011-12, and qualification for FYE 2012-13 and 2013-14.
5	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors' report.	<p><i>We draw attention to note No. 13.2 regarding certain claims of a subsidiary of Rs 4899.34 lacs (Rs 4899.34 lacs as at 31st March 2013), net of Rs 150 lacs received under a guarantee given by the Company, which have been considered good of recovery by the management. Although the management is hopeful to recover the claims in full, pending decision of the Courts/Arbitration proceedings we are unable to comment on their recoverability. Our audit opinion on the financial statements for the previous year was also qualified in respect of the above matter.</i></p> <p><u>Management Response</u></p> <p>1. The claim of Rs 4899.34 lacs consists of three separate claims which are pending before different forum/court:</p> <p style="padding-left: 40px;">a) Rs. 3952.35 lacs recoverable from Indian Railways on account of difference of lease rental for the wagons leased to Indian Railways:</p> <p>In the year 1997-98 Cimmco had entered into 3 separate sub-lease rental agreements with Indian Railways (IR) for lease to IR of 1200 wagons for a primary period of 10 years. However, owing to changes in the rate of Income Tax as well as the depreciation rate as per the Income Tax Act, the sub-lease rentals payable by IR to Cimmco in terms of the sub-lease agreements were impacted and IR, on a misinterpretation of the relevant clause in the sub-lease agreements, did not release the differential sub-lease rental to the Company. Although the issues were clarified, IR continued to withhold the differential payment and thus being compelled by non-recovery of its dues Cimmco invoked the Arbitration Clause and referred the matter to Arbitration on 27/10/2004. Due to erosion of the net worth of Cimmco as at 30.06.2000 and Cimmco having become sick, the operations of Cimmco were suspended/closed with effect from 13.11.2000. As such, only a skeleton staff/personnel were available in Cimmco to actively pursue the matter. This led to lack of attention to the arbitration in the matter for a long time.</p> <p>Subsequent to revival of Cimmco pursuant to the Scheme of Rehabilitation sanctioned by the Board for Industrial & Financial Reconstruction (BIFR) in March, 2010, Cimmco has been aggressively pursuing with the Arbitration Tribunal to expeditiously complete the Arbitration proceedings</p>

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Cimmco Limited



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which were kept in abeyance for the parties to explore the possibilities of an amicable settlement. In fact sometime in January to April, 2011 issues were narrowed down for settlement, however IR was not inclined to pay interest despite there being a specific clause entitling Cimmco thereto which would have substantially worked to Cimmco's prejudice and therefore Cimmco earnestly appealed to IR to agree to its request for interest. There was no response from IR. Despite all efforts of Cimmco in this respect amicable settlement through a series of discussions/ correspondence with IR did not materialise and the Arbitration Tribunal was requested by Cimmco to resume the arbitration proceedings. However, the Tribunal did not fix any date for hearing for a long time and being aggrieved thereby, Cimmco filed a petition before the Hon'ble High Court of Delhi on 14th August, 2014 seeking reconstitution of the Arbitration Tribunal. The matter is scheduled to be heard on 22nd August, 2014 and notice has been served on the respondent IR. Cimmco is persistently and diligently pursuing the matter and is convinced of merits of the case. Thus the management is hopeful of recovering the amount and therefore, this amount has been considered good of recovery.

- b) Primary Lease Rental aggregating Rs 203.98 lacs withheld by SBI Capital Markets Limited (SBI Caps):

In the year 1997-98, 206 wagons were taken on lease by Cimmco (the Lessee) from SBI Capital Markets Limited (the Lessor) and in turn sub-leased to Indian Railways (the Sub-Lessee). The said amount has been withheld by SBI Caps on the alleged ground of disallowance of depreciation benefit to them by the ITO. An appeal preferred by SBI Caps against the said disallowance is pending before ITAT, Mumbai. For the reasons affecting Cimmco's operations as already explained hereinabove, consistently sustained persuasion of recovery of its dues from SBI Caps to the fullest extent was affected adversely and therefore recovery of the amount had been pending. Recently a judgement has been given by the Hon'ble Supreme Court of India which upholds the validity of depreciation claimed by the Lessor. In the light of Supreme Court's said judgement Cimmco has initiated talks with SBI Caps and has been given to understand that the matter would be placed before its management for favourable consideration. The said efforts to get the approval of SBI Caps for settlement of Cimmco's above referred amount are ongoing and expected to materialise in near future. In view of the above Cimmco is hopeful of recovering the amount and no provision has been considered necessary.

- c) Insurance claim of Rs. 743.02 lacs is recoverable from National Insurance Company in terms of the order passed by the Hon'ble National Consumer Disputes Redressal Commission (NCDRC) in favour of Cimmco. Although an appeal has been filed by National Insurance Company before the Hon'ble Supreme Court of India, the matter is pending for hearing by the apex court. On an application being filed by Cimmco for early hearing of the matter, Hon'ble Supreme Court by an Order dated 11th August, 2014 directed that the matter be heard for final hearing within six months pursuant whereto hearing date in the

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		relative cause list of the apex court of the country is appearing as November 09, 2014. In view of the fact that judgment in the forum/fora below the Hon'ble Supreme Court has been in favour of Cimmco, the management is hopeful of recovering the amount.
6	Additional comments from the Board/Audit Committee chair.	During the review of the subject Financial Statements, Audit Committee interacted with the Statutory Auditors and management and after perusal of the information furnished, followed by deliberations on each item involved in the qualified opinion, commended the Financial Statements to the Board for final consideration. Keeping in view the nature of transactions/issues behind such qualified opinion and time taken for their resolution being beyond the Company's control, the Audit Committee while commending the said Financial Statements nevertheless specifically advised the management to take the best possible care to attend to the said items appearing in the Auditors' Report with a view to achieving a clean Report at the earliest.
7	To be signed by- <ul style="list-style-type: none">Executive Chairman and CEOChief Financial OfficerAuditor of the CompanyChairman of Audit Committee	<ul style="list-style-type: none">Shri J P ChowdharyShri Raj Kumar AgarwalShri Kamal Agarwal, Partner of S.R.Batlilboi & Co. LLP, Chartered AccountantsShri J K Shukla

For S. R. BATLIBOI & CO. LLP
Firm Registration Number: 301003E
CHARTERED ACCOUNTANTS

For CIMMCO LIMITED

Sd/-
per Kamal Agarwal
Partner
Membership No.58652

Sd/-
(J P Chowdhary)
Executive Chairman and CEO

Sd/-
(Raj Kumar Agarwal)
Chief Financial Officer

Sd/-
(J K Shukla)
Chairman of the Audit Committee

Date: August 14, 2014

Place: Kolkata

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