TITAGARH

14th October, 2016

1. **National Stock Exchange of India Limited**
   Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai-400051

2. **BSE Limited**
   Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001

Ref: Submission of Annual Report under Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for the year ended 31st March, 2016.

Dear Sirs,

Pursuant to the captioned Regulation, we have uploaded with this the Annual Report of the Company for the year ended 31st March, 2016.

Please take the above on record.

Thanking you,

Yours faithfully,
for TITAGARH WAGONS LIMITED

Dinesh Arya
Company Secretary
Encl: As above

CIN: L27320WB1997PLC084819
Registered & Corporate Office: Titagarh Towers, 756 Anandapur, E.M. Bypass, Kolkata-700107, India
Ph: +91 33 40190800 | Fax: +91 33 40190823 | Email: corp@titagarh.in | Web: www.titagarh.biz

TITAGARH

TITAGARH WAGONS LIMITED

Annual Report 2015 -16

TITAGARH

TITAGARH WAGONS LIMITED (TWL)

Titagarh Wagons Ltd. (TWL), flagship company of Titagarh Group which is the largest wagon manufacturer in India with capacity to produce more than 10,000 wagons and 5,000 wagons in Europe. Titagarh's Italian subsidiary, Titagarh Firema Adler SpA is world renowned for High Speed EMU and Metro Coaches.

TWL's other business includes Coaches, Bailey Bridges, Steel Castings, Defence Shelters and also Ship Building.

TITAGARH

TITAGARH FIREMA ADLER (TFA), Italy

Titagarh Firema Adler (TFA), Italy was aquired by TWL in 2015. Firema has over 90 years of experience in integral development of rolling stock and innovative technological systems for railway sector.

TFA is an innovation leader in High Speed and regional trains with a standard EMU track and Metro Coachs gauge, light rail transport, electric and diesel locomotives and coaches.

TITAGARH

TITAGARH WAGONS AFR

Titagarh Wagons AFR aquired by TWL in 2010, is the largest wagon manufacturing company in France and has over 100 years of technical experience and specialises in design, construction of all types of wagons operating on European Rail Network.

TITAGARH

TITAGARH WAGONS LIMITED

CIN: L27320WB1997PLC084819

CORPORATE INFORMATION*

Board of Directors

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

Audit Committee

Shri D N Davar	*Chairman*
Shri Manoj Mohanka	*Member*
Shri Sunirmal Talukdar	*Member*
Shri S C Das	*Member*
Shri J P Chowdhary	*Special Invitee*
Shri Umesh Chowdhary	*Special Invitee*

Stakeholders' Relationship Committee

Shri Manoj Mohanka	*Chairman*
Shri S C Das	*Member*
Shri Umesh Chowdhary	*Member*
Shri D N Davar	*Special Invitee*

Nomination & Remuneration Committee

Shri D N Davar	*Chairman*
Shri Manoj Mohanka	*Member*
Shri Shekhar Datta	*Member*
Shri J P Chowdhary	Member

Auditors

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

Registered & Corporate Office

Titagarh Towers
756, Anandapur, E M Bypass, Kolkata 700 107
Telephones : 91 33 4019 0800, Fax : 91 33 4019 0823
Email : investors@titagarh.in

Corporate Social Responsibility Committee

Shri D N Davar	*Chairman*
Shri J P Chowdhary	*Member*
Shri Umesh Chowdhary	*Member*
Smt. Rashmi Chowdhary	Member

Risk Management Committee

Shri D N Davar	*Chairman*
Shri Shekhar Datta	*Member*
Shri J P Chowdhary	*Member*
Shri Umesh Chowdhary	*Member*

Bankers

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

Registrar & Transfer Agent (RTA)

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

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** as on 22nd August, 2016*

Notice

NOTICE is hereby given that the **NINETEENTH ANNUAL GENERAL MEETING** of the members of **TITAGARH WAGONS LIMITED** will be held at Manovikas Kendra, 482, Madudah, Plot I-24, Sector-J, E M Bypass, Kolkata-700107 on Thursday, the 29th September, 2016 at 10.00 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, 2016, the consolidated financial statement for the said financial year and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Umesh Chowdhary, Vice Chairman and Managing Director (DIN: 00313652), who retires by rotation and, being eligible, offers himself for re-appointment.
3. To confirm the interim dividend declared and in this regard, pass with or without modifications the following Resolution as an Ordinary Resolution.

   *"**RESOLVED THAT** interim dividend at the rate of Rs. 0.80 (Eighty Paise) per equity share of Rs. 2 (Rupees Two) each declared by the Board of Directors of the Company at its meeting held on March 17, 2016 be and is hereby confirmed as final dividend for the financial year ended March 31, 2016"*

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

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

SPECIAL BUSINESS:

5. **To consider, take on record and consent to the disclosures pursuant to Part II of the Schedule V to the Companies Act, 2013 in respect of Shri Umesh Chowdhary, Vice Chairman & Managing Director of the Company by passing the following, with or without modification(s) as a Special Resolution:**

   *"**RESOVLED THAT** the disclosures pursuant to Part II of the Schedule V to the Companies Act, 2013 (the Act) in respect of Shri Umesh Chowdhary, Vice Chairman & Managing Director (VCMD) reappointed with consent of the members at the last Annual General Meeting held on September 24, 2015, contained in the Explanatory Statement annexed hereto be and are hereby taken on record and approved and accordingly in the event of inadequacy or loss of profits during his term, the Board of Directors be and is hereby authorised to pay minimum remuneration to VCMD in accordance with the first proviso to Section II of the Part II of the said Schedule V and/or other enabling/applicable provisions of the Act.*

   ***RESOLVED FURTHER THAT** the Board of Directors which term shall include Committee thereof, be and is hereby authorised to vary, alter or amend the remuneration of Shri Umesh Chowdhary, within the overall limit prescribed by the applicable and enabling provisions of the Act prevailing and do all necessary acts, deeds and things, which may be considered necessary or expedient to give effect to the aforesaid Resolution."*

6. **To consider, take on record and consent to the disclosures pursuant to Part II of the Schedule V to the Companies Act, 2013 in respect of Shri J.P. Chowdhary, Executive Chairman of the Company by passing the following, with or without modification(s) as a Special Resolution:**

   *"**RESOVLED THAT**the disclosures pursuant to Part II of the Schedule V to the Companies Act, 2013 (the Act) in respect of Shri J P Chowdhary, Executive Chairman (EC) whose continuation of employment till December 07, 2017 was consented to by the members at the Annual General Meeting held on September 15, 2012, contained in the Explanatory Statement annexed hereto be and are hereby taken on record and approved and accordingly in the event of inadequacy or loss of profits during his term, the Board of Directors be and is hereby authorised to pay minimum remuneration to EC in accordance with the first proviso to Section II of the Part II of the said Schedule V and/or other enabling/applicable provisions of the Act.*

   ***RESOLVED FURTHER THAT** the Board of Directors which term shall include Committee thereof, be and is hereby authorised to vary, alter or amend the remuneration of Shri J P Chowdhary, within the overall limit prescribed by the applicable and enabling provisions of the Act prevailing and do all necessary acts, deeds and things, which may be considered necessary or expedient to give effect to the aforesaid Resolution."*

7. **To approve Re-classification of one of the promoters of the Company and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution :**

   *"**RESOLVED THAT** pursuant to Regulation 31A of the Listing Regulations and other applicable provisions, if any, including any re-enactment/ modification/ amendment thereof, the consent of the members of the Company be and is hereby accorded to re-classification of Shri Saket Kandoi, who pursuant to the Sections 2(69) and 2 (77) of the Companies Act, 2013 read with Regulation 2 (1) (s) of the SEBI (Substantial Acquisition & Takeovers) Regulations, 2011 (as amended) and SEBI (Issue of Capital & Disclosure Requirements) Regulations, 2009 (as amended) and the facts and circumstances relevant to the subject, is no longer covered thereunder, from the "Promoter Category" to "Public Category" in the Shareholding Pattern of the Company.*

   ***RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to take all necessary steps in this regard in order to facilitate the applicable compliance including procedural formalities and to do all such acts, deeds and things as it may, in its absolute discretion, deem necessary for such purpose and to settle any questions, difficulties or doubts that may arise in this regard and to make such representation/ filings to the Stock Exchanges as may be necessary or desirable, in order to give effect to this Resolution."*

Notice

8. **To approve change in terms and designation of Shri Sudipta Mukherjee, Director (Wagons Operations) 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** in partial modification of the Resolution passed in the Annual General Meeting held on 11th September, 2014 approving the appointment and remuneration of Shri Sudipta Mukherjee, Director (Wagons Operations), pursuant to the Sections 196, 197 and 203 read with Schedule V 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) the terms of employment of Shri Sudipta Mukherjee be and are hereby varied as to re-designate him as Wholetime Director, a whole-time Key Managerial Personnel (KMP as per the Section 203 of the Act) at a remuneration of Rs. 41,81,220/- (CTC) per annum with effect from August 22, 2016 in such scale as may be determined by the Nomination & Remuneration Committee (NRC)/Board subject to his revised remuneration not exceeding the limit stipulated in the Schedule V to the Act at any time during his tenure ending on May 14, 2019 .*

   ***RESOLVED FURTHER THAT** the Amendment to Service Agreement entered into between Shri Sudipta Mukherjee and the Company, a copy whereof placed before the meeting be and is hereby approved.*

   ***RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorised to vary, alter or amend the remuneration of Shri Sudipta Mukherjee, within the overall limit prescribed by the Schedule V and/or other applicable and enabling provisions of the Act prevailing.*

   ***RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all necessary acts, deeds and things, which may be considered necessary or expedient to give effect to the aforesaid Resolution."*

9. **To consider and approve the Related Party Transactions by passing, with or without modification(s), the following Resolution as an Ordinary Resolution:**

   *"**RESOLVED THAT** pursuant to the Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR'), and/or Section 188 of the Companies Act, 2013 ('the Act') and other enabling 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 the following Related Party Transactions (RPTs)*

   (a) Agreement with Titagarh Firema Adler, SpA (TFA) a subsidiary of the Company in Italy for execution of the contract for manufacture of Metro Coaches by the Company for the tender whereof the parties have participated as a Consortium, on such terms and conditions as may be acceptable to the Tenderer and/or mutually agreed to by the parties if the same is awarded to the parties, with the technology to be provided by TFA during the period of execution of the contract including warranty period stipulated therein and all matters incidental or connected therewith; the contract value at present being expected to be INR Six Hundred Crore or such other higher or lower amount as may be determined by the Tenderer."

   (b) Issue Petronage Letters to the Banks or Financial Institutions or Competent Authorities or others eligible, for Titagarh Firema Adler SpA, a subsidiary of the Company in Italy (TFA) in connection with the orders/tenders/contracts for the products including Trainsets, Locomotives or others manufactured by TFA with or without financial liabilities from time to time the value in aggregate whereof be such as may be stipulated by such Banks or Financial Institutions or others so eligible and in the event of such Petronage Letters being treated as Guarantees the amount in aggregate shall be subject to the ceiling prescribed by the applicable laws including the Companies Act, 2013, FEMA Regulations of Reserve Bank of India, which limit under the automatic approval route at present for investment in overseas subsidiaries, is four hundred percent of the Company's net worth as per the last audited balance sheet ."

   ***RESOLVED FURTHER THAT** the Board of Directors which term shall include a Committee thereof be and is hereby authorised to take all necessary steps in this regard and to do all such acts, deeds and things as it may, in its absolute discretion, deem necessary for such purpose and to settle any questions, difficulties or doubts that may arise in this regard and to make such representation/filings as may be necessary or desirable, in order to give effect to this Resolution."*

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

    *"**RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 2,00,000 (Rupees Two Lacs only) plus taxes as may be applicable and reimbursement of reasonable out of pocket expenses as may be actually incurred by the firm, payable to M/s. M. R. Vyas and Associates; Cost Accountants (Registration No. 2032) of D-219, Vivek Vihar, Phase-I, New Delhi- 110095 appointed by the Board as Cost Auditors of the Company for the financial year 2016-17 be and is hereby ratified."*

Registered Office:
756, Anandapur
E M Bypass, Kolkata -700107
22nd August, 2016

By Order of the Board
D. Arya
Company Secretary

Notice

NOTES :

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL, ON HIS BEHALF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies submitted on behalf of limited companies, societies etc. must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.
2. Proxies in order to be effective must be received by the Company at the registered office address not less than 48 hours before the commencement of the Annual General Meeting (AGM).
3. The Register of Members and Share Transfer Register shall remain closed with effect from Saturday 24th September, 2016, to Thursday 29th September, 2016 (both days inclusive).
4. Members are requested to note that dividends not encashed/claimed, and warrants for fractional entitlements of shares within seven years from the date of declaration of dividend/IPO will, as per Section 124 of the Act, be transferred to Investor Education and Protection Fund (IEPF). Members concerned are requested to refer carefully to the provisions of Sections 124(6) and 125 of the Act.
5. The Company shall also display full text of these communications/documents/reports at its website **www.titagarh.biz** 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 your request, you will be entitled to receive free of cost, copy of such communications/documents/Annual Reports and all other documents required to be attached thereto.

   In case you desire to receive the documents mentioned above in physical form, please write to us at investors@titagarh.in quoting your Folio No./Client ID and DP ID.

   All those members who have not registered their e-mail addresses or are holding shares in physical form are requested to immediately register their e-mail addresses with NSDL/CDSL along with Folio No. /Client ID and DP ID.
6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA.
7. Details under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange in respect of the 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.
8. Electronic copy of the Annual Report for 2016 is being sent to all the members whose email IDs are registered with the Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual Report for 2016 is being sent in the permitted mode.
9. Electronic copy of the Notice of the 19th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless a member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 19th Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.
10. Members may also note that the Notice of the 19th Annual General Meeting and the Annual Report for 2016 will also be available on the Company's website www.titagarh.biz for download. The physical copies of the aforesaid documents will also be available at the Company's Registered/Corporate Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investors@titagarh.in.
11. Voting through electronic means :
    a. Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Company (Management and Administration) Rules, 2015 and Regulation 44 of SEBI (LODR) Regulations, 2015, the company is pleased to provide members the facility to exercise their vote through remote e-voting in respect of the resolutions proposed to be passed at the ensuing Annual General Meeting (AGM) by using the electronic voting facility provided by the Karvy Computershare Private Limited.
    b. The remote e-voting period commences at 9:00 a.m. on Sunday, the 25th September, 2016 and ends at 5:00 p.m. on Wednesday, the 28th September, 2016. The remote e-voting module shall be disabled by Karvy for voting thereafter.
    c. During the remote e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date i.e. Thursday, the 22nd September, 2016 may cast their vote electronically.
    d. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.
    e. Voting rights of the member shall be in proportion to their respective shareholding as on the cut-off date i.e. Thursday, the 22nd September, 2016.

Notice

f. The facility for voting through polling paper shall be made available at the AGM and members attending the meeting who have not cast their vote by remote e-voting shall be eligible to exercise their right to vote at the meeting through polling paper.

g. The members who have cast their vote by remote e-voting prior to AGM may also attend the AGM but shall not be entitled to cast their vote again.

h. Any person who acquires shares of the Company and becomes a member of the Company after the dispatch of this Notice and holds shares as on the cut-off date i.e. Thursday, the 22nd September, 2016 should follow the instructions for E-voting as mentioned below for FIRST TIME USER. In case of any queries, the shareholder may also contact the Registrar & Transfer Agent.

i. The Board of Directors has, at its meeting held on 22nd August, 2016, appointed Messrs. Sushil Goyal & Co; Company Secretaries as the scrutinizer to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.

j. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at AGM through ballot paper.

k. The Instructions for Shareholders voting electronically are as under:

A. In case a Member receiving an email of the AGM Notice from Karvy [for Members whose email IDs are registered with the Company/ Depository Participant(s)] :

i) Launch internet browser by typing the URL: https://evoting.karvy.com.

ii) Enter the login credentials (i.e., User ID and password mentioned below). Event No. followed by Folio No./ DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

iii) After entering these details appropriately, Click on "LOGIN".

iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v) You need to login again with the new credentials.

vi) On successful login, the system will prompt you to select the "EVENT" i.e., Titagarh Wagons Limited.

vii) On the voting page, you may select the option, 'Yes' or 'No' s desired. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

viii) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folios/demat accounts.

ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

x) You may then cast your vote by selecting an appropriate option and click on "Submit"

xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any numbers of times till they have voted on the Resolution(s).

xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e mail ID: csskgoyal@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_ EVENT NO."

xiii) In case a person has become the Member of the Company after the dispatch of AGM Notice but on or before the cut-off date i.e. 22nd September, 2016, may write to the Karvy on the email Id: varghese1@karvy.com or to Mr P. A. Varghese, Contact No. 040-33215424, at [Unit: Titagarh Wagons Limited] Karvy Computershare Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No.(i) to (xii) as mentioned in (A) above, to cast the vote.

B. In case of Members receiving physical copy of the AGM Notice by Post [for Members whose email IDs are not registered with the Depository Participant(s)]:

i) User ID and initial password as provided at the bottom of the Attendance Slip :

ii) Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.

C. The e-voting period commences on 9:00 a.m. on Sunday, the 25th September, 2016 and ends at 5:00 p.m. on Wednesday, the 28th September, 2016. During this period, the Members of the Company holding shares in physical form or in dematerialized form, as on the cut-off date being Thursday, the 22nd September, 2016, may cast their vote by electronic means in the manner and process set out hereinabove.

The e-voting module shall be disabled for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently. Further, the Members who have casted their vote electronically shall not vote by way of poll, if held at the Meeting.

D. In case of any query pertaining to e-voting, please visit Help & FAQ's section of https://evoting.karvy.com. (Karvy's website).

E. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date being Thursday, the 22nd September, 2016.

F. The Company has appointed Messrs. Sushil Goyal & Co; Practicing Company Secretaries as a Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

G. The Scrutinizer shall, after the conclusion of the AGM, first count the votes cast at the meeting and thereafter unlock the votes cast through remote e-voting in the presence of at least 2 (Two) witnesses not in the employment of the Company. The Scrutinizer shall, within a period of not more than three days from the conclusion of the AGM, prepare a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit to the Chairman or any person authorised by him in writing, who shall countersign the same and declare the results of the voting.

H. The results so declared along with Scrutinizer's Report shall be placed on the website link : https://evoting.karvy.com and subject to the receipt of requisite number of votes, the resolution set out in the Notice shall be deemed to be passed on the date of the Annual General Meeting. The results shall also be forwarded to the BSE and NSE.

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

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

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

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

Item No. 5 & 6

Reappointment and remuneration of Shri J P Chowdhary, Executive Chairman and Shri Umesh Chowdhary, Vice Chairman & Managing Director has been approved by the members at the Annual General Meetings held on 15/09/2012 and 24/09/2015 respectively. The requisite disclosures pursuant to the erstwhile Companies Act, 1956 were made in the Notice of Postal Ballot dated 09/11/2013 on the subject and duly approved by the members. However, subsequently the Companies Act, 2013 has come into effect and therefore, in order to enable the Board to pay the minimum remuneration in the event of loss or inadequate profit in any year during the respective term of the aforesaid managerial personnel, the disclosures pursuant to the Part II of the Schedule V of the Companies Act, 2013 as given below are now placed before the members for their approval by way of Special Resolutions proposed at Items No. 5 and 6 respectively.

The Directors recommend passing of the aforesaid Special Resolutions.

None of the Directors, except Shri J P Chowdhary, Shri Umesh Chowdhary and Smt. Rashmi Chowdhary being related to each other are concerned or interested in the said Resolutions.

Details pursuant to Schedule V to the Companies Act, 2013

I. GENERAL INFORMATION				
Name	Shri J P Chowdhary	Shri Umesh Chowdhary		
Nature of industry	Manufacturing of Railway wagons & Coaches (EMUs/MEMUs), Steel and SG iron castings of moderate to complex configuration, Bailey bridges and Special Projects for defense.			
Date or expected date of commencement of commercial production	Existing Company, already commenced from 11/07/1997			
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Existing Company - Not Applicable			
Financial performance based on given indicators Foreign investments or collaborators, if any				Rs. in Lacs
		2015-16	2014-15	2013-14
	Sales	30974.70	37613.73	26123.92
	Net Profit	631.00	985.71	375.94
Foreign investments or collaborators, if any	The Company has invested in wholly owned/subsidiaries namely, Titagarh Singapore Pte. Limited Rs. 55224.47 Lacs and Titagarh Wagons AFR: Rs. 2864.60 lacs and during the financial year ended 31st March, 2016 has acquired a subsidiary Titagarh Firema Adler SpA in which the investment as at 31st March, 2016 is Rs. 127.75 Lacs.			

Notice

II. INFORMATION ABOUT TWO MANAGERIAL PERSONNEL		
Name	Shri J P Chowdhary	Shri Umesh Chowdhary
Background details	**Shri J P Chowdhary** aged about 76 years is an industrialist with 54 years' experience in railways sector/heavy engineering industry.	**Shri Umesh Chowdhary**, aged 41 years, and has 24 years' experience in railway wagons/heavy engineering industry.
Past remuneration	5% of the net profits per annum including fixed components of Salaries & allowance Rs. 8 Lacs per month and the balance by way of commission at the end of financial year.	3.5% of the net profits per annum including fixed components of Salaries & allowance Rs. 7.5 Lacs per month and the balance by way of commission at the end of financial year.
Recognition or awards	Shri J P Chowdhary has been awarded by various Institutions like Confederation of Indian Industry (CII), Calcutta Management Association and All India Management Association. He also served as Sheriff of Kolkata in 1995.	Shri Umesh Chowdhary is Honorary Consul of Switzerland and bestowed National Order of Merit ("Chevalier du Ordre National du Mérite") by the French Republic.
Job profile and his suitability	Shri J P Chowdhary is known as a turnaround expert having rehabilitated sick companies with his astute leadership and has vast experience as an Industrialist.He has been re-appointed Executive Chairman for a term of five years w.e.f. 08.01.2012.He is also the Executive Chairman of Cimmco Ltd., a group company	He has been on the Board of the Company since incorporation and played a key role in the growth of the Company under guidance of the Executive Chairman. He has been re-appointed as Managing Director and designated as Vice Chairman and Managing Director on 1st October, 2015 for a period of five years.
Remuneration proposed	Minimum Remuneration: Where in any financial year during the respective term of Shri J P Chowdhary and Shri Umesh Chowdhary, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary and perquisites not exceeding the limits prescribed under Schedule V to Companies Act, 2013.	
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The proposed remuneration is comparable with the remuneration drawn by the peers and is necessitated due to complexities of business	
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Shri J P Chowdhary, Executive Chairman and Shri Umesh Chowdhary, Vice Chairman & Managing Directors are related to each other and also related to Smt. Rashmi Chowdhary, Non-Executive Director of the Company.	
	III. OTHER INFORMATION	
Reasons of loss or inadequate profits	The Company's Operating profit was affected adversely mainly due to lack of orders for procurement of Wagons from Indian Railways, the largest customer compounded by predatory pricing resorted to by some of the manufacturers aimed at securing larger allocation in the tender rendering it unremunerative.	
Steps taken or proposed to be taken for improvement	Implementation of the Company's plans to achieve growth in the other segments viz. Coaches, Castings, Bailey Bridges and Special Projects has been taken up with greater focus and is being pursued aggressively. Cost efficiency and improvement in productivity for optimisation of resources are under sharp focus in order to achieve improved performance while simultaneously de-risking the Company's business from predominant dependence on wagons procurement by Indian Railways.	
Expected increase in productivity and profits in measurable terms	Productivity improvement is assured but the increase in production will depend upon orders for other segments. Profitability is expected to improve from the measures inter alia aggressive marketing efforts to secure orders for wagons from private sector customers, repeat orders for customized wagons for export market and favourable result of participation in tender(s) for metro coaches.	
IV. DISCLOSURES		
The following disclosures are mentioned in the Board of Director's report under the heading "Corporate Governance Report" of the Company in the Annual Report 2015-16 : (i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors; (ii) Details of fixed component and performance linked incentives along with the performance criteria; (iii) Service contracts, notice period, severance fees; (iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.		

Notice

Item No. 7

The members may please note that Shri Saket Kandoi has requested to be classified as Non-Promoter. Shri Saket Kandoi, holding 965 equity shares of Rs.2/- each in the Company is in the list of promoters of TWL since he in terms of Section 6 of the erstwhile Companies Act, 1956 was covered under the definition of "relative" of promoters, however as per the Companies Act, 2013 he is not a relative nor promoter pursuant to the SEBI (Issue of Capital & Disclosure Requirement) Regulations, 2009. Further, he does not exercise any direct or indirect control over the affairs of TWL. He started as a Management Trainee in 2008 and has on merit reached the position of Vice President (Marketing) of TWL recently. He is neither a managerial personnel nor a director or key managerial personnel of TWL. He has communicated to the Company for reclassifying him as non-promoter which has been intimated to BSE and NSE in accordance with Regulation 33A of the SEBI (Listing Obligations & Disclosure) Regulations, 2015 and the Special Resolution on the subject is now placed for approval of the members to reclassify him into public category. Such reclassification shall not result in any impact on the public shareholding.

The Board recommends passing of the Resolution. None of the Directors or Key Managerial Personnel (KMP) or their relatives is in any way concerned or interested in the Resolution.

Item No. 8

It is proposed to alter the remuneration and designation of Shri Sudipta Mukherjee, Director (Wagons Operations) by re-designating him as Wholetime Director (a whole-time KMP), as decided by the Nomination & Remuneration Committee and endorsed by the Board in view of his responsibilities and job profile necessitating his involvement in various business activities in addition to Wagons operations. As per the provisions of Section 197 read with Schedule V of the Companies Act, 2013, the Resolution is placed for your approval.

The Board recommends passing of the Resolution. Save and except Shri Sudipta Mukherjee, none of the Directors or Key Managerial Personnel (KMP) or their relatives is in any way concerned or interested in the Resolution.

Item No. 9

(a) Titagarh Firema Adler SpA (TFA) and the Company have participated as a consortium in a Tender for Metro Coaches and in the event of the order being awarded would execute the same in accordance with the terms and conditions of the Tender which inter alia may include use of technology to be provided by TFA and manufacturing facilities of the Company. As TFA is a 'related party' within the meaning of Section 2(76) of the Act, the transaction requires the approval of members by an ordinary resolution under the Regulation 23 of the Listing (Obligations and Disclosure Requirement) Regulations, 2015 (LODR), Section 188 of the Companies Act, 2013 read with the rules made thereunder and other applicable provisions of law.

(b) TFA in the ordinary course of business requires to furnish Petronage Letter to inter alia Banks/Financial Institutions/others eligible for TFA from time to time mainly to express the support of the Company being its holding company and in some cases the same may include financial obligations that the Company might be required to fulfil in case of delay or discharge thereof by TFA. The amount in aggregate involved in such transactions can only be known in future, however, a ceiling as per the prevailing laws is sought to be applied. As TFA is a related party, pursuant to the provisions of Section 2(76) of the Act read with the rules made thereunder and Regulation 23 of the LODR, the transaction requires the approval of members by an ordinary resolution.

The particulars of the above transactions pursuant to Rule 15 of Companies (Meeting of Board and its Powers) Rules, 2014 are as under:

Name of the related party	**Titagarh Firema Adler SpA (TFA)**
Nature of Relationship	Subsidiary company in Italy
Monetary Value	The Tender is for contract to manufacture Metro Coaches valued at Rs. 600 crores
Nature and material terms of the contract or arrangement including the value, if any;	To execute the contract if so awarded pursuant to participation in the Tender for Metro Coaches. TFA shall provide technology including designs, methodology and technical know-how facilitating technical eligibility. The participation in the Tender under consortium between TFA and TWL to have TFA as the Lead Member with revenue sharing as may be mutually agreed. Capex for updgrading the facilities of the Company at HED as may be required upon award of the contract would be undertaken. If the contract is awarded to the consortium, TFA will transfer the technology (ToT) pursuant to a Technology Transfer Agreement to be executed at appropriate point of time.
Duration	Duration of execution of the contract
Financial extent/limit of contract	As per the Tender, contract if awarded would be Rs.600 Crore or such higher value as may be determined by the Tenderer and the value of this related party transaction would be accordingly determined.

Notice

Name of the related party and	**Titagarh Firema Adler SpA (TFA)**
Nature of relationship	Subsidiary company in Italy
Monetary Value	Petronage letters in favour of inter alia Banks/Financial Institutions/others eligible for TFA as support of the Company as Holding Company according to the applicable law in Italy with standard terms such as declaration/undertaking not to change/reduce the parent company's shareholding in TFA, confidence in proper and timely fulfilment of the obligations by TFA arising from the contracts in the ordinary course of business. In some contracts the Petronage Letter may include financial obligations on the Company in the event of delay/default in discharge thereof by TFA.
Duration	Duration of the contract which may vary from one year to three years or longer
Nature, material terms and particulars of the contract or arrangement	TFA is a 90% subsidiary of TWL and having been acquired recently from Extra Ordinary Commissioner appointed by commercial court, Italy, its operations have been restarted by TWL. Although there is generally a rider in the Petronage letter that the same is not a guarantee, in the event of remote possibility of any obligations devolving on TWL, the extent thereof would be known only if and when the contract is awarded and contingent upon default, if any committed by TFA in discharge of its obligations under the contract. All commercial terms have been considered. Commercial terms not considered as part of contract: not applicable.
Financial extent/limit of contract	The financial extent/limit can be ascertained only when the contract is awarded to TFA and exigencies stated hereinbefore occur. However, a limit as may be applicable in accordance with the FEMA or other laws is sought to be stipulated which at present is 400% of net worth of the Company for all of its investments in overseas subsidiaries under automatic route.

The Board recommends passing of the Resolution. 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

The Company with the recommendation of Audit Committee and approval of the Board at its meeting held on 26th May, 2016, has appointed M/s. Vyas and Associates; Cost Accountants as Cost Auditor of the Company for the financial year 2016-17 at a remuneration of Rs. 2,00,000/-. Pursuant to Section 148 of the Act read with The Companies (Audit and Auditors) Rules, 2014 the remuneration of the Cost Auditor is to be ratified by the shareholders.

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

Registered Office:
756, Anandapur
E M Bypass, Kolkata -700107
22nd August, 2016

By Order of the Board
D. Arya
Company Secretary

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

Particulars	**Shri Umesh Chowdhary**	**Shri Sudipta Mukherjee**
Date of Birth	24.04.1974	01.01.75
Date of Appointment as director	01.07.2002	15.05.2014
Qualifications	B.COM (Hons)	Post Graduate from Calcutta University in Industry Law
Expertise in Specific Functional Areas	About 24 years of experience in the manufacturing sector.	About 17 years of experience in Wagons Operations.
Directorship held in other companies (excluding foreign companies)	• Cimmco Limited • Titagarh Capital Management Services Private Limited	Nil
Memberships/ Chairmanships of Committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee)	Stakeholders' Relationship Committee • Cimmco Limited	Nil
No. of shares held in the Company	77,530 equity shares of Rs. 2/- each	Nil

Directors' Report and Management Discussion and Analysis

Dear Shareholders,

The Directors are pleased to present their Nineteenth Annual Report and Audited Accounts for the financial year ended the 31st March, 2016.

1. Profit, Retention & Dividend

Your Company's financial performance during the year under review was follows : *(Rs. in Lacs)*

Particulars		2015-16		2014-15
Turnover		**30,974.70**		37,613.73
Earnings Before Interest, Tax, Depreciation & Amortisation (EBITDA)		**606.28**		3,391.88
Less : Depreciation and Amortisation Expenses	**1,000.38**		909.57	
Less : Finance Cost	**534.88**	**1535.26**	631.36	1540.93
Add : Interest Income		**2,030.81**		1,362.89
Less : Exceptional Items		**-**		1,710.15
Profit Before Tax		**1,101.83**		1,503.69
Less : Provision For Taxation		**470.83**		517.98
Profit After Taxation		**631.00**		985.71
Balance Brought Forward from Last Account		**28,833.66**		28,913.65
Amount available for Appropriation		**29,464.66**		29,899.36
Appropriations				
Transfer to General Reserve	**100.00**		100.00	
Dividend on Equity	**1,043.79**		802.36	
Tax on Dividend	**212.49**	**1,356.28**	163.34	1,065.70
Net Surplus in Statement of Profit and Loss		**28,108.38**		28,833.66

2. Company's Performance

During the FY 2015-16 your Company's performance was affected adversely mainly due to lack of orders for procurement of Wagons from Indian Railways (IR), the largest customer whereas the counter offer from IR had to be declined since the substantially lower prices owing to predatory pricing resorted to by some of the manufacturers aimed at garnering larger allocation in the tender rendered it unremunerative. Following it the EBIDTA and PBT saw a decline of about 82.1% and 26.7% when compared to the corresponding numbers in the previous financial year.

Your Company has been awarded order for substantially reduced quantity of 854 Wagons in April, 2016 valued at Rs.119 Crore only. However, it is encouraging to note that the Board's strategy of relentless pursuing to derisk the business from dependence on Wagons space has started yielding positive results as is evident from the incremental contribution to Revenue and EBIDTA in the past couple of years from Rail Coaches and Defence products.

With the recent acquisition of business and assets of a company in Italy through a subsidiary - Titagarh Firema Adler SpA (TFA), your Company is notably the first Indian entity to have access to the technology for Metro Coaches and the Group and as such being eligible, has participated in a tender for this segment in India. TFA has secured some large size orders for Trainsets in Italy and is set to play increasingly important role in the Group's performance. The overseas market for special wagons has received a boost with your Company's access to the technology for custom designed freight cars through Titagarh Wagons AFR (TWA), the subsidiary in France.

In order to be better equipped for enhancing the Group's presence in overseas markets, your Company's wholly owned subsidiary in Singapore has set up a Branch in Dubai, U.A.E. and subject to the applicable compliances, greater focus of the executive management of your Company is envisaged in this respect for more efficient management inputs and coordination with the overseas subsidiaries.

Besides consistently consolidating the prominent position of your Company in Rail Coaches (EMU/MEMUs), Wagons, Bailey Bridges, and Special Projects for the country's defence sector, with the issue of Industrial License by the Government of India (GOI) to your Company, the endeavours are afoot to participate in the tenders of the Defence Manufacturing sector in India.

Pursuant to sanction of the Scheme of Amalgamation of its four wholly owned subsidiaries with the Company having become effective in July, 2016, "Shipbuilding" vertical has been added to the business of your Company. The Board is pleased to inform you that being the lowest bidder in a tender for construction and supply of two vessels to an Institution under the Ministry of Earth Sciences, Government of India, your Company is anticipating the prestigious order.

A joint venture agreement has been signed with Matiere SAS, France (Matiere) for manufacture of metallic and modular bridges with a joint venture company being incorporated in India with equal stake in its equity of Matiere and the Company. This would facilitate diversification in the related area of your Company's core competencies and complement the Company's existing business of Bailey Bridges.

Overall the Board is reasonably confident of significantly improved performance during the current financial year.

Directors' Report and Management Discussion and Analysis

3. Dividend

The Board of Directors at its meeting held on 17th March, 2016 declared interim dividend of Forty percent i.e. Re. 0.80 per share on 11,53,84,370 equity shares of Rs. 2/- each fully paid up for the Financial Year under review to the shareholders whose names appeared on the Register of Members on March 29, 2016 and the Board recommends to the shareholders to confirm the same as a final dividend at the ensuing Annual General Meeting.

4. Business Segments

Wagons

Production and Sale of Wagons during the year at 1166 and 1135 units were up about 51.4% & 32.9% respectively in the year under review when compared to corresponding numbers in FY 2014-15 while the average realization per unit witnessed a decline of 30.8%.

The announcements in the annual Indian Railways ("IR") budget notwithstanding the expenditure thereunder appears to flow into infrastructure the benefits of which would take time to show up in the Wagons segment of the industry. Hence the opportunities presented by distinctively cost effective movement of cargo by railway network as compared to roads, appear to be subdued and successively declining largely due to erratic schedule and lower quantity of procurement by the IR compounded by unhealthy competition following predatory pricing by some of the private sector manufacturers rendering orders by the IR becoming un-remunerative. However, the completion of work on Dedicated Freight Corridors by the Indian Railways would spur demand from IR and private sector buyers for Wagons and therefore, the outlook for business from this segment is cautiously optimistic.

Coaches

Five rakes of MEMU from out of the order for twelve rakes received in the previous year from Indian Railways were despatched during the FY 2015-16 and the segment has contributed significantly to EBIDTA and Profit. Production of the remaining rakes has been progressing as per schedule.

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

Various initiatives being taken by the Government for building "smart cities" in the country would further generate the demand for Coaches which augurs well for this vertical. Heavy Engineering Division (HED) of the Company is equipped to turn out a fairly large number of Coaches per month and geared to fulfil the requirement of the customers.

Others

The segment consists of other products viz. Bailey Bridges and Heavy Earth Moving Machinery, Defence Products etc. which represented less than ten percent of the total revenue on individual basis during the financial year ended March 31, 2016.

5. Internal Financial Controls

Appropriate policies and procedures have been adopted by the Board to ensure effective financial controls, risk assessment and mitigation measures, accuracy and completeness of the accounting records, the prevention and detection of frauds and errors and orderly and efficient conduct of the Company's business.

The internal financial controls (IFC) have been documented and adequacy of IFC has been evaluated by an external firm of experts and certified by the Statutory Auditors. Based on the aforesaid, the Board has concluded that during the year IFC were operating effectively.

6. Risk and Concerns/Mitigation Measures

The Company has laid down a risk management mechanism which is reviewed periodically. A Risk Management Policy to identify and assess the key risk areas, monitor mitigation measures and report compliance has been adopted. Based on a review, major elements of risks have been identified and are being monitored for effective and timely mitigation.

Dependence on the Indian Railways

The Company's wagon manufacturing business is dependent upon the policies of Indian Railways and any change whether positive or adverse, has a direct impact on the Company's business and therefore, development of other verticals viz. Special Projects for Defence, Shipbuilding, with emphasis on securing orders for custom designed Wagons for exports and also private sector in India, expected entry into metro coaches, expansion through inorganic route etc. through suitably designed policies help mitigate the risk.

Performance guarantee, product warranty and liquidated damages

Some of the contracts for supply involve warranty periods varying from 12-24 months against manufacturing defects notwithstanding the warranties on certain components extended by the respective third party suppliers; enforcement thereof may not be always feasible. Further, certain contracts carry performance guarantee clause up to 10% of the contract value, valid for the duration of the warranty period, which can be invoked in the event of there being manufacturing defects. Liquidated damages of 10% in the event of delay in supply is a standard clause in most of the contracts. Consistent monitoring is carried out with due emphasis on better manufacturing practices to address these risks.

Growth through organic and inorganic routes

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

7. Subsidiary Companies

A report containing the details required under Section 134 read with Rule 8(1) of Chapter IX Rules of the Companies Act, 2013 ('the Act') in respect of performance and financial position for the financial year ended March 31, 2016, of wholly owned subsidiaries: Cimco Equity Holdings Private Limited (including its subsidiary Cimmco Limited), Titagarh Marine Limited (including its subsidiaries viz. Corporated Shipyard Private Limited and Times Marine Enterprises Private Limited) (since amalgamated), Titagarh Capital Private Limited, Titagarh Wagons AFR, France and Titagarh Singapore Pte. Ltd., Singapore; and subsidiaries: Titagarh Agrico Private Limited and Titagarh Firema Adler SpA included in the Consolidated Financial Report (CFS) in the Form AOC-1 is annexed to this Report and marked as **Annexure DR-1**. The CFS is attached to the Annual Report and Accounts.

Pursuant to the order dated May 17, 2016 of the Hon'ble High Court of Calcutta becoming effective on and from July 13, 2016, the following wholly owned subsidiaries : Cimco Equity Holdings Private Limited, Titagarh Marine Limited, Corporated Shipyard Private Limited and Times Marine Enterprises Private Limited have been amalgamated with your Company.

The Board of Titagarh Agrico Private Limited, with a view to inter alia deriving the benefits of synergy in operations and more efficient utilization of combined resources, has in principle approved the company's amalgamation into another subsidiary of your Company subject to applicable compliances in this respect.

8. Extract of Annual Return

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

9. Number of Board Meetings

The Board of Directors met Nine (9) times during the financial year 2015-16 as per the details provided in the Corporate Governance Report forming part of Annual Report.

10. Loans, Guarantee and Investments

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

11. Significant and Material orders

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

12. Composition of Audit Committee

The Audit Committee constituted by the Board has Shri D N Davar as Chairman and Shri Sunirmal Talukdar, Shri Manoj Mohanka and Shri S C Das as the members and the details are provided in the Corporate Governance Report. Shri S. C. Das has been inducted in the committee w.e.f. 20th May, 2016.

13. Related Party Transactions

All Related Party Transactions (RPTs) are entered pursuant to compliance with the applicable laws and also in accordance with the policy adopted by the Board. Audit Committee reviews and approves all the RPTs as stipulated by the SEBI (LODR) Regulations, 2015 and based thereon final approval of the Board is obtained. RPTs as approved by the Board during the financial year ended March 31, 2016 are disclosed in the Form AOC 2 annexed hereto and marked as **Annexure DR-3**.

14. Corporate Governance Report

The Company has complied with the corporate governance requirements under the Act and SEBI (LODR) Regulations, 2015. A separate section on Corporate Governance under Listing Regulations along with a certificate from a Company Secretary in Practice confirming compliance, is annexed to and forms part of the Annual Report.

15. Internal Controls System

The Company has system of internal controls and necessary checks and balances so as to ensure

a. That its assets are safeguarded

b. that transactions are authorised, recorded and reported properly; and

c. that the accounting records are properly maintained and its financial statements are reliable.

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

16. Vigil Mechanism

A fraud and corruption free environment as part of work culture of the Company is the objective and with that in view a Vigil Mechanism Policy has been adopted by the Board which is uploaded on the web site of the Company at **www.titagarh.biz**. No complaint of this nature has been received by the Audit Committee during the year under review.

17. Internal Complaints Committee

As per the requirement of Section 4 of The Sexual Harassment of Women At Workplace (Prevention, Prohibition and Redressal) Act, 2013 an Internal Complaints Committee has been formed by the Company, the details of which are given in the Corporate Governance Report. No complaint was lodged with the Committee during the financial year 2015-16.

One complaint received in May, 2016 is in the process of being disposed of.

Directors' Report and Management Discussion and Analysis

18. Directors

Retirement by Rotation

Shri Umesh Chowdhary, Vice Chairman & Managing Director retires by rotation pursuant to the provisions of Section 152 of the Act and is eligible for re-appointment.

The information prescribed by Regulation 36 of SEBI (LODR) Regulations, 2015 in respect of the above named Director is given in the Notice of Nineteenth Annual General Meeting.

Pursuant to the decision of Nomination & Remuneration Committee and the Board, Shri Sudipta Mukherjee, Director (Wagons Operations) has been re-designated Wholetime Director and his revised remuneration would be placed for your approval pursuant to the provisions of Section 197 of the Companies Act, 2013, read with Schedule V to the Act.

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

In compliance with the Act and SEBI (LODR) Regulations, 2015, the performance evaluation of the Board, Committees and Individual Directors was carried out during the FY 2015-16 as per the details set out in Corporate Governance Report.

20. Declaration by Independent Directors

Declarations pursuant to the Sections 164 and 149(6) of the Act and SEBI (LODR) Regulations, 2015 and affirmation of compliance with the Code of Conduct as well as the Code for Regulation of Insider Trading adopted by the Board, by all the Independent Directors of the Company have been made.

21. Remuneration Policy and remuneration

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

22. Directors' Responsibility Statement

The Directors state that:

- Appropriate Accounting Standards as are applicable to the Annual Statement of Accounts for the financial year ended March 31, 2016 have been followed in preparation of the said accounts and there were no material departures therefrom requiring any explanation;
- The Directors have selected and followed the accounting policies as described in the Notes on Accounts and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year and of the profit and loss statement of the Company for that period;
- Proper and sufficient care has been taken for maintaining adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The Annual Accounts have been prepared on a going concern basis; and
- The Directors have laid down internal financial controls (IFC) to be followed by the Company and that such IFC are adequate and operating effectively.

23. Statutory Auditors

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

As regards the qualified opinion expressed by the Statutory Auditors in their Report on Standalone Financial Statements, the Note 10(e) and emphasis of matter- Note 40 in the relevant notes to the Financial Statements (the Notes) are self-explanatory requiring no further specific response from the Directors at this stage.

24. Consolidated Financial Statements

In accordance with Accounting Standards 21, 23 and 27 issued by the Institute of Chartered Accountants of India, consolidated financial accounts prepared on the basis of financial statements received from subsidiary companies as approved by their respective Boards, form part of this Report & Accounts. As regards the qualified opinion expressed by Statutory Auditors in their Report, the Note No. 15(2)(a)(i) and w.r.t. emphasis of matter Notes No. 33(vi)(a), 35 & 42 in the Notes to Accounts are self-explanatory, requiring no specific response from the Directors at this stage, however the recoverable amount aggregating Rs. 2796.26 lacs is subject to ongoing legal proceedings which are being closely monitored and expedited to the extent within the Company's control. The Statutory Auditor's attention to the capitalization of certain expenses by a subsidiary company pertains to difference in interpretation of the relative Accounting Standard and the cost incurred till the time of receipt of the requisite approval to the product developed by the said subsidiary having been considered as pre-operative expenses.

25. Cost Auditors

Messrs M R Vyas & Associates., Cost Accountants have been appointed as Cost Auditors to conduct cost audit of the accounts maintained by the Company in respect of the products manufactured by the Company, for the Financial Year 2016-17 subject to ratification of their remuneration by the shareholders in accordance with the provisions of Section 148 of the Act and the Companies (Cost Records and Audit) Rules, 2014. The Cost Audit Report for the financial year ended 31st March, 2016 has been filed as stipulated by the applicable provisions of law.

26. Secretarial Auditor

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

27. Fixed Deposits

The Company did not accept any deposits during the financial year ended March 31, 2016.

28. Personnel

Human Resources

A. Empowering the employees

The Company's organizational structure has been evolving over time, the efforts being to follow good HR practices. Adequate training/retraining of the staff and management personnel is a core direction in this area.

B. Industrial Relations

Industrial relations at all sites of the Company remained cordial.

C. No. of Employees

Manpower employed as at March 31, 2016 was 523.

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

29. Particulars of Remuneration of Directors/KMP/Employees

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

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

30. Employee Stock Options Scheme

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

Options aggregating 27,500 Equity shares of Rs.2/- each fully paid up upon exercise by the eligible employees in conformity with ESOS have been allotted on August 22, 2016.

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

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

32. Corporate Social Responsibility

A report on Corporate Social Responsibility (CSR) activities undertaken during the financial year ended March 31, 2016 pursuant to the provisions of Section 135 of the Act and rules made thereunder is annexed to this Board's Report and marked as **Annexure DR-7**.

Apart from the above, your Company makes, inter alia, donations to the charitable institutions directly and through philanthropic organisations engaged in providing medical, education and other reliefs to the poorer sections of the society. Industrial Training Institute (the "ITI") set up on your Company's land at Titagarh plant situate in Barrackpore, North 24 Parganas under Private Public Partnership (PPP) is yet another area. The ITI with access to the requisite infrastructure provided by the Company imparts hands-on training to the local people. More than 500 students in various batches have passed and significant number of them are engaged in various jobs in the industry. The ITI has been recognised by the State Government as one of the best in the country and it caters to the requirement of skilled workmen by industrial units.

33. Listing

The Company's Equity Shares are listed at the BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE). The listing fees for the financial year ending on March 31, 2017 have been duly paid.

34. Discussion on Financial Performance with respect to Operational Performance

To mitigate the risk factors referred to hereinbefore that impact the operations, better manufacturing processes, improvement in productivity and focus on optimization of resource deployment are some of the measures taken to achieve reasonable performance.

35. Forward Looking Statement

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

36. Acknowledgement

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

For and on behalf of the Board

Kolkata

August 22, 2016

J P Chowdhary

Executive Chairman

Annexure to Directors' Report

ANNEXURE DR-1

Form AOC-1

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

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

Part - A : Subsidiaries

Sl. No.	1	2	3	4	5	6	7	8	9	10
Name of the subsidiary	Titagarh Capital Pvt. Ltd.	Titagarh Marine Limited*	Cimco Equity Holdings Pvt. Ltd.*	Titagarh Agrico Pvt. Ltd.	Cimmco Limited	Corporated Shipyard Pvt. Ltd. *	Times Marine Enterprises Pvt. Ltd.*	Titagarh Firema Adler SpA, Italy	Titagarh Wagons AFR, France	Titagarh Singapore Pte. Ltd. Singapore
Date since when subsidiary was acquired	13.10.2008	01.09.2008	12.09.2008	24.08.2012	28.05.2014	03.04.2012	29.02.2012	30.06.2015	18.06.2010	22.08.2008
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	1.4.2015 to 31.3.2016									
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	Rs./Lacs							EURO Rs. 75.0955	EURO Rs. 75.0955	EURO Rs. 75.0955
Share capital	4000.00	455.00	6500.00	2447.22	6014.85	495.00	5.43	7115.70	4816.19	5433.59
Reserves & surplus	(1423.42)	(694.40)	(2145.14)	(430.09)	9846.40	(2580.50)	(36.78)	659.53	2584.66	(263.51)
Total assets	3248.15	4092.06	4405.61	3022.77	24298.03	789.46	82.46	123465.90	28912.69	15107.32
Total Liabilities	3248.15	4092.06	4405.61	3022.77	24298.03	789.46	82.46	123465.90	28912.69	15107.32
Investments	1500.00	823.21	4402.70	0.20	.05	-	-	-	-	8946.63
Turnover	22.22	80.27	0.23	502.37	6870.66	40.96	14.74	24449.64	34188.12	-
Profit before taxation	(134.94)	(288.65)	(8.39)	(361.38)	(1131.88)	(2105.56)	(3.55)	827.87	1471.04	(219.48)
Provision for taxation	-	-	-	-	51.19	286.55	-	569.32	533.35	-
Profit after taxation	(134.94)	(288.65)	(8.39)	(361.38)	(1183.08)	(2392.10)	(3.55)	258.54	937.70	(219.48)
Proposed Dividend	Nil									
% of shareholding	100	100	100	95.62	-	-	-	90	90	100

Notes :

The following information shall be furnished at the end of the statement:

1. Cimmco Limited is a subsidiary of CEHPL
2. *Corporated Shipyard Private Limited and Times Marine Enterprises Private Limited are subsidiaries of Titagarh Marine Limited.
3. Titagarh Firema Adler Spa, Italy was acquired during the year.

* Since amalgamated with the Company in July, 2016.

For and on behalf of the Board

Kolkata
August 22, 2016

J P Chowdhary
Executive Chairman

Annexure to Directors' Report

ANNEXURE DR-2

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31st March, 2016

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

I. REGISTRATION AND OTHER DETAILS

1	CIN	L27320WB1997PLC084819
2	Registration Date	03.07.1997
3	Name of the Company	Titagarh Wagons Limited
4	Category/Sub-category of the Company	Public Company Limited
5	Address of the Registered office and contact details	756, Anandapur, E M Bypass, Kolkata -700107* Contact: +91 33 40190800, Fax: +91 33 40190823 E Mail: investors@titagarh.in
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot No. 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad-500032, Telephone: +91 040 6716 2222

* Registered Office changed w.e.f. 9th May, 2016

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated (Based on Audited Financial Results 2015-16) :

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Wagons and Coaches	3020	83.93%

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Names and Address	CIN	Holding/Subsidiary/ Associate	Percentage of Shares held	Applicable Section
1.	Titagarh Capital Private Limited 756, Anandapur, E M Bypass, Kolkata-700107	U01122WB1994PTC138832	Subsidiary	100%	2(87)
2.	Titagarh Marine Limited 1B Aster Court, 3 Loudon Street, Kolkata-700017	U70109WB2008PLC128968	Subsidiary	100%	2(87)
3.	Cimco Equity Holdings Private Limited 756, Anandapur, E.M.Bypass, Kolkata-700107	U67120WB2008PTC129301	Subsidiary	100%	2(87)
4.	Titagarh Singapore Pte Ltd. 391B Orchard Road, #23-01 Ngnee Ann City, Tower-B, Singapore-238874	Foreign Company	Subsidiary	100%	2(87)
5.	Titagarh Wagons AFR 12 rue de la Chaussee d Antin, Paris- 75009	Foreign Company	Subsidiary	90%	2(87)
6.	Titagarh Agrico Private Limited 756, Anandapur, E.M.Bypass, Kolkata- 700 107	U74999WB2012PTC177154	Subsidiary	95.62%	2(87)
7.	Times Marine Enterprises Private Limited 4/1 Foreshore Road, Botanical Garden, Howrah- 711103	U45209WB1995PTC068148	Step-Down Subsidiary	-	2(87)
8.	Corporated Shipyard Private Limited "Diamond Chamber", 3rd Floor, Flat No. 3A & 3B, 4, Chowringhee Lane, Kolkata-700016	U45201WB1981PTC033733	Step-Down Subsidiary	-	2(87)
9.	Cimmco Limited 756, Anandapur, E.M.Bypass, Kolkata- 700107	U28910WB1943PLC168801	Step-Down Subsidiary	-	2(87)
10.	Titagarh Firema Adler SpA Gianni, Origoni, Grippo, Cappelli Partners Vla delle Quattro Fontane No. 20 00184 Rome (Italy)	Foreign Company	Subsidiary	90%	2(87)

Annexure to Directors' Report

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

i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2015				No. of Shares held at the end of the year 31.03.2016				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1. Indian									
a. Individual/HUF	6233828	Nil	6233828	31.08	31169140	Nil	31169140	27.01	(4.07)
b. Central Govt.	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
c. State Govt.	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
d. Bodies Corp.	4407589	Nil	4407589	21.97	22037945	Nil	22037945	19.10	(2.87)
e. Bank/FI	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
f. Any other	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
Sub-Total-A(1)	**10641417**	**Nil**	**10641417**	**53.05**	**53207085**	**Nil**	**53207085**	**46.11**	**(6.94)**
2. Foreign									
a. NRI-Individuals	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
b. Other Individuals	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
c. Body Corporate	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
d. Bank/FI	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
e. Any Other	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
Sub-Total-A(2)	**Nil**	**Nil**	**Nil**	**N.A**	**Nil**	**Nil**	**Nil**	**N.A**	**N.A**
Total Shareholding of Promoters (1+2)	**10641417**	**Nil**	**10641417**	**53.05**	**53207085**	**Nil**	**53207085**	**46.11**	**(6.94)**
B. Public Shareholding									
1. Institution									
a. Mutual Funds	1840543	Nil	1840543	9.17	21108989	Nil	21108989	18.29	9.12
b. Bank/FI	95853	Nil	95853	0.48	550146	Nil	550146	0.48	Nil
c. Cent. Govt./State Govt.	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
d. Venture Capital	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
e. Insurance Co.	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
f. FIIs	727979	Nil	727979	3.63	5323450	88060	5411510	4.69	1.06
g. Foreign Portfolio Corporate	Nil	Nil	Nil	N.A.	6004230	Nil	6004230	5.20	5.20
h. Foreign Venture Capital Fund	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
i. Others	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
Sub Total B(1)	**2664375**	**Nil**	**2664375**	**13.28**	**32986815**	**88060**	**33074875**	**28.66**	**15.38**
2. Non-Institution									
a. Body Corp									
i) Indian	1701879	Nil	1701879	8.48	5870633	Nil	5870633	5.09	(3.39)
ii) Overseas	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
b. Individual									
i. Individual Shareholders holding nominal share capital up to Rs. 1 Lakh.	1632981	8563	1641544	8.18	18178684	42105	18220789	15.79	7.61
ii. Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh.	705357	Nil	705357	3.52	3539785	Nil	3539785	3.07	(0.45)
c. Others									
(i) NBFCs Registered with RBI	Nil	Nil	Nil	N.A.	49105	Nil	49105	0.04	0.04
(ii) Clearing Members	137108	Nil	137108	0.68	596873	Nil	596873	0.52	(0.16)
(iii) Foreign Bodies	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
(iv) Foreign Bodies Corporate	2459499	17612	2477111	12.35	Nil	Nil	Nil	N.A.	(12.35)
(v) Non Resident Indians	89614	12	89626	0.45	824415	60	824475	0.71	0.26
(vi) Trust	151	Nil	151	Nil	750	Nil	750	Nil	N.A.
Sub-Total-B(2)	**6727090**	**26187**	**6753277**	**33.67**	**29060245**	**42165**	**29102410**	**25.22**	**(8.45)**
Net Total (1+2)	**9417652**	**26187**	**9391465**	**46.95**	**62135100**	**42165**	**62177285**	**53.88**	**6.93**
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
Grand Total (A+B+C)	**20032882**	**26187**	**20059069**	**100%**	**115342185**	**42165**	**115384370**	**100.00**	

Annexure to Directors' Report

ii) Shareholding of Promoters

Sl. No.	Share Holders' Names	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares pledged / encumbered to total shares	
1	Titagarh Capital Management Services Private Limited	4334033	21.61	Nil	21670165	18.78	Nil	(2.83)
2	Smt. Savitri Devi Chowdhary	3623207	18.06	Nil	18116035	15.70	Nil	(2.36)
3	Smt. Rashmi Chowdhary	2563221	12.78	Nil	12816105	11.10	Nil	(1.68)
4	Shri J P Chowdhary	31308	0.16	Nil	156540	0.14	Nil	(0.02)
5	Shri Umesh Chowdhary	15506	0.08	Nil	77530	0.07	Nil	(0.01)
6	Titagarh Logistics Infrastructures Private Limited	30000	0.15	Nil	150000	0.13	Nil	(0.02)
7	Singhal Contractors & Builders Private Limited	4691	0,02	Nil	23455	0.02	Nil	N.A
8	Tecalemit Industries Limited	2531	0.01	Nil	12655	0.01	Nil	N.A
9	Navyug Business Private Limited	2375	0.01	Nil	11875	0.01	Nil	N.A
10	Simplex Development Private Limited	3607	0.02	Nil	18035	0.02	Nil	N.A
11	Traco International Investment Private Limited	30352	0.15	Nil	151760	0.13	Nil	(0.02)
13	Smt. Vinita Bajoria	16	0.00	Nil	80	0.00	Nil	N.A
14	Smt. Sumita Kandoi	17	0.00	Nil	85	0.00	Nil	N.A
15	Shri Saket Kandoi	193	0.00	Nil	965	0.00	Nil	N.A
18	Smt. Bimla Kajaria	360	0.00	Nil	1800	0.00	Nil	N.A
	Total	**10641417**	**53.05**	**Nil**	**53207085**	**46.11**	**Nil**	**(6.94)**

iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	At the beginning of the year	10641417	53.05	10641417	53.05
2.	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity etc)	Equity Shares alloted to QIB under QIP on 15.07.2015	Nil	53207085	46.11
3.	At the end of the year	53207085	46.11	53207085	46.11

Annexure to Directors' Report

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

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year 1.04.15		Shareholding at the end of the year 31.03.16	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	HDFC TRUSTEE COMPANY LIMITED- HDFC PRUDENCE FUND	992727	4.94	6151556	5.33
2.	GE CAPITAL INTERNATIONAL (MAURITIUS)	2459499	12.26	5322200	4.61
3.	RELIANCE CAPITAL TRUSTEE CO LTD-A/C RELIANCE MID & SMALL CAP FUND	513358	2.56	2566790	2.22
4.	TATA AIA LIFE INSURANCE CO LTD-WHOLE LIFE MID CAP	-	-	2289837	1.98
5.	POLUNIN EMERGING MARKETS SMALL CAP FUND, LLC	-	-	1587062	1.37
6.	HDFC SMALL & MIDCAP FUND	-	-	1509045	1.30
7.	L & T MUTUAL FUND TRUSTEE LTD- L & T TAX ADVANT	-	-	1458605	1.26
8.	AKASH BHANSALI	287149	1.43	1435745	1.24
9.	HDFC TRUSTEE COMPANY LTD- HDFC CORE AND SATELLITE	50000	0.25	1255900	1.09
10.	L & T MUTUAL FUND TRUSTEE LIMITED-L & T BUSINESS CYCLE	147500	0.74	1007416	0.87

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of Shareholders	Shareholding at the beginning of the year 1.04.15		Shareholding at the end of the year 31.03.16*	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1.	Shri J P Chowdhary	31308	0.16	156540	0.14
2.	Shri Umesh Chowdhary	15506	0.08	77530	0.07
3.	Shri Sudipta Mukherjee	Nil	N.A.	Nil	N.A.
4.	Shri Anil Kumar Agarwal	Nil	N.A.	Nil	N.A.
5.	Shri Dinesh Arya (Karta)	50	Neglible	250	Neglible

* Stock Split from Rs. 10/- to Rs. 2/- Face Value on 23.04.2015.

V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total
Indebtedness at the beginning of the financial year				
i) Principal Amount	1459.48	Nil	Nil	1459.48
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total of (i+ii+iii)	**1459.48**			**1459.48**
Change in Indebtedness during the financial year				
+ Addition	1329.80	Nil	Nil	1329.08
- Reduction	1459.48	Nil	Nil	1459.48
Net Change	**-129.68**			**-129.68**
Indebtedness at the end of the financial year				
i) Principal Amount	1329.80	Nil	Nil	1329.80
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total of (i+ii+iii)	**1329.80**	**Nil**	**Nil**	**1329.8**

Annexure to Directors' Report

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Shri J. P. Chowdhary	Shri Umesh Chowdhary	Shri Sudipta Mukherjee	
1.	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act,1961	Rs. 68,43,000/-	Rs. 64,57,500/-	Rs. 31,43,088/-	Rs. 1,64,43,588/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under Section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil*	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil	Nil
	- as % of profit	-	-	-	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	**Rs. 68,43,000/-**	**Rs. 64,57,500/-**	**Rs. 31,43,088/-**	**Rs. 1,64,43,588/-**
	Ceiling as per the Act				

* Fifty Thousand Options granted on 04.03.2015 (Please refer to Note 25)

B. Remuneration to other directors:

Particulars of Remuneration	Name of Directors					Total Amount
	Independent Directors					
Name of the Directors	Shri D. N. Davar	Shri Manoj Mohanka	Shri Shekhar Datta	Shri Sunirmal Talukdar	Shri Sudev Chandra Das	
Fee for attending board committee meetings	Rs. 5,70,000/-	Rs. 6,40,000/-	Rs. 2,20,000/-	Rs. 4,90,000/-	Rs. 3,10,000/-	Rs. 22,30,000/-
Commission	Rs. 3,75,000/-	Rs. 1,50,000/-	Rs. 2,00,000/-	Rs. 1,75,000/-	Rs. 1,00,000/-	Rs. 10,00,000/-
Others	Nil	Nil	Nil	Nil	Nil	Nil
Total (1)	**Rs.9,45,000/-**	**Rs.7,90,000/-**	**Rs.4,20,000/-**	**Rs.6,65,000/-**	**Rs.4,10,000/-**	**Rs. 32,30,000/-**
	Non-Executive Director					
Name of Directors	Smt. Rashmi Chowdhary					
Fee for attending board committee meetings	Rs. 1,60,000/-					
Commission	Nil					
Others	Nil					
Total (2)	**Rs. 1,60,000/-**					**Rs.1,60,000/-**
Total (B)=(1+2)						**Rs. 33,90,000/-**
Total Managerial Remuneration (A+B)						**Rs. 1,98,33,588/-**
Overall Ceiling as per the Act						

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

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
		Shri Anil Kumar Agarwal (CFO)	Shri Dinesh Arya (CS)	
1.	Gross salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act,1961	Rs. 31,43,088/-	Rs. 19,62,376/-	Rs.51,05,464/-
	(b) Value of Perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil*	Nil**	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - as % of profit			
5.	Others, please specify	Nil	Nil	Nil
	Total	**Rs. 30,84,321/-**	**Rs. 19,62,376/-**	**Rs.51,05,464/-**

* Fifty Thousand Option granted on 04.03.2015 and ** Twenty Five Thousand Option granted on 04.03.2015 (Please refer to Note 25)

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

For and on behalf of the Board

Kolkata
August 22, 2016

J P Chowdhary
Executive Chairman

Annexure to Directors' Report

ANNEXURE DR-3

Form AOC-2

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

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

Details of Material Contract, Arrangement or Transaction at Arm's Length Basis for the year ended March 31, 2016

Sl. No.	Name (s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date (s) of approval by the Board, if any:	Amount paid as advances, if any:
1	Nutech Engineering Company [Relative of Director(s)]	Purchase of wagons and foundry components and job work aggregating amount not exceedingRs. 2 crores for Financial Year	3 Years	1. To purchase of wagons from Nutech Engineering Company as per the terms & conditions mentioned in the purchase order including procurement & manufacturing of wagons. 2. All factors relevant to the contract has been considered.	18.05.2015	Nil
2	Adarsh Imports and Exports Private Limited (Directors relative is a Director/ Member)	Purchase of wooden box for shelter and job work Rs. 1 Crore per Financial Year not exceeding in aggregate	3 Years	1. To purchase wooden box & shelter from Adarsh Imports and Exports Private Limited as per the terms & conditions mentioned in the purchase order. 2. All factors relevant to the contract has been considered.	18.05.2015	Nil

List of Subsidiaries

1. **Titagarh Wagons AFR, France ("TWA")**
   TWA is a railway rolling stock manufacturing company based in Douai, France and was acquired by TWL in 2010. TWA has strong research and design competencies and a manufacturing capacity of 2,000 wagons per annum. TWL along with TSPL own 100% of the equity share capital of TWA.
2. **Cimmco Limited ("Cimmco")**
   Cimmco, a step down subsidiary of the Company, was incorporated on September 8, 1943 with the primary objective of business of manufacturing machinery, engines, turbines, tanks, ships, bodies, tools, implements, equipments, and other materials and products. Cimmco's manufacturing facility at Bharatpur, Rajasthan is spread over approximately 200 acres. The facility has assessed capacity to manufacture 2,400 wagons per annum and has also obtained Industrial License for manufacturing certain itemfor Defence. TWL holds 74.76% of the equity share capital of Cimmco.
3. **Titagarh Agrico Private Limited ("TAPL")**
   The primary object of TAPL is to carry on the business of manufacturing tractors and other agricultural equipment/implements. TAPL has set up facilities in phases for manufacture of 6,000 tractors per annum. TWL holds 100% of the paid-up equity share capital of TAPL.
4. **Titagarh Capital Private Limited ("TCPL")**
   TCPL, a subsidiary of TWL, was originally incorporated as Flourish Securities and Finance Private Limited ("FSFPL") on May 10, 1994 and was subsequently granted a fresh certificate of incorporation on April 18, 2012, following a change in its name from FSFPL to TCPL. The primary object of TCPL, registered with RBI as NBFC, is to carry on the business of Non Banking Finance Companies (NBFC). TWL holds 100% of the total paid-up equity capital of TCPL.
5. **Titagarh Firema Adler SpA ("TFA")**
   TFA was set up by TWL as a subsidiary in 2015 to acquire business and assets of Firema Transporti SpA. TFA is engaged in manufacturing of Electrical Trains, Passenger Coaches, Metro Coaches and Shunting Locomotives at its facilities in Italy. TWL holds 1.80% directly and 88.20% through TSPL.
6. **Titagarh Singapore Pte. Limited ("TSPL")**
   TSPL, a wholly owned subsidiary of the Company has been incorporated under the laws of Singapore and is the investment arm of the Titagarh group, for investing in overseas companies. TSPL holds 88.20% of the equity share capital in TFA and 39.66% in TWA.

For and on behalf of the Board

J P Chowdhary
Executive Chairman

Kolkata
August 22, 2016

Annexure to Directors' Report

ANNEXURE DR-4

Secretarial Audit Report

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

FOR THE FINANCIAL YEAR 2015-16

Foreword

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

Based on my/our verification of the Titagarh Wagons Limited books, papers, minutes books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I/We hereby report that in my/our opinion, the company has, during the audit period covering the financial year ended on 31st March 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/We have examined books, papers, minutes books, forms and returns filed and other records maintained by Titagarh Wagons Limited ("the Company") for the financial year ended on 31st March 2016, (to the extent applicable) according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the applicable rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

(vi) The other laws applicable specifically to the auditee company

- a. Factories Act, 1948
- b. The Contract Labour (Regulation & Abolition) Act, 1970
- c. The Minimum Wages Act, 1948
- d. The Equal Remuneration Act, 1976
- e. The Workmen Compensation Act, 1923
- f. The Industrial Disputes Act 1947 & Industrial Disputes (Central) Rules, 1957.
- g. The Industrial Employment (Standing Orders) Act, 1946
- h. The Apprenticeship Act, 1961 & Rules 1991
- i. The Environment (Protection) Act, 1986
- j. Indian Standard Code of Practice for Selection, Installation & Maintenance of Portable First Aid Fire Extinguishers
- k. Water (Prevention & Control of Pollution) Cess Act, 1977 & Water (Prevention & Control of Pollution)Cess Rules, 1977
- l. The Employees Compensation Act, 1923
- m. The Employment Exchange (Compulsory Notification on Vacancies) Act, 1959
- n. The Payment of Bonus Act, 1965 & Bonus Rules, 1975
- o. The Apprenticeship Act 1961 & Rules 1991
- p. Motor Vehicles Act 1988 & Central Motor Vehicles Rules, 1989
- q. Finance Act 1994 & Works Contract (Composition Scheme for payment of Service Tax) Rules, 2007
- r. The Maternity Benefit Act, 1961
- s. The Payment of Gratuity Act, 1972
- t. The Employees State Insurance Act, 1948
- u. The Service Tax
- v. Income Tax Act, 1961
- w. The Employees Provident Fund & Misc Provisions Act, 1952
- x. The Information Technology Act, 2000

Annexure to Directors' Report

I/We have also examined compliance with the applicable clauses of the following: (i) Secretarial Standards issued by The Institute of Company Secretaries of India. (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange & National Stock Exchange;

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

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

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

   Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda are sent at least seven days in advance, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Majority decision is carried through, while the dissenting members' views are captured and recorded as part of the minutes.
4. The Company has complied with the provisions of the Act and Rules made under that Act in carrying out the following changes :
   - (a) Name of the Company
   - (b) Registered Office
   - (c) Principal business in conformity with the Objects
   - (d) Particulars of holding and subsidiary companies
   - (e) Promoters
   - (f) Auditors
   - (g) Directors
   - (h) Managerial Remuneration
   - (i) Officers in default
   - (j) Share Capital (authorized, issued, subscribed, paid-up, conversion/redemption, reclassification, sweat).
   - (k) The changes in the provisions of:
     - (i) The Memorandum of Association.
     - (ii) The Articles of Association.
5. The Directors have complied with the disclosure requirements in respect of their eligibility of appointment, their being independent and compliance with the code of Business Conduct & Ethics for Directors and Management Personnel.
6. The Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings/debenture holdings and directorships in other companies and interests in other entities.
7. The company has advanced loans, given guarantees and provided securities to companies in which directors were interested, and has complied with the provisions of the Companies Act, 2013.
8. The Company has made loans and investments; or given guarantees or provided securities to other business entities and has complied with the provisions of the Companies Act, 2013 and any other statutes as may be applicable.
9. The amount borrowed by the Company from its directors, members, bank(s)/ financial institution(s) and others were within the approved borrowing limits of the Company. Such borrowings were made by the Company in compliance with applicable laws.
10. The Company has not defaulted in the repayment of public deposits, unsecured loans and debentures, facilities granted by bank(s)/financial institution(s) and non-banking financial companies.
11. The Company has created, modified or satisfied charges on the assets of the company and complied with the applicable laws.
12. All registrations under the various state and local laws as applicable to the company are valid as on the date of report.
13. The Company has issued and allotted the securities to the persons-entitled thereto and has also issued letters, coupons, warrants and certificates thereof as applicable to the concerned persons within the stipulated time in compliance with the provisions of the Companies Act, 2013 and other relevant statutes.
14. The Company has declared and paid dividends to its shareholders as per the provisions of the Companies Act, 2013 and other relevant statutes.
15. The Company has credited and paid to the Investor Education and Protection Fund within the stipulated time, all the unpaid dividends, refund of application money, repayment of principal and interest on debentures, repayment of principal and interest on fixed deposits as required to be so credited to the Fund.
16. The Company has paid all its Statutory dues and satisfactory arrangements have been made for arrears of any such dues.
17. The Company (being a listed entity) has complied with the provisions of the Listing Agreement.
18. The Company has provided a list of statutes in addition to the laws as mentioned above and it has been observed that there are proper systems in place to ensure compliance of all laws applicable to the company.
19. The MCA, SEBI, (any other regulatory authority) carried out inspection of the company during the year and there are no major findings/and the major findings are given below - N.A.
20. During the year the Company has become a sick company or otherwise (amalgamated) etc. - N.A.

Annexure to Directors' Report

I/We further report that:

(a) the Company has complied with the provisions of Corporate Governance Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs, Government of India;

(b) the Company has complied with the provisions of Corporate Social Responsibility Voluntary Guidelines, 2009 issued by the Ministry of Corporate Affairs, Government of India;

(c) the Company has followed the Secretarial Standards issued by the Institute of Company Secretaries of India;

(d) the Company has complied with the provisions of Equity listing Agreements entered into with Bombay & National Stock Exchange(s);

(e) the Company has complied with the provisions of The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regard to disclosures and maintenance of records required under the Regulations;

(f) the Company has complied with the provisions of The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the Regulations;

(g) the Company has complied with the provisions of The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(h) the Company has complied with the provisions of The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 with regard to grant of Stock Options and implementation of the Schemes (NA);

(i) the Company has complied with the provisions of The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - N.A.

(j) the Company has complied with the provisions of the Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(k) the Company has complied with the provisions of The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 with regard to delisting of Equity shares from the Exchange(s) - N.A.

(l) the Company has complied with the provisions of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 with regard to buy back of Equity shares - N.A.

I/We further report that:

There are systems and processes in place in the company. However, the registers in electronic form shown to us did not provide us the necessary comfort to believe that the company had watertight satisfactory safety procedures inbuilt within the system as prescribed by law.

I/We further report that:

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

(i) Acquired a business in Italy by making it a subsidiary of itself by the name of Titagarh Firema Adler Spa, Italy (TFA).

(ii) Approved Scheme of Amalgamation of 4 of its wholly owned subsidiaries (WOS) with the Company viz.: Titagarh Marine Limited and its two WOS Corporated Shipyard Pvt. Ltd. & Times Marine Enterprises Pvt. Ltd.; and Cimco Equity Holdings Pvt. Ltd. (CEHPL).

(iii) Re-appointed Executive Chairman & Vice Chairman-cum- Managing Director

(iv) Appointed Group CFO & Executive Director (without a Board seat)

(v) The company sub-divided its present share capital consisting of 2,00,59,069 Equity Shares of Rs. 10/- each into 10,02,95,345 equity shares of Rs. 2/- each (Stock Split),

(vi) The Company approved raising of resources by way of placement of equity shares with Qualified institutional Buyers to the extent of Rs. 250 crore at such premium and at such times as may be deemed to be appropriate. Pursuant to such resolution, the company issued 15,089,025 equity shares of FV of Rs. 2/- each

(vii) The Board recommended and paid interim dividend of Re 0.80 per Equity Shares consisting of 11,53,84,370 equity shares of Rs. 2/- each aggregating to Rs. 9,23,07,496/-. This was in addition to the dividend paid during the year as approved by the members.

(viii) The Board approved the increase in sitting fees to non-executive directors effective from meeting dated 14/11/2015.

(ix) The Board approved the payment of commission (subject to Shareholders approval) to Non-Executive Directors @ 1% of the net profit, subject to a ceiling of Rs. 10 lakhs.

(x) Changed the place of keeping the minutes and other records at the Corporate Office

(xi) The Company is required to spend 2% of its net profits towards CSR activities, aggregating to Rs. 160.57 Lakhs. The company has till date spent an amount of Rs. 58,91,047/-. We have been informed that the projects have been identified, however, its due diligence for their implementation is still underway and hence the full amounts have not been spent

(xii) Made Related Party Transactions as below :

a. Issue of Comfort Letter to Cimmco Ltd.

b. Gave a loan of Rs. 10 crore to Titagarh Capital Pvt. Ltd. (a wholly owned subsidiary)

c. Issued letter to Bank for Working Capital facility to Titagarh Agrico Pvt. Ltd.

d. Provided security for the SBLC facility granted to Titagarh Firema Adler SpA, Italy by IndusInd Bank.

e. Provided corporate guarantee to ICICI Bank for financial assistance to Titagarh Singapore Pte Ltd.

f. Approved the remittance of USD 10 mio in one or more tranches towards subscription to equity capital of Titagarh Singapore Pte Ltd.

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

Place: Mumbai
Date: 29th July 2016

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

Annexure to Directors' Report

ANNEXURE-A

To
The Members
Titagarh Wagons Limited
756, Anandapur
E M Bypass
Kolkata 700107

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

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

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

Place: Mumbai
Date: 29th July 2016

Annexure to Directors' Report

ANNEXURE DR-5

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

Rule	Particulars			
(i)	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	a	Shri J P Chowdhary, Executive Chairman	41.61
		b	Shri Umesh Chowdhary, Vice Chairman & Managing Director	41.61
		c	Shri Sudipta Mukherjee Wholetime Director	15.90
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.	a	Shri J P Chowdhary, Executive Chairman	Nil
		b	Shri Umesh Chowdhary, Vice Chairman & Managing Director	Nil
		c	Shri Sudipta Mukherjee, Wholetime Director	15%
		d	Shri Anil Kumar Agarwal, Chief Financial Officer	15%
		e	Shri Dinesh Arya, Company Secretary	15%
(iii)	The percentage increase in the median remuneration of employees in the financial year.			5.27%
(iv)	The number of permanent employees on the rolls of the Company.			523
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.		There has been nil increase in the remuneration of managerial personnel and others	
(vi)	It is hereby affirmed that the remuneration is as per the Remuneration Policy of the Company.			

For and on behalf of the Board

Kolkata
August 22, 2016

J P Chowdhary
Executive Chairman

Annexure to Directors' Report

ANNEXURE DR-6

Particulars required under Section 134(3)(m) read with Rule 8 of the Companies Act, 2013

A. CONSERVATION OF ENERGY

i) Steps taken or impact on conservation of energy :

a) Energy audit has been conducted and inter alia in accordance therewith-

1. Use of transparent sheets in sheds to utilize sunlight for illumination and thus reducing electrical energy input for illumination.
2. Installation of power saver compressor units replacing old and inefficient compressors.
3. Installation of capacitor bank at load end to reduce Reactive Energy intake and thus improving Power Factor.
4. Welding machines with power savers (inverter base) installed to save power.
5. Use of HSD in DG sets.

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

1. Usage of CFL/Energy Efficient lighting system for shop floor illumination.
2. Energy saving units being installed in lighting circuit to reduce consumption by 20%.
3. One power efficient 500 cfm compressor to be installed replacing old and inefficient compressor.
4. System being designed for reduction in No-Load Losses of Welding transformers, by automatically cutting off supply when not in operation.
5. Replacement of rewound and inefficient drives.
6. Water management by delinking industrial and domestic use.

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

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

iii) Capital investment on energy conservation equipments :

As per the Note 9 of the Financial Statements for the year ended 31st March, 2016.

B. TECHNOLOGY ABSORPTION

i) Efforts made towards technology absorption

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

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

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

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

a) A few critical wagon parts were produced by using specially developed Press Tools. More accurate parts by this innovative process have been achieved. Earlier these parts were produced by Plasma Cutting process.

b) Saving a considerable amount of Man-hours after making a few innovative process changes during the fabrication of wagons has been attended. As a result, re-work was reduced considerably.

c) After the implementation of various innovative press tools, our NBC (IFS) productivity as well as Quality, has been improved substantially.

d) Some of the Hydraulic Tanks required chilling plant from outside sources which are very costly. Own innovative design has been made and two machines in place of Hydraulic Tanks installed. Results were very effective.

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

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

Future plan of action:

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

Annexure to Directors' Report

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

a) The details of the technology imported: A large size VMC has been imported to machine co-co bogies in-house.

b) Year of import : 2009-10

c) Whether the technology has been fully absorbed: Partially absorbed till date.

d) If not fully absorbed, areas where this has not taken place, reasons thereof: Step by step absorption is taking place.

iv) Expenditure on R & D :

(Rs. in lacs)

	2015-16	2014-15
Capital	Nil	Nil
Recurring	**31.10**	30.74
Total	**31.10**	30.74
Total R & D expenditure as a percentage of total turnover	**0.10%**	0.08%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

(i) Efforts are being made to secure repeat orders for export of Wagons to African and neighbouring countries.

b) Total foreign exchange used and earned :

As per Notes No. 36 & 39 of the Notes to Accounts.

For and on behalf of the Board

J P Chowdhary

Executive Chairman

Kolkata

August 22, 2016

Annexure to Directors' Report

ANNEXURE DR-7

Report on CSR Activities

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

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

To actively contribute to the social and economic development of the society in which we operate and participate in the endeavor to build a better, sustainable way of life for the weaker sections of society and raise the country's human development index. Education is vital for inclusive growth. As the education is the best possible way to attempt achievement of inclusive growth, due emphasis is on setting up/supporting imparting of basic education to the underprivileged sections of society, particularly girl child and differently abled children. In addition to providing medical interventions to the young people suffering from cancer, free health checkups to the elderly and providing filtered water to the school children, from economically weaker sections of society, support to cleaning of river Ganges are some of the activities approved by the CSR Committee of the Company.

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

2. Composition of CSR Committee:

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

3. Average net profit of the Company for last three years : Rs. 1949.50 Lacs

4. Prescribed CSR Expenditure (2% of the amount in Sl. no. 3): Rs. 38.99 Lacs

5. Details of CSR spend during the financial year :

   a) Total amount to be spent for the financial year: Rs. 38.99 Lacs

   b) Amount unspent: Rs. 38.99 Lacs

   c) Manner in which the amount spent during the financial year ended 31.03.2016 is detailed below : (Rs. in lacs)

1	2	3	4	5	6	7	8
Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency*
a)	Jeevan Nirog	Health	- Free health checkups and medicines near Factory premises at Titagarh and Uttarpara	4.00	4.10	4.10	Direct
			- Treatment of Cancer in Kolkata, W.B.	31.45	31.45	35.55	Tata Medical Centre and Disha Foundation
			- Premises for medical interventions/health camps on the banks of Hooghly, W.B.	6.00	6.00	41.55	Shyamali Bhalotia Trust

Annexure to Directors' Report

(Rs. in lacs)

Sl. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent : Direct or through implementing agency*
b)	Gyan Jyoti	Education	- Support to Dhankhet School, Bonhooghly, W.B. - Scholarship to meritorious students for higher education in W.B. - Construction of School for tribals, W.B. - School bags for children	11.45 6.00 2.00 0.10	11.45 6.00 2.00 0.10	53.00 59.00 61.00 61.10	Manovikas Kendra Anant Foundation Friends for Tribal Society New Light
c)	Implement-ation	All projects	- Baseline survey / need assessment study, capacity building programs such as training, workshops, etc. and communication strategies for engagement of all stakeholders to implement	6.50	6.20	67.30	Direct

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

   The amount of CSR spend for the Financial Year Ended 31/03/2015 : Rs.121.58 lacs

   Amount spent during the Financial Year Ended 31/03/2016 as detailed above : Rs. 67.30 lacs

   Amount unspent and carried forward to Financial Year 2016-17 : Rs. 54.28 lacs

   As approved by the CSR Committee and Board, the projects were identified under three themes styled: Jeevan Nirog (Health) and Gyan Jyoti (Education) and Shail Ganga (Water), however the survey, training of CSR Implementation Team, capacity building, ideating, strategizing etc. resulted in commencement of implementation happening in the beginning of the last quarter of the FYE 31/03/2016. Hence the CSR spend to the extent stated above has been brought forward to be spent together with the CSR spend budget for the said year during the current fiscal.

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

For and on behalf of the Board

Kolkata
August 22, 2016

J P Chowdhary
Executive Chairman

Corporate Governance Report

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

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

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

Board of Directors

TWL's Board as at March 31, 2016 comprised nine directors including Executive Chairman, Vice Chairman & Managing Director, Director (Wagons Operations) being the Executive Directors, five Independent Directors and one Women Director (Non-Executive). The composition of the Board also complies with the provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. The Managing Director(s) and the Non-Executive Directors (except Independent Directors) are liable to retire by rotation unless otherwise specifically approved by the shareholders.

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

Sl .	Director	Category	No. of Board Meetings attended	Attendance at previous AGM on 24.09.2015	No. of Shares held (Face value of Rs. 2 each)	No. of other directorships held		Chairmanship in other Committees Chairman	Membership in other Committees Member
						Total	Listed		
1	Shri J P Chowdhary DIN: 00313685	Promoter & Executive	9	Present	1,56,540	2	1	Nil	Nil
2	Shri Umesh Chowdhary DIN: 00313652	Promoter & Executive	5	Present	77,530	2	1	Nil	1
3	Shri Sudipta Mukherjee DIN: 06871871	Executive	6	Present	Nil	1	Nil	Nil	Nil
4	Shri D N Davar DIN:00002008	Independent & Non-executive	8	Present	Nil	8	5	4	4
5	Shri Manoj Mohanka DIN: 00128593	Independent & Non-executive	9	Present	Nil	7	2	Nil	3
6	Shri Sudev Chandra Das DIN: 01072628	Independent & Non-executive	7	Present	Nil	4	2	2	3
7	Shri Sunirmal Talukdar DIN: 00920608	Independent & Non-executive	9	Present	Nil	7	3	2	1
8	Shri Shekhar Datta DIN: 00045591	Independent & Non-executive	5	Present	Nil	6	3	2	2
9	Smt Rashmi Chowdhary DIN: 06949401	Non-Independent & Non-executive	6	Present	128,16,105	Nil	Nil	Nil	Nil

Notes :

1. Shri Umesh Chowdhary is son of Shri J P Chowdhary. Smt. Rashmi Chowdhary is wife of Shri Umesh Chowdhary.
2. Independent Directors meet with criteria of their Independence as mentioned in Regulation 25 (3) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015
3. Other directorships do not include directorship of Section 8 companies and of companies incorporated outside India.
4. Chairmanships/Memberships of other Board Committees include Audit and Stakeholders' Relationship Committees only.

Separate Meeting of Independent Directors :

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 14th February, 2016 to review the performance of Non-independent Directors (including the Chairman) and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and its Committees which is necessary to effectively and reasonably perform and discharge their duties.

Agenda:

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

Invitees & Proceedings :

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

Directors' Induction, Familiarization & Training of Board Members :

Pursuant to Regulation 25 (7) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, the Company is mandatorily required to provide suitable training to the Independent Directors to familiarize them with the Company, their role, nature of the industry in which the Company operates, business model of the Company etc. the details of such training imparted are also required to be disclosed in the Annual Report.

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

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

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

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

Evaluation of the Board's Performance:

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

Board Meetings held during the Financial Year Ended the 31st March, 2016

During the Financial Year Ended the 31st March, 2016, Nine (9) Board Meetings were held on 18th April, 2015, 22nd May 2015, 9th June 2015, 27th June 2015, 12th August, 2015, 24th September 2015, 14th November 2015, 14th February 2016 and 17th March, 2016.

Appointment/Re-appointment of Directors

The details of the directors proposed to be appointed/reappointed at the ensuing Annual General Meeting (AGM) are given in the Notice of AGM and the same should be considered as compliance of Regulation 36 of SEBI (LODR), Regulations, 2015.

Board Committees

Audit Committee

The Audit Committee comprised Shri D N Davar, Shri Manoj Mohanka, Shri Sunirmal Talukdar and Shri S C Das (all Independent Directors). Shri D N Davar, Ex-Chairman of Industrial Finance Corporation of India who is an expert inter alia in banking, development banking, financial and internal control areas, is the Chairman of the Audit Committee. The Audit Committee at its meetings exercised the role and duties, which had been defined by the Board of Directors pursuant to provisions of the Companies Act read with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

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

Terms of Reference of Audit Committee are broadly as follows :

The terms of reference of the Audit Committee are as per the guidelines set out in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 with the stock exchanges read with Section 177 of the Companies Act, 2013. These broadly include (i) Review of the financial reporting process and disclosure of its financial information (ii) review and monitor the auditor's independence and performance as well as effectiveness of audit process

Corporate Governance Report

(iii) Review of risk management systems and internal financial controls of the Company (iv) Examination of financial statements and audit report (v) recommendation for appointment, remuneration and terms of appointment of auditors (vi) Reviewing the quarterly financial statements before submission to the Board (vii) scrutiny of inter-corporate loans and investments.

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

(i) Matter included in the Director's Responsibility Statement.

(ii) Changes, if any, in the accounting policies and practises.

(iii) Major accounting entries involving estimates based on judgement by management.

(iv) Significant adjustment made in the financial statements arising out of audit findings.

(v) Compliance with listing and other legal requirements concerning financial statements.

(vi) Disclosures in financial statement of any related party transactions.

(vii) Modified opinion(s) in the draft audit report.

(viii) Management Discussion and Analysis of Company's operations.

(ix) Valuation of undertakings or assets of the company, wherever it is necessary.

(x) Approval of any subsequent modification of transactions of the listed entity with related party

(xi) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board

(xii) Recommend to the Board the appointment, re-appointment and, if required the replacement or removal of the statutory auditors and cost auditors considering their independence and effectiveness, and recommend the audit fees.

Attendance at the Audit Committee Meetings held

During the year 7 meetings of the Audit Committee of the Company were held i.e. on 18th April, 2015, 22th May, 2015, 9th June, 2015, 12th August, 2015, 24th September, 2015, 14th November, 2015, and 14th February, 2016. The attendance of Directors at these meetings was as under :

Sl. No.	Name of Director	Designation	No. of meetings attended
1	Shri D N Davar	Chairman	7
2	Shri Sunirmal Talukdar	Member	7
3	Shri Manoj Mohanka	Member	7
4	Shri Sudev Chandra Das	Member	1

Shri Sudev Chandra Das has been inducted in the Committee w.e.f. May 20, 2016.

The previous Annual General Meeting (AGM) of the Company was held on 24th September, 2015 and was attended by Mr. D N Davar, Chairman of the Audit Committee.

Stakeholders' Relationship Committee

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

Attendance at the Stakeholders' Relationship Committee meetings

During the year 4 meetings of the Stakeholders' Relationship Committee of the Company were held i.e. on 22nd May 2015, 12th August 2015, 14th November 2015 and 14th February, 2016. The attendance of Directors at these meetings is as under :

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

In aggregate 94 cases of Investors' Grievances (including routine queries) were received during the Financial year 2015-16 pertaining to Non-Receipts of Dividend Warrants, Annual Reports, Non-Receipt of Credit of share(s) which were duly redressed in time and no Investors' Grievance is pending as at 31st March, 2016. There was also no Investor complaint pending against the Company as at 31st March, 2016 on SCORES, the web based complaint reddressal system of SEBI.

All valid requests for transfer of shares in physical mode received during the financial year ended the 31st March, 2016 have been acted upon by the Company and no such transfer is pending.

Corporate Governance Report

Nomination and Remuneration Committee (NRC)

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

Terms of Reference of NRC are broadly as follows :

The NRC shall act in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and shall be responsible for :

i) Formulate the criteria for determining qualification, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;

ii) Formulation of criteria for evaluation of Independent Directors and the Board;

iii) Devising the policy on Board Diversity;

iv) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every Directors' performance.

During the year 5 meetings of the NRC of the Company were held i.e. on 22nd May 2015, 27th June 2015, 12th August, 2015, 14th November, 2015 and 14th February 2016.

The attendance of Directors at these meetings are as under :

Sl. No.	Name of Director	Designation	No. of meetings attended
1	Shri D N Davar	Chairman	4
2	Shri Shekhar Datta	Member	4
3	Shri Manoj Mohanka	Member	5

Shri J P Chowdhary has been inducted in the Committee w.e.f. 22nd August, 2016.

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

Remuneration of Managing and whole time Directors for the financial year ended the 31st March, 2016 and their shareholding in the Company:

(Rs. in Lacs)

	Shri J P Chowdhary	Shri Umesh Chowdhary	Shri Sudipta Mukherjee
Salary and Perquisites	68.43	64.57	31.43
Commission	Nil	Nil	Nil
Total	68.43	64.57	31.43
Stock Option Granted	Nil	Nil	50,000 Options of Rs. 2/- each on 04.03.2015
Period of Appointment	5 years w.e.f 08.01.2012	5 years w.e.f 01.10.2015	5 years w.e.f. 15.05.2014
Appointment by shareholders on	15th AGM on 15th September, 2012	18th AGM on 24.09.2015	17th AGM on 11th September, 2014
No. of Shares held	156540	77530	Nil

Remuneration of Non-Executive Directors :

(Rs. in Lacs)

Name of the Director	Sitting Fees	Salary & Perquisites	Commission	Total
Shri D N Davar	5.70	NIL	3.75	9.45
Shri Manoj Mohanka	6.40	NIL	1.50	7.90
Shri Shekhar Datta	2.20	NIL	2.00	4.20
Shri Sunirmal Talukdar	4.90	NIL	1.75	6.65
Shri Sudev Chandra Das	3.10	NIL	1.00	4.10
Smt. Rashmi Chowdhary	1.60	NIL	NIL	1.60
Total	**23.90**	**NIL**	**10**	**33.90**

Merger and Acquisition Committee

Merger and Acquisition Committee comprises Shri J P Chowdhary, Shri Umesh Chowdhary, Shri D N Davar and Shri Manoj Mohanka. Shri J P Chowdhary, Executive Chairman is the Chairman of the Committee.

One meeting of the committee was held on 24.09.2015 for the financial year ended 31st March 2016.

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Committee of Directors

Committee of Directors comprised Shri J P Chowdhary, Chairman, Shri Umesh Chowdhary, Shri D N Davar and Shri Sunirmal Talukdar as members to exercise such powers as may from time to time be delegated to it by the Board.

No meeting of the Committee was held during the financial year ended 31st March, 2016.

Corporate Social Responsibility Committee

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

During the year 2 meetings of the CSR Committee of the Company were held i.e. on 12th August, 2015 and 14th February, 2016.

Attendance of the directors at the Corporate Social Responsibility Committee meetings :

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

Internal Complaints Committee

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

One complaint received in May 2016 is in the process of being disposed of.

Risk Management Committee

In compliance with the Regulation 21 of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 the Risk Management Committee comprised of Shri J.P Chowdhary, Shri Umesh Chowdhary, Shri D N Davar and Shri Shekhar Datta. Shri D.N Davar, Independent Director is the Chairman of the Committee.

No meeting of the Risk Management Committee was held for the financial year ended 31st March, 2016.

Compliance Officer

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

General Body Meetings

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

Year	Annual General Meeting	Venue	Date	Time	No. of Special Resolutions passed
2012-2013	16th	Kalakunj, 48, Shakespeare Sarani, Kolkata-700017	26.08.2013	12.30 P.M.	Nil
2013-2014	17th	Rotary Sadan, 94/2, Chowringhee Road, Kolkata-700020	11.09.2014	01.00 P.M	Four
2014-2015	18th	Bharatiya Bhasha Parishad, 36 A, Shakespeare Sarani Kolkata-700017	24.09.2015	02.00 P.M	Five

During the year one Postal Ballot exercise was conducted.

Postal Ballot

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

Salient Features of this postal ballot were:

(i) The Board of Directors of the Company at its meeting held on 4th March, 2015 appointed M/s. Sushil Goyal & Co., Practising Company Secretaries as the Scrutinizer for conducting Postal Ballot process.

(ii) The Company completed the dispatch of notice and postal ballot form along with postage prepaid reply envelope by 12th March, 2015 under ordinary post to its members whose name(s) appeared on the Register of Members/list of beneficiaries as on 6th March, 2015 as provided by RTA.

(iii) The last date of receipt of postal ballot forms was 11th April, 2015.

(iv) The Report was submitted by the Scrutinizer to the Chairman on 12th April, 2015.

(v) Based on the said Report the Chairman declared the Result on 13th April, 2015.

Disclosures

(i) Related Party Transactions

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the financial year 2015-16 were in the ordinary course of business and on arm's length pricing basis. Suitable disclosures as required by Accounting standard (AS 18) have been made in the Financial Statements. The Board has approved a policy for related party transactions which can be accessed at the Company website link: : www.titagarh.biz/TWL%20Policies.pdf

(ii) Compliance with Accounting Standard

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

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

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

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

There was no such instance in the last three years.

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

In compliance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the Company has framed a Vigil Mechanism/Whistle Blower Policy and the same has also been placed in the website of the Company. The Company affirms that no personnel have been denied access to the Audit Committee. Vigil Mechanism Policy is available on the website of the Company - www.titagarh.biz. No grievance has been reported to the Audit Committee during the year.

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

The Company is compliant with all the mandatory requirement of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for 2015-16.

The following non-mandatory requirement under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 which has been adopted is mentioned below:

- The Internal Auditors of the Company directly make presentation to the Audit Committee on their reports.

Code of Conduct

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

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

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

Code of Conduct for Independent Directors

The Board has adopted the Code of Conduct for Independent Directors as per Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Means of Communication

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

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

Corporate Governance Report

General Shareholder Information

Annual General Meeting

Day, Date and Time	:	Thursday, 29th September, 2016 at 10.30 A.M.
Venue	:	Manovikas Kendra, 482, Madudah, Plot I-24, Sector-J, E M Bypass, Kolkata-700107
Dividend Payment Date	:	Already paid
Dates of Book Closure	:	24th September, 2016 to 29th September, 2016

Financial Calendar

First Quarter Results	:	August/September, 2016
Second Quarter Results	:	November/December, 2016
Third Quarter Results	:	January/February, 2017
Fourth Quarter Results	:	April/May, 2017

Listing on Stock Exchanges and Stock Codes

Shares of the Company are listed at the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) [Scrip Codes 532966 & TWL (EQ) respectively]. Listing fees for the year 2016-17 have been paid to both BSE and NSE. ISIN for dematerialization is INE 615H01020.

Details of unclaimed shares pursuant to Regulation 39(4) read with Schedule VI of SEBI (LODR) Regulations, 2015

In accordance with the SEBI (LODR) Regulations, 2015, the Company has dematerialized 2774 equity shares comprised in 729 folios to those shareholders who have not responded to the reminder letters issued. The said shares are lying in electronic mode with the depository participant Karvy Stock Broking Limited.

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

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

(A) Bombay Stock Exchange Limited

Month	High (Rs.)	Low (Rs.)	Quantity Traded (Shares)	Sensitive Index	
2015				High	Low
April	657.25	89	221291	29094.61	26897.54
May	108	90	50978	28071.16	26423.99
June	108.5	86	45826	27968.75	26307.07
July	123.45	101.85	97157	28578.33	27416.39
August	121.85	96.5	52536	28417.82	25298.42
September	111.6	87	32907	26471.82	24833.54
October	116	100.85	38113	27618.14	26168.71
November	148.6	101.3	78316	26824.30	25451.42
December	165.25	130.8	139061	26256.42	24867.73
2016					
January	166.4	104.25	103458	26197.27	23839.76
February	149.75	85.2	195885	25002.32	22494.61
March	105	89.8	70168	25479.62	23133.18

(B) National Stock Exchange of India Limited

Month	High (Rs.)	Low (Rs.)	Quantity Traded (Shares)	CNX NIFTY	
2015				High	Low
April	657.6	87.5	14664013	8844.8	8144.75
May	107.85	90.0	9592467	8489.55	7997.15
June	108.7	87.0	10681316	8467.15	7940.3
July	124.75	101.5	28335879	8654.75	8315.4
August	121.9	96.75	15694362	8606.3	7667.25
September	111.65	91.45	10203853	8055.00	7539.5
October	115.65	100.45	13413368	8336.3	7930.65
November	148.7	101.1	21866301	8116.1	7714.15
December	164.5	131.2	44472108	7979.3	7551.05
2016					
January	166.35	104	34023863	7972.55	7241.5
February	149.7	85	73808416	7600.45	6825.8
March	105.0	89.55	25022534	7741.95	7035.1

Corporate Governance Report

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

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

Categories of Shareholding as on the 31st March, 2016

Category	No. of Shares held	% of Total Shares
• Promoter & Promoter Group	5,32,07,085	46.11
• Indian Public		
Mutual Funds & UTI	2,11,08,989	18.28
Financial Institutions & Banks	5,50,146	0.48
Private Corporate Bodies	58,70,633	5.09
Individuals/Others	2,18,10,429	18.90
• Non-Residents	-	-
Foreign Institutional Investors/ Non-Residents	1,22,40,215	10.61
• Clearing Members	5,96,873	0.53
TOTAL	**11,53,84,370**	**100.00**

Dematerialisation of shares and liquidity : 99.87% of total equity shares of the Company have been dematerialised as on 31st March, 2016.

Distribution of Shareholding as on 31st March, 2016

Range of Shares	Number of Shares	No. of Shareholders	% to Total Shares
1 to 5000	2,49,73,652	52,550	10.82
5001 to 10000	59,95,972	807	2.60
10001 to 20000	43,48,760	296	1.88
20001 to 30000	23,53,372	93	1.02
30001 to 40000	19,06,264	54	0.83
40001 to 50000	15,94,942	34	0.69
50001 to 100000	26,60,346	38	1.15
100001 & above	18,69,35,432	82	81.01
TOTAL	**23,07,68,740**	**53,954**	**100.00**

Subsidiary Companies

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

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

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

Coaches/Heavy Engineering Division (HED)
Hind Motor-712 233
District : Hooghly, W. Bengal, India
Telephone : 91 33 2664 1755; Fax : 91 33 2664 7333

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

Address for Correspondence :
Registered Office :
Titagarh Wagons Limited
Titagarh Towers
756, Anandapur, E. M. Bypass, Kolkata 700 107
Telephone : 91 33 4019 0800 Fax: 91 33 4019 0823
Email : investors@titagarh.in

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

For and on behalf of the Board

Place : Kolkata
Date : August 22, 2016

J P Chowdhary
Executive Chairman

Corporate Governance Report

Declaration Affirming Compliance of Provisions of the Code of Conduct

To the best of my knowledge and belief and on the basis of declarations given to me, I hereby affirm that all the Board members and the senior management personnel have fully complied with the provisions of the Code of Conduct for Directors and Senior Management Personnel during the financial year ended 31st March, 2016.

For Titagarh Wagons Limited
Umesh Chowdhary
Vice Chairman and Managing Director

Kolkata
Date : August 22, 2016

Certificate on Compliance of Corporate Governance

To
The Members
Titagarh Wagons Limited
756, Anandapur
E M Bypass, Kolkata 700 107

I have examined the compliance of conditions of Corporate Governance by Titagarh Wagons Limited, for the year ended on 31st March 2016, as stipulated in SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 of the said Company with stock exchanges.

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

In our opinion and to the best of our information and according to the explanations given to us and based on the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015.

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

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

Place: Mumbai
Date : August 22, 2016

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

The Board of Directors
Titagarh Wagons Limited

Dear Sirs,

We have reviewed the financial statements read with the cash flow statement of Titagarh Wagons Limited for the year ended on the 31st day of March, 2016 and to the best of our knowledge and belief, we state that:

a) These statements do not contain any materially untrue statement or omit any material fact or contain statements, that might be misleading;

b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

c) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct;

d) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies;

e) We have indicated to the auditors and the Audit Committee:

   i) Significant changes in internal control during the year;

   ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;

   iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Kolkata
Date : August 22, 2016

Umesh Chowdhary
Vice Chairman and Managing Director & CEO

Anil Kumar Agarwal
Chief Financial Officer

Annexure to Corporate Governance Report

ANNEXURE CG - 1

Criteria For Performance Evaluation of Board & Independent Directors

An effective Board consciously creating a culture of leadership and transparent corporate governance with a long term vision and requisite strategies to enable the Company to become a responsible entity working for maximization of the stakeholders' value while contributing to society is at the core of its approach. Towards this Titagarh Wagons Limited ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.

Titagarh Wagons Limited also recognizes the importance of Independent Directors in achieving the effectiveness of the Board and aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board carries out an annual evaluation of its own performance, as well as the evaluation of the working of its Committees and Individual Directors. The performance evaluation of all the Directors was carried out by Nomination and Remuneration Committee. The performance evaluation was carried out in accordance with the Remuneration Policy framed by the Company within the framework of applicable laws.

QUALIFICATION AND CRITERIA OF INDEPENDENCE

- The Nomination and Remuneration Committee (NRC) and the Board shall review on an annual basis appropriate skills, knowledge and experience required of the Board as a whole and its individual members.
- NRC shall also assess the independence of the directors at the time of appointment/reappointment and the Board shall assess the same annually.
- The Board shall reassess determinants of independence when any new interest or relationships are disclosed by a Director.
- In evaluating the suitability of the individual members NRC may take into account factors such as, general understanding of the Company's business dynamics, global business and social perspective.

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

ANNEXURE CG - 2

Remuneration Policy

Titagarh Wagons Limited recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Remuneration policy is designed to attract, motivate and retain talented employees in a competitive market.

Therefore, the Remuneration Policy has been formulated with the following objectives and features:

a. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate employees, to run the Company successfully.

b. Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.

c. Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goal.

d. Aligning the remuneration of Directors, KMPs and Senior Management Personnel with the Company's financial position as well as with trends in the industry to the extent applicable to the Company.

e. Performance evaluation of the Committees of the Board and Directors including Independent Directors.

f. Ensuring Board Diversity.

g. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down.

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

- The Board on the recommendation of the Nomination & Remuneration Committee shall review and approve the remuneration payable to the directors/KMPs which shall be within the limits approved by the shareholders.
- It is to be ensured that relationship of remuneration to the performance is clear and meets appropriate performance benchmarks which are unambiguously laid down and communicated.

REVIEW

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

The Remuneration Policy is available on the Company's website under the following web link: **http://www.titagarh.biz/TWL%20Policies.pdf**

Independent Auditor's Report

To

The Members of Titagarh Wagons Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of TITAGARH WAGONS LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the standalone financial statements.

Basis for qualified opinion

We draw attention to Note 10(e) regarding non-provision against investment in equity shares, 0.1% optionally fully convertible debentures and loans given amounting to Rs. 455.06 lacs, Rs. 3,166.50 lacs and Rs. 890.93 lacs respectively to Titagarh Marine Limited (TML), a wholly owned subsidiary Company, as at March 31, 2016, based on reasons mentioned therein, though the net worth as per the consolidated financial statements of the subsidiary is fully eroded. We are unable to comment on the carrying value/ recoverability of such investments and loan including consequential adjustments that may be required in these financial statements.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, the standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, its profit and its cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 40 to the financial statements in respect of Scheme of Amalgamation to merge the business of Titagarh Marine Limited, Times Marine Enterprises Private Limited, Corporated Shipyard Private Limited and Cimco Equity Holdings Private Limited with the Company with effect from 1st April, 2015 subject to necessary approvals more fully described therein. Pending completion of necessary approvals, no adjustment has been made in these accounts. Our opinion is not qualified in respect of this matter.

Independent Auditor's Report

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure 1, a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
   (a) We have sought and except for the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   (b) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
   (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
   (d) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
   (e) The matters described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Company;
   (f) On the basis of written representations received from the directors as on March 31, 2016, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016, from being appointed as a director in terms of Section 164 (2) of the Act;
   (g) The qualification relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above.
   (h) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report dated May 26, 2016 in "Annexure 2" to this report;
   (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
      i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 5(b)(i) and Note 32(A) to the financial statements;
      ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
      iii. There are no amounts which were required to be transferred, during the year to the Investor Education and Protection Fund by the Company.

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

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

Place : Kolkata
Dated : May 26, 2016

Annexure-1 to the Independent Auditor's Report

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

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
   (b) Fixed assets were physically verified by the management during the year in accordance with the planned programme of verifying all assets once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No discrepancies were noticed on such verification.
   (c) According to information and explanations given by the management, the title deeds of immovable properties included in fixed assets are held in the name of the Company except for following:
      - 9 number of immovable properties aggregating to gross block of Rs. 310.68 lacs and net block of Rs. 275.68 lacs as at March 31, 2016 for which original registered sale deed / conveyance deed / transfer deed / assignment deed were not available with the Company and we have been provided with the scan / xerox copies of the same. Hence, we are unable to comment on the same. Also refer note 9 (a) of the financial statements.
      - 4 number of immovable properties aggregating to gross block of Rs. 1,677.77 lacs and net block of Rs. 1,413.43 lacs as at March 31, 2016 for which the sale deed / conveyance deed / transfer deed / assignment deed are not registered with the relevant government / regulatory authority. Above immovable property also include freehold land aggregating to Rs. 108.38 lacs, for which the title is in dispute and pending resolution in the Civil Court of Kolkata as at March 31, 2016. Also refer note 9 (b) of the financial statements.

(ii) The management has conducted physical verification of inventory at reasonable intervals during the year and discrepancies noted on physical verification of inventories were material and have been properly dealt with in the books of account.

Independent Auditor's Report

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

(iv) In our opinion and according to the information and explanations given to us, the Company has not advanced loans to directors / to a company in which the Director is interested to which provisions of Section 185 of the Companies Act 2013 apply and hence not commented upon. Provisions of Section 186 of the Companies Act 2013 in respect of loans and advances given, investments made and, guarantees and securities given have been complied with by the Company.

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

(vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under Section 148(1) of the Companies Act, 2013, related to the manufacture of wagons, coaches and engineering products, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess and other material statutory dues applicable to it.

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

(c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, customs duty, excise duty, value added tax 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 Income Tax Act, 1961	Disallowance under various sections	24.58	2002-2003 to 2012-2013	Deputy Commissioner / Commissioner of Income Tax
The West Bengal Sales Tax Act, 1944	Short payment of sales tax	5.24	2004-2005	West Bengal Taxation Tribunal
The Value Added Tax Act, 2003	Demand of additional Sales tax under various sections, disallowance of input tax credit, levy of purchase tax etc.	128.90	2005-06 and 2010-11	West Bengal Appellate & Revisional Board
	Demand of additional Sales tax under various sections, disallowance of input tax credit, levy of purchase tax etc.	727.28	2011-12 and 2012-13	Additional Commissioner Commercial Taxes
The Central Sales Tax Act, 1956	Non submission of C Forms	55.85	2005-07 to 2010-11	West Bengal Appellate & Revisional Board
	Demand of additional sales tax under various sections and non-submission of Forms	326.89	2011-12	Additional Commissioner Commercial Taxes
	Non submission of C & H Forms	11.76	2012-13	Additional Commissioner Commercial Taxes
The Central Excise Act, 1944	Incorrect availment of CENVAT credits, short payment of duty including interest etc.	12,022.35	November 2006 to March 2014	Commissioner of Central Excise and Service Tax (LTU)
		57.27	2009-2014	Additional Commissioner of Central Excise & Service Tax (LTU)
		403.45	1995-97, 2003-04, 2006-07 to 2012 -13	Commissioner of Central Excise (Appeal)
		1,403.73	April 2012 to June 2012, 2006-07 to 2008-09	CESTAT, Kolkata
The Customs Act, 1962	Non-fulfilment of Export Obligation	1280.61	2006-07 and 2012-13	CESTAT, Kolkata
Foreign Trade Development and Regulation Act, 1992	Terminal excise duty for sale of wagons under EPCG scheme, earlier refunded	693.20	2008-10	DGFT, Kolkata

Annexure to the Auditor's Report

(viii) In our opinion and according to information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of loans or borrowings to banks. The Company did not have any outstanding loans or borrowings in respect of a financial institution or Government or dues to debenture holders during the year.

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

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

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

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

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

(xiv) According to the information and explanations given by the management, the Company has complied with the provisions of Section 42 of the Companies Act, 2013 in respect of the private placement of shares during the year. According to the information and explanations given by the management, we report that the amounts raised have been used for the purposes for which the funds were raised except for idle/surplus funds amounting to Rs. 3,292.25 lacs, which have been invested in fixed deposit with banks. The maximum amount of idle/surplus funds invested during the year was Rs. 15,000 lacs, of which Rs. 3,292.25 lacs was outstanding at the end of the year.

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

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

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

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

Place : Kolkata
Dated : May 26, 2016

Annexure-2 to the Independent Auditor's Report

Of Even Date on the Standalone Financial Statements of Titagarh Wagons Limted

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

We have audited the internal financial controls over financial reporting of TITAGARH WAGONS LIMITED ("the Company") as of March 31, 2016, in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Annexure to the Auditor's Report

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified as at March 31, 2016:
Attention is drawn to Basis for qualified opinion paragraph of Auditors' Report on Standalone Financial Statements more fully described therein, resulting to non-provision against investments in equity shares and debentures and loan given into Titagarh Marines Limited, a wholly owned subsidiary Company, which could potentially result in misstatement of Company's investment and loans and advances.
A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the Company has, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31, 2016.

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act, the standalone financial statements of Titagarh Wagons Limited, which comprise the Balance Sheet as at March 31, 2016, and the related 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. Material weakness as described above was considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2016 standalone financial statements of Titagarh Wagons Limited and this report does not affect our report dated May 26, 2016, which expressed a qualified opinion on those financial statements.

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

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

Place : Kolkata
Dated : May 26, 2016

Balance Sheet as at March 31, 2016

(Rs. in Lacs)

	Notes	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	**2,307.69**	2,005.91
Reserves and surplus	4	**74,665.79**	60,998.11
		76,973.48	63,004.02
Non-current Liabilities			
Long term provisions	5	**332.71**	366.36
Deferred Tax Liabilities (net)	6	**476.04**	83.97
		808.75	450.33
Current Liabilities			
Short term borrowings	7	**1,329.80**	1,459.49
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	8.1	**27.34**	93.19
Total outstanding dues of creditors other than micro enterprises and small enterprises	8.1	**3,547.57**	3,876.55
Other current liabilities	8.2	**2,915.84**	4,665.36
Short term provisions	5	**1,305.63**	2,620.34
		9,126.18	12,714.93
TOTAL		**86,908.41**	**76,169.29**
II. ASSETS			
Non-current Assets			
Fixed assets			
Tangible assets	9	**10,880.23**	11,256.46
Intangible assets	9	**59.90**	53.52
Capital work-in-progress		**19.09**	84.58
Intangible assets under development		**165.69**	165.69
Non-current investments	10	**27,642.36**	21,567.39
Loans and advances	11	**3,095.63**	3,123.97
Trade Receivables	12.1	**207.37**	357.00
Other non-current assets	12.2	**347.47**	167.74
		42,417.74	36,776.35
Current Assets			
Inventories	13	**13,847.29**	13,548.77
Trade receivables	12.1	**6,983.42**	7,506.43
Cash and bank balances	14	**14,862.17**	10,494.12
Loans and advances	11	**5,636.63**	5,917.59
Other current assets	12.2	**3,161.16**	1,926.03
		44,490.67	39,392.94
TOTAL		**86,908.41**	**76,169.29**
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

As per our Report of even date
For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

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

Place : Kolkata
Dated : May 26, 2016

For and on behalf of the Board of Directors

J P Chowdhary
Executive Chairman

Umesh Chowdhary
Vice Chairman & Managing Director

Manoj Mohanka
Director

Sudev Chandra Das
Director

Anil Kumar Agarwal
Chief Financial Officer

Dinesh Arya
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2016

(Rs. in Lacs)

	Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
INCOME			
Revenue from operations (gross)	15	**32,355.46**	39,383.31
Less : Excise duty		**1,380.76**	1,769.58
Revenue from operations (net)		**30,974.70**	37,613.73
Other income	16.1	**665.21**	440.35
Total Revenue (I)		**31,639.91**	**38,054.08**
EXPENSES			
Cost of raw materials & components consumed	17	**19,771.35**	16,504.98
(Increase)/Decrease in inventories of finished goods, Work in progress and saleable scrap	18	**(488.61)**	5,788.02
Employee benefits expenses	19	**1,876.37**	1,927.49
Other expenses { including prior period expenses (net) of Rs. 36.90 lacs (Rs. 30.19 lacs)}	20	**9,874.52**	10,441.71
Total Expenses (II)		**31,033.63**	**34,662.20**
Earning before interest, tax, depreciation and amortization (EBIDTA) (I-II)		**606.28**	**3,391.88**
Depreciation and amortization expenses	9	**1,000.38**	909.57
Interest income	16.2	**(2,030.81)**	(1,362.89)
Finance costs	21	**534.88**	631.36
Profit before taxes & exceptional items		**1,101.83**	3,213.84
Exceptional items	22	**-**	1,710.15
Profit before taxes		**1,101.83**	**1,503.69**
Tax expenses			
Current tax			
Pertaining to profit for the current year		**285.31**	719.62
Adjustment of tax relating to earlier years		**(206.56)**	-
Deferred tax {charge/(credit)}		**392.08**	(201.64)
Total tax expenses		**470.83**	**517.98**
Profit for the year		**631.00**	**985.71**
Earnings per equity share			
[Nominal value of share Rs. 2/- (Rs. 2/-)]	23		
Basic & Diluted (in Rs.)		**0.57**	0.98
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the financial statements			

As per our Report of even date
For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

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

Place : Kolkata
Dated : May 26, 2016

For and on behalf of the Board of Directors

J P Chowdhary
Executive Chairman

Umesh Chowdhary
Vice Chairman & Managing Director

Manoj Mohanka
Director

Sudev Chandra Das
Director

Anil Kumar Agarwal
Chief Financial Officer

Dinesh Arya
Company Secretary

Cash Flow Statement for the year ended March 31, 2016

(Rs. in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	**1,101.83**	1,503.69
Adjustments for:		
Depreciation and amortization expenses	**1,000.38**	909.57
Interest Expenses	**350.05**	421.41
Employee Stock Option Expenses	**54.33**	-
Unrealised foreign exchange loss / (gain)	**(368.34)**	1,088.62
Irrecoverable debts/ advances written off	**16.25**	64.06
Provision for doubtful debts and advances	**108.46**	11.71
Loss/(gain) on sale/discard of fixed assets (net)	**(0.93)**	16.57
Unspent liabilities / provisions no longer required written back	**(190.83)**	(211.12)
Interest on Deposits from banks/ loans, advances etc. (Gross)	**(2,030.81)**	(1,362.89)
Operating Profit before Working Capital Changes	**40.39**	**2,441.62**
Movements in working capital:		
Increase/(Decrease) in trade payables	**(362.07)**	2,405.07
Increase/(Decrease) in provisions	**(342.60)**	1,128.07
Decrease in other current liabilities	**(1,663.39)**	(1,212.08)
Decrease/ (Increase) in trade receivables	**556.86**	(2,118.41)
Decrease/ (Increase) in inventories	**(229.38)**	7,468.53
Increase in loans and advances	**(1,671.89)**	(101.83)
Decrease/ (Increase) in other assets	**219.14**	(91.06)
Cash Generated from / (used in) Operations	**(3,452.94)**	**9,919.91**
Direct Taxes Paid (net of refunds)	**(714.25)**	(828.03)
Net Cash from/(used in) Operating Activities	**(4,167.19)**	**9,091.88**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets including Capital work in progress and capital advance	**(716.72)**	(922.15)
Proceeds from sale of Fixed Assets	**8.43**	30.07
Loans given to Subsidiary	**(1,269.50)**	(1,036.98)
Loan refunded by Subsidiary	**2,942.81**	66.67
Investment in Subsidiaries	**(6,074.97)**	(3,725.97)
Sale of investment in associate company	**-**	1.27
Investment with Banks in Fixed Deposits	**(27,659.52)**	(12,696.59)
Fixed Deposits encashed/matured	**22,889.30**	12,834.94
Interest Received	**1,974.59**	924.60
Net Cash used in Investing Activities	**(7,905.58)**	**(4,524.14)**

Cash Flow Statement for the year ended March 31, 2016

(Rs. in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
C. CASH FLOW FROM FINANCING ACTIVITIES		
Net increase in cash credit from banks	**431.91**	179.00
Proceeds from issue of Equity shares	**301.78**	-
Receipts of Securities Premium from issue of Equity shares	**14,698.22**	-
Expenses on issue of shares	**(459.59)**	-
Net decrease in Buyer's Credit	**(568.67)**	(5,124.78)
Interest Paid	**(354.57)**	(447.59)
Dividend Paid (including interim dividend and corporate dividend tax)	**(2,208.76)**	(937.19)
Net Cash from / (used in) Financing Activities	**11,840.32**	**(6,330.56)**
Decrease in Cash & Cash Equivalents (A+B+C)	**(232.45)**	**(1,762.82)**
Cash and Cash Equivalents - Opening Balance	**418.41**	**2,181.23**
Cash and Cash Equivalents - Closing Balance	**185.96**	**418.41**
Components of Cash & Cash Equivalents :		
Cash on hand	**7.62**	13.19
Balances with banks:		
On current accounts	**141.97**	382.05
On unpaid dividend account*	**24.79**	11.57
On Unpaid share application money*	**0.48**	0.48
On unpaid fractional share entitlement*	**11.10**	11.12
Total Cash and Cash Equivalents (Refer Note No. 14)	**185.96**	**418.41**

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

As per our Report of even date
For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

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

Place : Kolkata
Dated : May 26, 2016

For and on behalf of the Board of Directors

J P Chowdhary
Executive Chairman

Umesh Chowdhary
Vice Chairman & Managing Director

Manoj Mohanka
Director

Sudev Chandra Das
Director

Anil Kumar Agarwal
Chief Financial Officer

Dinesh Arya
Company Secretary

Notes to Financial Statements as at and for the year ended March 31, 2016

1 CORPORATE INFORMATION

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

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

b) Changes in accounting policy

Component Accounting

The Company has adopted component accounting as required under Schedule II to the Companies Act, 2013 from 1 April 2015. The Company was previously not identifying components of fixed asset separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of fixed asset.

Due to application of Schedule II to the Companies Act, 2013, the Company has changed the manner of depreciation for its fixed assets. Now, the Company identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The Company has used transitional provisions of Schedule II to adjust the impact of component accounting arising on its first application. If a component has zero remaining useful life on the date of component accounting becoming effective, i.e., 1 April 2015, its carrying amount, after retaining any residual value, is charged to the statement of profit and loss. The carrying amount of other components, i.e., components whose remaining useful life is not nil on 1 April 2015, is depreciated over their remaining useful lives.

Had the Company continued to use the earlier policy of depreciating fixed asset, its financial statements for the period would have been impacted as below:

Depreciation for the current period would have been lower by Rs. 84.26 lacs. Profit after tax for the current period would have been Rs. 715.26 lacs. Fixed asset would correspondingly have been higher by Rs. 84.26 lacs.

On the date of component accounting becoming applicable, i.e., 1 April 2015, there was no component having zero remaining useful life. Hence, no amount has been directly adjusted against retained earnings.

c) Use of estimates

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

d) Tangible Fixed Assets

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

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

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

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

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The Company identifies and determines cost of components significant to the total cost of the asset having useful life that is materially different from that of the remaining life.

e) Intangibles

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

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

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

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

Computer softwares not being part of the hardware operating system are capitalised as intangible fixed assets.

f) Depreciation & Amortisation on tangible & intangible fixed assets

Tangible Assets

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

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The identified components are depreciated over their useful life. The remaining asset is depreciated over the life of principle assets which is in line with the useful lives as mentioned in Schedule II to the Companies Act 2013. The Company has used the following rates to provide depreciation on its fixed assets.

Asset Class	Useful life (years)
Factory buildings	30
Other buildings	60
Plant and equipments	1-15
Furniture and fixtures	10
Office equipment	3-5
Vehicles	8

The management has estimated, supported by independent assessment by professionals, the useful lives of certain components of assets to be 1 year to 10 years which are lower than those indicated in schedule II.

Intangible Assets

Computer softwares are amortised over their useful life of 3 years on a straight line basis.

g) Leases

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

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

h) Borrowing costs

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

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

i) Impairment of tangible and intangible fixed assets

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

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

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

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

j) Investments

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

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the statement of profit and loss.

k) Inventories

Raw materials & Components and Stores & spares Parts are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of finished goods are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost include expenses incidental to procurement thereof and determined on a weighted average basis.

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

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

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

l) Revenue Recognition

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

Sale of Goods

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

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

The Company is also engaged in manufacturing and supply of rail coaches on which revenue is recognized on percentage completion method based on the stage of completion of the contract. The stage of completion is determined as a proportion that contract costs incurred for work performed upto the reporting date bears to the estimated total costs. When it is probable that the total contract cost will exceed the total contract revenue, the expected loss is recognized immediately. For this purpose, total contract costs are ascertained on the basis of actual costs incurred and costs to be incurred for completion of contracts in progress, which is arrived at by the management based on current technical data, forecasts and estimate of expenditure to be incurred in future including contingencies, which being technical matters have been relied upon by the auditors. Revisions in projected profit or loss arising from change in estimates are reflected in each accounting period which, however, cannot be disclosed separately in the financial statements as the effect thereof cannot be accurately determined. Overhead expenses representing indirect costs that cannot be directly aligned with the jobs, are distributed on a pro-rata basis.

Interest Income

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

m) Foreign Currency Transactions

Initial Recognition

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

Conversion

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

Exchange differences

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

Forward Exchange Contracts not intended for trading or speculation purposes

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

n) Retirement and other Employee Benefits

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

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

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

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

o) Employee stock compensation cost

Employees (including senior executives) of the Company receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the fair valuation method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

p) Taxes on Income

Tax expense comprises of current and deferred taxes.

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

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

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

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

q) Segment Reporting

Identification of segments

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

Inter Segment transfers

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

Allocation of common costs:

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

Unallocated items

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

Segment accounting policies

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

r) Earning per share

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

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

s) Provisions

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

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

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

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

t) Contingent liabilities

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

u) Cash and Cash equivalents

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

v) Excise duty & custom duty

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

w) Measurement of EBITDA

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

Notes to Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

	As at March 31, 2016	As at March 31, 2015
3 SHARE CAPITAL		
Authorised Shares		
48,00,00,000 (9,60,00,000) Equity shares of Rs. 2/- (Rs. 10/-) each	**9,600.00**	9,600.00
5,20,00,000 (5,20,00,000) Preference shares of Rs. 10/- each	**5,200.00**	5,200.00
	14,800.00	**14,800.00**
Issued, Subscribed and Fully Paid-up		
11,53,84,370 (2,00,59,069) Equity shares of Rs. 2/-(Rs. 10/-) each	**2,307.69**	2,005.91
	2,307.69	**2,005.91**

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

	2015-16		2014-15	
	No. of shares	Rs. in lacs	No. of shares	Rs. in lacs
Equity Shares				
At the beginning of the year	**20,059,069**	**2,005.91**	20,059,069	2,005.91
Increase in number of shares on account of stock split (Refer Note below)	**80,236,276**	**-**	-	-
Shares Issued during the year pursuant to Qualified Institutional Placement [Refer Note (e) below]	**15,089,025**	**301.78**	-	-
Outstanding at the end of the year	**115,384,370**	**2,307.69**	20,059,069	2,005.91

Note: During the year, 2,00,59,069 equity shares of Rs. 10 each were split into 10,02,95,345 equity shares of Rs 2 each pursuant to approval of shareholders obtained through postal ballot on April 13, 2015. The record date for the sub-division was April 24, 2015.

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 2/- (Rs. 10/-) per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2016, the amount of per share dividend recognised as distribution to equity shareholders is Rs. 0.80/- (Rs. 0.80/-).

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

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

	As at March 31, 2016	As at March 31, 2015
	No. of shares	No. of shares
Equity shares allotted as fully paid up, for consideration other than cash	**-**	366,954

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

	As at March 31, 2016		As at March 31, 2015	
Name of the Shareholder	**No. of shares**	**% holding**	**No. of shares**	**% holding**
Equity shares of Rs 2/- (Rs. 10/-) each fully paid (Refer note a) above)				
Titagarh Capital Management Services Private Limited	**21,670,165**	**19%**	4,334,033	22%
Savitri Devi Chowdhary	**18,116,035**	**16%**	3,623,207	18%
Rashmi Chowdhary	**12,816,105**	**11%**	2,563,221	13%
G E Capital International (Mauritius)	**5,322,200**	**5%**	2,459,499	12%
HDFC Trustee Company Limited	**6,151,556**	**5%**	-	-

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

e) Pursuant to the approval of shareholders on April 13, 2015, the Company has issued and alloted 1,50,89,025 Equity Shares of Rs.2/- each at an issue price of Rs.99.41 per share (including premium of Rs.97.41 per share) aggregating to Rs. 15,000.00 lacs under Qualified Institutional Placement (QIP) in accordance with Chapter VIII-A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2009, which was completed on July 15, 2015.

Notes to Financial Statements as at and for the year ended March 31, 2016

f) Shares reserved for issue under Employee Stock Option Scheme (ESOP Scheme)

For details of shares reserved for issue under ESOP Scheme of the Company, please refer Note no. 25.

(Rs. in Lacs)

		As at March 31, 2016	As at March 31, 2015
4 RESERVES AND SURPLUS			
A. Capital Reserve (as per the last financial statements)		**9.18**	**9.18**
B. Securities Premium Account			
Balance as per the last financial statements		**26,194.45**	26,194.45
Add: Premium on Equity Shares Issued during the year pursuant to Qualified Institutional Placement [Refer Note 3(e) above]		**14,698.22**	-
Less: Expenses incurred in relation to Qualified Institutional Placement [Refer Note 3(e) above]*		**(459.59)**	-
		40,433.08	**26,194.45**
C. Employee Stock Option Ouststanding			
Balance as per the last financial statements		**-**	-
Add: Compensation option granted during the year (Refer Note 25)		**54.33**	-
		54.33	**-**
D. Revaluation Reserve			
Balance as per the last financial statements		**649.43**	**679.39**
Less : Amount transferred to the Statement of Profit and Loss		**-**	29.96
		649.43	649.43
E. General Reserve			
Balance as per the last financial statements		**5,311.39**	5,482.61
Add : Amount transferred from surplus balance in the Statement of Profit and Loss		**100.00**	100.00
Less: Adjustment for change in useful life of fixed assets, (net of deferred tax)		**-**	(271.22)
		5,411.39	**5,311.39**
F. Surplus in the Statement of Profit and Loss			
Balance as per the last financial statements		**28,833.66**	28,913.65
Profit for the year		**631.00**	985.71
Less : Appropriations			
Proposed final equity dividend [amount per share Rs. 0.80/- (Rs. 0.80/-)]	**(1,043.79)**		(802.36)
Tax on proposed equity dividend	**(212.49)**		(163.34)
Transfer to general reserve	**(100.00)**		(100.00)
Total Appropriations		**(1,356.28)**	(1,065.70)
Net surplus in the Statement of Profit and Loss		**28,108.38**	**28,833.66**
Total Reserves and Surplus	**(A+B+C+D+E+F)**	**74,665.79**	**60,998.11**

* Includes Rs. 32.59 lacs (including out of pocket expense Rs. 0.59 lacs) paid to the Auditors.

	Long - Term		Short - Term	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
5 PROVISIONS				
Provisions for employee benefits :				
Gratuity* (Refer Note No. 24)	**332.71**	366.36	**67.63**	62.16
Leave benefits	**-**	-	**95.90**	126.17
	332.71	**366.36**	**163.53**	**188.33**
Other provisions				
Warranties	**-**	-	**207.85**	104.72
Liquidated damages	**-**	-	**533.37**	288.89
Loss on Onerous Contract	**-**	-	**-**	877.47
Litigation, claims and contingencies	**-**	-	**400.88**	195.23
Proposed equity dividend	**-**	-	**-**	802.36
Provision for tax on proposed equity dividend	**-**	-	**-**	163.34
	-	-	**1,142.10**	**2,432.01**
Total	**332.71**	**366.36**	**1,305.63**	**2,620.34**

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

(Rs. in Lacs)

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

	(i) Warranties		(ii) Liquidated damages	
	2015-16	**2014-15**	**2015-16**	**2014-15**
At the beginning of the year	**104.72**	59.21	**288.89**	159.25
Arisen during the year	**158.36**	77.20	**503.26**	216.49
Utilized during the year	**(55.23)**	(24.07)	**(119.89)**	(86.85)
Unused amounts reversed	**-**	(7.62)	**(138.89)**	-
At the end of the year	**207.85**	**104.72**	**533.37**	**288.89**

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

	(i) Litigation Claims and Contingencies		(ii) Onerous Contact	
	2015-16	**2014-15**	**2015-16**	**2014-15**
At the beginning of the year	**195.23**	195.23	**877.47**	-
Arisen during the year	**214.44**	-	**-**	1,710.15
Utilized during the year	**-**	-	**(877.47)**	(832.68)
Unused amounts reversed	**(8.79)**	-	**-**	-
At the end of the year	**400.88**	**195.23**	**-**	**877.47**

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

	As at March 31, 2016	As at March 31, 2015
6 DEFERRED TAX ASSETS / (LIABILITIES) (NET)		
Deferred tax liabilities		
Timing differences in depreciable assets {net of Rs Nil (Rs 139.66 lacs) adjusted with general reserve}	**792.70**	722.29
Gross Deferred tax liabilities	**792.70**	**722.29**
Deferred tax assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	**238.55**	170.52
Provision for doubtful debts and advances	**78.11**	35.76
Provision for Onerous Contracts	**-**	298.25
Provision for Warranties and Liquidated Damages	**-**	133.79
Gross Deferred tax assets	**316.66**	**638.32**
Net Deferred Tax Liabilities	**476.04**	**83.97**

	As at March 31, 2016	As at March 31, 2015
7 SHORT TERM BORROWINGS		
Secured		
From Banks		
Cash credits	**1,329.80**	897.89
Buyers' credit (in foreign currency)	**-**	561.60
Total	**1,329.80**	**1,459.49**

Notes :

a) Cash Credits and Buyers' Credit are secured by first charge on the Company's current assets, present and future and by way of collateral charge on fixed assets of the Company, both present and future. All the mortgages and charges created in favour of the above lenders rank pari passu with consortium member banks.

b) Cash credits carry interest at base rate ranging from 9.10% to 11.00% plus spread ranging between 0.25% to 3.00% p.a and are repayable on demand.

Notes to Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

	As at March 31, 2016	As at March 31, 2015
8 OTHER CURRENT LIABILITIES		
8.1 Trade Payables		
Payables for goods and services		
Total outstanding dues of micro enterprises and small enterprises @	**27.34**	93.19
Total outstanding dues of creditors other than micro enterprises and small enterprises {including acceptances of Rs 5.41 lacs (Rs 721.45 lacs)}	**3,547.57**	3,876.55
	3,574.91	**3,969.74**
8.2 Other Current Liabilities		
Interest accrued but not due on borrowings	**0.02**	4.54
Advance from customers	**1,702.07**	2,059.39
Payable towards purchase of fixed assets	**73.76**	81.79
Others		
Statutory Dues	**606.68**	455.44
Employee related liabilities	**272.01**	215.94
Forward Contract Payable	**138.47**	89.99
Other liabilities	**86.46**	1,735.10
Investor education and protection fund will be credited by following amounts (as and when due) :		
Unpaid dividends	**24.79**	11.57
Unpaid share application	**0.48**	0.48
Unpaid fractional share	**11.10**	11.12
Total Other Current Liabilities	**2,915.84**	**4,665.36**
Total Current Liabilities	**6,490.75**	**8,635.10**
Note:		
@ Details of dues to Micro & Small Enterprises as defined under Micro, Small and Medium Enterprises Act, 2006 (MSMED Act) is as follows:		
a) Principal amount remaining unpaid to any supplier at the end of accounting year (I)	**27.34**	93.19
Interest Due on Above (II)	**-**	-
Total of (I) and (II)	**27.34**	93.19
b) Amount of interest paid/adjusted by the Company to the suppliers in terms of Section 16 of MSMED Act.	**-**	-
c) Amounts paid to the suppliers beyond the respective due date	**165.33**	5.39
d) Amount of interest due and payable for the period of delay in payments but without adding the interest specified under the Act	**0.88**	0.01
e) Amount of interest accrued and remaining unpaid at the end of each accounting year	**0.88**	0.01
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under Section 23 of the MSMED Act	**2.45**	2.44

Notes to Financial Statements as at and for the year ended March 31, 2016

9 FIXED ASSETS

(Rs. in Lacs)

	Land - Freehold	Land - Leasehold	Buildings	Plant & Equipment	Railway Sidings	Furniture & Fixtures	Office Equipments & Computers	Vehicles	Total Tangible Assets	Intangible Computer software	Grand Total
Cost or valuation											
At April 1, 2014	**1,952.80**	**88.52**	**5,775.30**	**9,776.48**	**304.35**	**336.39**	**528.10**	**336.07**	**19,098.01 (b)**	**233.00**	**19,331.01**
Additions	-	-	110.45	959.68	22.49	17.51	28.93	26.57	1,165.63	16.73	1,182.36
Disposals	-	-	-	443.18	-	113.14	122.92	46.21	725.45	-	725.45
At March 31, 2015	**1,952.80**	**88.52**	**5,885.75**	**10,292.98**	**326.84**	**240.76**	**434.11**	**316.43**	**19,538.19 (b)**	**249.73**	**19,787.92**
Additions	3.69	-	283.34	323.56	-	6.24	23.87	15.52	656.22	50.96	707.18
Disposals	-	-	-	124.33	-	-	-	8.51	132.84	-	132.84
At March 31, 2016	**1,956.49**	**88.52**	**6,169.09**	**10,492.21**	**326.84**	**247.00**	**457.98**	**323.44**	**20,061.57 (b)**	**300.69**	**20,362.26**
Depreciation & Amortization											
At April 01, 2014	**-**	**15.50**	**972.71**	**5,927.27**	**65.42**	**121.32**	**256.73**	**150.71**	**7,509.66**	**153.35**	**7,663.01**
Charge for the year	-	0.87	178.35	531.64	22.35	27.42	72.42	33.66	866.71	42.86	909.57
Transfer to General Reserve	-	-	257.01	101.55	8.16	2.95	35.58	5.63	410.88	-	410.88
Disposals	-	-	-	254.28	-	108.42	117.12	25.70	505.52	-	505.52
At March 31, 2015	**-**	**16.37**	**1,408.07**	**6,306.18**	**95.93**	**43.27**	**247.61**	**164.30**	**8,281.73**	**196.21**	**8,477.94**
Charge for the year	-	0.87	177.38	638.70	23.24	21.76	61.85	32.00	955.80	44.58	1,000.38
Disposals	-	-	-	52.81	-	-	-	3.38	56.19	-	56.19
At March 31, 2016	**-**	**17.24**	**1,585.45**	**6,892.07**	**119.17**	**65.03**	**309.46**	**192.92**	**9,181.34**	**240.79**	**9,422.13**
Net Block											
At March 31, 2015	**1,952.80**	**72.15**	**4,477.68**	**3,986.80**	**230.91**	**197.49**	**186.50**	**152.13**	**11,256.46**	**53.52**	**11,309.98**
At March 31, 2016	**1,956.49**	**71.28**	**4,583.64**	**3,600.14**	**207.67**	**181.97**	**148.52**	**130.52**	**10,880.23**	**59.90**	**10,940.13**

a) Freehold land and buildings includes land and building aggregating to gross block of Rs. 310.68 lacs and net block of Rs. 275.68 of which original registered sale deed / conveyance deed / transfer deed / assignment deed are not traceable. However, Company have xerox / scan copy of the same.

b) Deed of conveyance in respect of freehold land and buildings amounting to Gross block Rs 1677.77 lacs and Net block Rs. 1413.43 lacs is pending registration. The freehold land also includes, land amounting to Rs. 108 lacs of which title deed is in dispute and pending resolution in the Civil Court of Kolkata.

c) Land, Buildings, Plant & Machineries of Titagarh Steels Unit aggregating to Rs. 3,246.54 lacs (Gross block) as on 31st March 2009 were revalued by approved valuers on Replacement Cost basis and the net increase of Rs. 1,345.49 lacs was transferred to Revaluation Reserve.

	No. of Shares				
	As at March 31, 2016	**As at March 31, 2015**	**Face Value Per Share (Rs.)**	**As at March 31, 2016**	**As at March 31, 2015**
10 NON-CURRENT INVESTMENTS (Valued at cost unless stated otherwise)					
Non-trade investments					
In fully paid up equity shares					
Quoted					
Continental Valves Limited #	**160,000**	160,000	10	**14.78**	14.78
Unquoted					
Titagarh Enterprises Ltd. (Formerly Titagarh Papers Ltd.)	**4,933,000**	4,933,000	10	**493.30**	493.30
Less : Provision for diminution				**(415.49)**	(415.49)
				77.81	77.81
Tecalemit Industries Limited	**685,000**	685,000	10	**22.82**	22.82
Bhatpara Papers Limited	**50,000**	50,000	10	**5.00**	5.00
Trade investments					
In fully paid up unquoted equity shares					
Subsidiary Companies					
Titagarh Singapore Pte Limited** (a)	**9,025,000**	1,225,000	USD1	**5,525.47**	568.25
Titagarh Capital Private Limited (f)	**1,500,000**	1,500,000	100	**1,542.57**	1,542.57
Titagarh Wagons AFR** (a)	**4,500,000**	4,500,000	EURO1	**2,864.60**	2,864.60
Titagarh Marine Limited (e)	**4,550,050**	4,550,050	10	**455.06**	455.06
Titagarh Agrico Private Limited	**23,400,000**	13,500,000	10	**2,340.00**	1,350.00
Cimco Equity Holdings Private Limited (g)	**65,000,000**	65,000,000	10	**6,500.00**	6,500.00
Titagarh Firema Adler SpA (a)	**180,000**	-	EURO1	**127.75**	-

Notes to Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

	No. of Shares				
	As at March 31, 2016	As at March 31, 2015	Face Value Per Share (Rs.)	As at March 31, 2016	As at March 31, 2015
10 NON-CURRENT INVESTMENTS *(Contd.)*					
In fully paid up unquoted Preference Shares					
Subsidiary Companies					
Titagarh Capital Private Limited (b & f)	**25,00,000**	25,00,000	100	**2,500.00**	2,500.00
Cimmco Limited (c)	**250,00,000**	250,00,000	10	**2,500.00**	2,500.00
In Unquoted 0.1% optionally fully convertible debentures					
Subsidiary Company					
Titagarh Marine Limited (d & e)	**316,65,000**	316,65,000	10	**3,166.50**	3,166.50
				27,642.36	**21,567.39**
Aggregate amount of quoted investments				**14.78**	14.78
Aggregate amount of unquoted investments				**27627.58**	21,552.61
Market value of quoted investments				**#**	#
Aggregate provision for diminution in value of Investments				**415.49**	415.49
# Quotations not available					
** Represents shares already pledged/to be pledged with the bank for loan taken by the respective subsidiary					

Notes :

(a) Valued at exchange rate prevailing on the date of transaction.

(b) The 1% Compulsory Cumulative Convertible Preference Shares (CCCPS) are convertible into equity shares on or before August 27, 2022 at par.

(c) The 8% Non Convertible Non Cumulative Redeemable Preference Shares (NCNCRPS) are redeemable within five years from the date of allotment i.e. by June 27, 2019 at par.

(d) The optionally fully convertible debentures are convertible into equity shares at the option of the Company on or before March 31, 2021 at par.

(e) The net worth as per consolidated financial statement of Titagarh Marine Limited (TML) is fully eroded as at March 31, 2016 and the share holder's funds stood at negative Rs 3111.80 lacs. In view of pending adjustments in the books of accounts pursuant to the Scheme of Amalgamation as referred in note 40, the Company has not made provision against investment in equity shares and 0.1% Optionally Fully Convertible Debentures and loan given to TML amounting to Rs 455.06 lacs, Rs 3,166.50 lacs and Rs 890.93 lacs respectively.

(f) The Company has investment in the equity and preference capital aggregating to Rs. 4,042.57 lacs in its wholly owned subsidiary company "Titagarh Capital Private Limited" (TCPL). As at March 31, 2016, being the last audited balance sheet date, the accumulated losses in the books of TCPL is Rs. 1,433.40 lacs. However, certain fixed assets of TCPL having net block of Rs 1,035.48 lacs representing 887 wagons, are in possession of Indian Railways as lease since 1998 which have significant residual value. Considering the above, the Company is of the view that the diminution in the value of investment is temporary in nature and accordingly, no provision is considered necessary in these financial statements.

(g) The Company has investment of Rs.6,500 lacs in equity in a Subsidiary "Cimco Equity Holdings Private Limited" (CEHPL). As at March 31, 2016, being the last audited balance sheet date, the accumulated losses in the books of CEHPL is Rs. 2,145.14 lacs. However, CEHPL is holding certain long term investments in equity shares of Rs. 4,402.70 lacs in its listed subsidiary Company "Cimmco Ltd". Considering the market value of the quoted equity shares, fair value of the freehold and leasehold land and long term business plan and profitability projection of Cimmco Limited, the Company is of the view that the diminution in the value of investment is temporary in nature and accordingly, no provision is considered necessary in these financial statements.

(h) During the year, the Company alongwith its wholly owned subsidiary company Titagarh Singapore Pte Limited have formed a subsidiary company in Italy in the name of Titagarh Firema Adler SpA (TFA). TFA has acquired the business and assets of Firema Trasporti SpA, a designer and manufacturer of metro coaches and semi / high speed trains.

Notes to Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
11 LOANS AND ADVANCES				
(Unsecured, considered good unless stated otherwise)				
Capital Advances	**100.00**	33.00	**-**	-
Loans to related parties {Refer Note No. 30 and Note No. (b) below}	**750.96**	1,350.55	**2,642.97**	3,417.84
Security Deposits				
Considered good	**239.13**	101.68	**111.90**	216.70
Considered doubtful	**46.62**	42.50	**-**	-
	285.75	144.18	**111.90**	216.70
Provision for doubtful security deposits	**46.62**	42.50	**-**	-
	239.13	101.68	**111.90**	216.70
Advance recoverable in cash or kind				
Considered good - To Others	**12.32**	-	**1,058.25**	633.79
Considered good - To Related Party [Refer Note No. 30 and Note (a) below]	**1.86**	-	**1.61**	3.23
Considered doubtful - To Others	**-**	-	**8.74**	8.74
	14.18	-	**1,068.60**	645.76
Provision for doubtful advances - To Others	**-**	-	**8.74**	8.74
	14.18	-	**1,059.86**	637.02
Other loans and advances				
Balance with statutory / government authorities	**-**	-	**1,324.00**	1,282.12
Advance tax (net of provision for taxes)	**1,967.47**	1,638.74	**306.77**	-
Prepaid expenses	**23.89**	-	**191.13**	363.91
Total	**3,095.63**	**3,123.97**	**5,636.63**	**5,917.59**

			Maximum Amount due at any time during the year	
	As at March 31, 2016	As at March 31, 2015	2015-16	2014-15
a) Advances recoverable in cash or kind				
Due from Directors/Officers of the Company	**3.47**	3.23	**67.66**	42.52
b) Loans and advances in the nature of loans given to subsidiaries and associates and firms/ companies in which directors are interested:				
Loans to Subsidiaries				
Titagarh Wagons AFR	**1,877.77**	3,713.41	**4,097.60**	4,541.71
Titagarh Capital Private Limited	**585.00**	350.00	**1,100.00**	350.00
Titagarh Marine Limited {Refer Note no.10(e)}	**890.93**	664.75	**1,034.25**	664.75
Cimco Equity Holdings Private Limited	**40.23**	40.23	**40.23**	40.23
	3,393.93	**4,768.39**	**6,272.08**	**5,596.69**

Note : Loans to related parties are receivable on demand except loan amounting to Rs. 1,877.77 lacs given to Titagarh Wagons AFR, which is receivable in balance 3 annual installments by March 31, 2018.

	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
12 TRADE RECEIVABLES AND OTHER ASSETS				
12.1 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	**202.70**	354.48	**1,971.07**	1,217.07
Considered doubtful	**-**	-	**158.31**	53.97
	202.70	354.48	**2,129.38**	1,271.04
Provision for doubtful debts	**-**	-	**158.31**	53.97
	202.70	354.48	**1,971.07**	1,217.07
Other receivables				
Considered good	**4.67**	2.52	**5,012.35**	6,289.36
Total	**207.37**	**357.00**	**6,983.42**	**7,506.43**

Notes to Financial Statements as at and for the year ended March 31, 2016

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

(Rs. in Lacs)

	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Non-Current Bank Balances (Refer Note No. 14)	169.72	-	-	-
Receivable from Related Party (Refer Note No. 30)	-	-	247.71	317.96
Interest accrued on				
Fixed deposits	-	-	588.33	349.58
Loans to subsidiaries (Refer Note No. 30)	-	-	1,160.48	1,235.25
OFCD in subsidiaries (Refer Note No. 30)	-	-	2.86	2.85
Unamortised Premium on forward contract	-	-	-	20.39
Unbilled Revenue	-	-	1,161.78	-
Others	177.75	167.74	-	-
Total	**347.47**	**167.74**	**3,161.16**	**1,926.03**

	As at March 31, 2016	As at March 31, 2015
13 INVENTORIES		
(Valued at lower of cost and net realizable value)		
Raw materials & components (includes goods in transit Rs. 401.49 lacs (Rs. 176.01 lacs) (Refer Note No. 17)	8,122.61	8,312.92
Work in progress (Refer Note No. 18)	2,729.49	3,122.78
Finished goods (Refer Note No. 18)	2,112.87	1,220.75
Saleable scrap (Refer Note No. 18)	227.54	237.76
Stores and spares	654.78	654.56
Total	**13,847.29**	**13,548.77**

	Non-Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
14 CASH AND BANK BALANCES				
Cash and cash equivalents				
Balances with banks:				
On current accounts			141.97	382.05
On unpaid dividend account			24.79	11.57
On Share application refundable account			0.48	0.48
On unpaid fractional share entitlement			11.10	11.12
Cash on hand [including cheques in hand Nil (Rs 65.19 lacs)]			7.62	13.19
			185.96	418.41
Other bank balances				
Balances with banks :				
Deposits with remaining maturity for less than 12 months	-	-	13,803.18	8,897.47
Margin money deposit #	169.72	-	873.03	1,178.24
	169.72	-	14,676.21	10,075.71
Amount disclosed under non-current assets (Refer Note No. 12.2)	(169.72)	-	-	-
Total	-	-	14,862.17	10,494.12

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

	For the year ended March 31, 2016	For the year ended March 31, 2015
15 REVENUE FROM OPERATIONS		
Revenue from operations		
Sale of products		
Finished Goods (Refer Note 15.1)	31,447.12	36,971.98
Sale of Raw Materials & Components (Refer Note 15.1)	292.37	958.66
Other operating revenues		
Scrap sales	615.97	640.39
Others	-	812.28
Revenue from operations (gross)	32,355.46	39,383.31
Less : Excise duty	1,380.76	1,769.58
Revenue from operations (net)	30,974.70	37,613.73

Note : # Excise duty on sales amounting to Rs 1,380.76 lacs (Rs 1,769.58 lacs) has been reduced from sales in statement of profit & loss and excise duty on increase/decrease in stock amounting to Rs 56.42 lacs {(Rs 50.49 lacs)} has been considered as (income)/expense in Note 20 of financial statements.

Notes to Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
15.1 Details of products sold		
Finished goods		
Wagons	**26,392.57**	31,854.50
Casting	**2,443.23**	3,921.82
HEMM Machines	**342.00**	399.29
HEMM Spares	**420.87**	603.16
Steel Bridges	**514.89**	147.20
Shelters and Flask	**1,333.56**	46.01
	31,447.12	**36,971.98**
Raw Materials & Components		
Components	**292.37**	811.14
Steel	**-**	138.70
Others	**-**	8.82
	292.37	**958.66**
16.1 OTHER INCOME		
Unspent liabilities / provisions no longer required written back	**190.83**	211.12
Net gain on sale of current investments in mutual funds	**1.05**	-
Gain on sale of fixed assets (net)	**0.93**	-
Management Fee	**173.49**	186.05
Commission Income	**42.07**	-
Gain on Foreign Exchange Fluctuations/Forward Exchange Contracts (net)	**183.60**	-
Other non-operating income	**73.24**	43.18
Total	**665.21**	**440.35**
16.2 INTEREST INCOME		
Interest Income on		
Bank deposits	**1,144.02**	894.29
Loan to Subsidiaries	**480.22**	465.43
Optionally Fully Convertible Debentures in Subsidiaries	**3.17**	3.17
Income Tax Refund	**178.40**	-
Others	**225.00**	-
Total	**2,030.81**	**1,362.89**
17 COST OF RAW MATERIALS & COMPONENTS CONSUMED		
Inventory at the beginning of the year	**8,312.92**	9,845.82
Add : Purchases	**19,581.04**	14,972.08
	27,893.96	24,817.90
Less : Inventory at the end of the year	**8,122.61**	8,312.92
Cost of raw materials & components consumed	**19,771.35**	**16,504.98**
Details of raw materials & components consumed		
Couplers with Draft Gear	**2,237.76**	1,364.10
Steel	**3,273.61**	1,939.14
Wheel sets	**1,739.40**	1,590.32
Other Components (Note b)	**12,520.58**	11,611.42
	19,771.35	**16,504.98**
Details of inventory		
Raw materials & components		
Couplers with Draft Gear	**482.17**	1,315.41
Steel	**2,189.42**	2,260.75
Wheel sets	**862.78**	627.43
Quick Draw	**700.21**	274.64
Air Fluidising System	**606.01**	793.33
Other Components (Note b)	**3,282.02**	3,041.36
	8,122.61	**8,312.92**

Notes :

a) The consumption figures shown above are after adjusting excess and shortages, if any, on physical count, unserviceable items, etc. and net of 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 further details in view of the large number of items which differ in size and nature, each being less than 10% of the total value.

Notes to Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015	(Increase)/ Decrease
18 (INCREASE)/ DECREASE IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND SALEABLE SCRAP			**For the year ended March 31, 2016**
Closing Stock			
Finished Goods	**2,112.87**	1,220.75	(892.12)
Work in Progress	**2,729.49**	3,122.78	393.29
Saleable Scrap	**227.54**	237.76	10.22
	5,069.90	**4,581.29**	**(488.61)**
			For the year ended March 31, 2015
Opening Stock			
Finished Goods	**1,220.75**	3,854.53	2,633.78
Work in Progress	**3,122.78**	6,393.26	3,270.48
Saleable Scrap	**237.76**	121.52	(116.24)
	4,581.29	**10,369.31**	**5,788.02**
	(488.61)	**5,788.02**	
DETAILS OF INVENTORY			
Finished Goods			
Wagons	**1,316.87**	942.90	
Steel Bridges and shelters	**575.80**	39.71	
Casting	**220.20**	238.14	
	2,112.87	**1,220.75**	
Work in Progress			
Wagons & Coaches	**702.23**	154.61	
Steel Bridges and shelters	**813.42**	54.68	
Casting	**1,002.29**	1,786.84	
HEMM Machines	**185.60**	349.10	
Others	**25.95**	777.55	
	2,729.49	**3,122.78**	
Saleable Scrap - Steel	**227.54**	**237.76**	

		For the year ended March 31, 2016		For the year ended March 31, 2015
19 EMPLOYEE BENEFITS EXPENSES				
Salaries, wages and bonus		**1,462.38**		1,481.09
Employee Stock Option Expenses (Refer Note 25)		**54.33**		-
Contribution to provident & other funds		**154.43**		135.81
Gratuity Expense (Refer Note No. 24)		**25.13**		47.32
Staff Welfare Expenses		**111.75**		119.06
Directors' Remuneration				
Remuneration to Managing and Whole Time Directors :				
- Salary & bonus*	**61.60**		90.00	
- Contribution to Provident Fund	**6.75**		6.75	
- Commission on Profit	**-**	**68.35**	47.46	144.21
Total		**1,876.37**		**1,927.49**

* Director's Remuneration is net of Rs 55 lacs (Nil) recovered from Titagarh Firema Adler SpA, a subsidiary, being expense attributable to their operations.

Notes to Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

		For the year ended March 31, 2016		For the year ended March 31, 2015
20 OTHER EXPENSES				
Consumption of stores & spares		**2,569.02**		2,411.63
Cost of raw materials and components sold		**270.98**		818.91
Increase / (decrease) in excise duty on inventories (Refer Note No. 42)		**56.42**		(50.49)
Job Processing and other machining charges (including contract labour charges)		**1,986.77**		1,852.96
Power and Fuel		**1,632.59**		1,744.52
Design and development expenses		**132.34**		113.73
Repairs and maintenance				
Plant and machinery		**123.91**		77.37
Buildings		**37.92**		26.96
Others		**57.77**		57.05
Rent and Hire charges		**114.61**		189.57
Rates and Taxes		**174.53**		49.87
Insurance		**39.14**		29.18
Security Services		**142.66**		124.27
Freight and forwarding charges [Net of recovery of Rs. 64.18 lacs (Rs 103.49 lacs)]		**82.60**		244.98
Advertising and sales promotion		**156.29**		135.99
Brokerage and commission		**57.82**		82.89
Travelling and conveyance		**447.24**		447.36
Legal and professional fees		**463.61**		516.85
Commission to non-whole time directors		**10.00**		10.00
Directors sitting fees		**26.24**		22.11
Payment to Auditors				
As auditor				
Audit fee	**29.00**		29.00	
Limited review	**24.00**		21.00	
In other capacity				
Other Certification services	**7.75**		2.45	
Other services	**-**		17.00	
Reimbursement of expenses	**2.35**	**63.10**	2.94	72.39
Loss on sale of investment (Long term, Trade)	**-**		34.29	
Less: Adjusted with provision	**-**	**-**	34.29	-
Warranty Claims	**83.50**		99.30	
Less: Adjusted with provision	**55.23**	**28.27**	24.07	75.23
Provision for warranties		**158.36**		69.58
Liquidated Damages	**240.88**		100.32	
Less: Adjusted with provision	**119.89**	**120.99**	86.85	13.47
Provision for liquidated damages		**364.37**		216.49
Irrecoverable debts/ advances written off	**16.25**		394.06	
Less: Adjusted with provision	**-**	**16.25**	330.00	64.06
Provision for doubtful debts and advances		**108.46**		11.71
Loss on sale of fixed assets (net)	**-**		46.53	
Less: Adjusted with Revaluation Reserve	**-**	**-**	29.96	16.57
Loss on foreign exchange fluctuations/forward exchange contracts (net)		**-**		617.70
Prior Period Expenses (Net) (Refer note (a) below)		**36.90**		30.19
Miscellaneous expenses		**395.36**		348.61
Total		**9,874.52**		**10,441.71**

a) Details of Prior Period Expenses (Net)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
Income		
Other income	**11.97**	-
	11.97	**-**
Expenses		
Employee benefits expenses	**41.69**	1.12
Job Processing and other machining charges (including contract labour charges)	**6.71**	4.69
Other expenses	**0.48**	24.38
	48.87	30.19
Prior Period Expenses (Net)	**36.90**	**30.19**

Notes to Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
21 FINANCE COSTS		
Interest expenses	**350.05**	421.41
Bank charges	**184.83**	209.95
Total	**534.88**	**631.36**
22 EXCEPTIONAL ITEM		
Loss provided on onerous contract	**-**	1,710.15
	-	**1,710.15**
23 EARNING PER SHARE (EPS)		
Weighted average number of equity shares in calculating basic EPS	**111,055,551**	100,295,345
Effect of dilution :		
Stock options granted under ESOP	**325,355**	-
Weighted average number of equity shares in calculating diluted EPS	**111,380,907**	100,295,345
Profit after taxes (Rs. in Lacs)	**631.00**	985.71
Nominal value of each share (Rs.)	**2.00**	2.00
Earning per share : Basic (Rs.)	**0.57**	0.98
Diluted (Rs.)	**0.57**	0.98

Note : The shareholders of the Company have approved the split of each equity share having a face value of Rs 10 into five equity shares having a face value of Rs 2 each through postal ballot on April 13, 2015. The record date for the sub-division was April 24, 2015. Accordingly, the earnings per share for previous year has been adjusted with respect to the aforesaid increase in number of equity shares.

24 RETIREMENT AND OTHER EMPLOYEE BENEFIT PLANS

The Company has a defined benefit gratuity plan which is unfunded (except for Titagarh Steels unit where it is administered through a trust and partly funded with a special deposit scheme with State Bank of Bikaner and Jaipur). Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972.

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

	Gratuity (funded)		Gratuity (unfunded)	
	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2015
Statement of Profit and Loss				
Net employee benefit expense recognized in the employee cost				
Current service cost	**7.15**	6.38	**22.76**	21.83
Interest cost on benefit obligation	**12.05**	15.93	**22.83**	26.47
Expected return on plan assets	**(4.08)**	(3.74)	**-**	-
Net actuarial (gain)/ loss recognised during the year	**(12.45)**	(15.55)	**(23.13)**	(4.00)
Net benefit expenses	**2.67**	**3.02**	**22.46**	**44.30**
Balance Sheet				
Benefit liability				
Present value of defined benefit obligation	**147.33**	168.47	**302.43**	305.39
Fair value of plan assets	**49.42**	45.34	**-**	-
Plan liability	**97.91**	**123.13**	**302.43**	**305.39**
Changes in the present value of the defined benefit obligation are as follows :				
Opening defined benefit obligation	**168.47**	188.49	**305.39**	320.61
Current service cost	**7.15**	6.38	**22.76**	21.83
Interest cost	**12.05**	15.93	**22.83**	26.47
Benefits paid	**(27.89)**	(26.78)	**(25.42)**	(59.52)
Actuarial (gains)/ losses on obligation	**(12.45)**	(15.55)	**(23.13)**	(4.00)
Closing defined benefit obligation	**147.33**	**168.47**	**302.43**	**305.39**

Notes to Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

	Gratuity (funded)		Gratuity (unfunded)	
	For the year ended March 31, 2016	**For the year ended March 31, 2015**	**For the year ended March 31, 2016**	**For the year ended March 31, 2015**
Changes in the fair value of plan assets are as follows :				
Opening fair value of plan assets	**45.34**	41.60		
Expected return	**4.08**	3.74		
Benefits paid	**-**	-		
Closing fair value of plan assets	**49.42**	**45.34**		
Actual Return on plan assets	**4.08**	**3.74**		
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :				
Investments with insurer	**100%**	100%		
The principal assumptions used in determining gratuity obligation are shown below :				
Discount rate	**7.70%**	7.80%	**7.70%**	7.80%
Expected rate of return on assets	**9.00%**	9.00%	**N.A.**	N.A.
Mortality table			**Standard table LIC**	

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

	For the year ended March 31, 2016	**For the year ended March 31, 2015**	**For the year ended March 31, 2014**	**For the year ended March 31, 2013**	**For the year ended March 31, 2012**
Defined benefit obligation - unfunded	**302.43**	305.39	320.61	303.47	342.57
Defined benefit obligation - funded	**147.33**	168.47	188.49	164.16	144.75
Plan assets	**49.42**	45.34	41.60	38.46	37.39
Surplus /(Deficit)	**(400.34)**	(428.52)	(467.50)	(429.17)	(449.93)
Experience adjustments on plan liabilities - Unfunded [(gains)/losses]	**(23.13)**	(4.00)	(5.92)	(63.80)	8.70
Experience adjustments on plan liabilities - Funded [(gains)/losses]	**(12.45)**	(15.55)	21.44	21.08	(10.91)
Experience adjustments on plan assets [gains/(losses)]	**-**	-	-	(0.81)	(0.38)

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

The Company expects to contribute Rs. 264.05 lacs (Rs 126.11 lacs) to the gratuity fund during 2016-17.

The amounts provided for defined contribution plans are as follows :

	For the year ended March 31, 2016	**For the year ended March 31, 2015**
Provident fund	**113.44**	100.87
Superannuation fund	**7.18**	-
Total	**120.61**	**100.87**

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

(Rs. in Lacs)

25 EMPLOYEE STOCK OPTION PLANS

The Company provides share-based payment schemes to its employees. During the year ended 31 March 2016, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

On 11 September 2014, the shareholders, by way of a special resolution passed at the Annual General Meeting, approved the issue of shares to eligible employees under Employee Stock Option Scheme (Scheme 2014). The scheme has been approved by the authorized Compensation Committee pursuant to a resolution passed at its meeting held on March 4, 2015. According to the Scheme 2014, the employee selected by the ESOS compensation committee from time to time will be entitled to the stock options. The total number of options granted should not exceed 25,00,000 options and will be granted in one or more tranches over a period of 5 years. Each option, when exercised, will be converted into 1 equity share of Rs 2 each fully paid up. During the year, the Company has issued the first tranche of 500,000 stock options. Other relevant terms of the grant are as below :

Exercise period	Any point in time after vesting
Expected life	2.90 years
Exercise price	Rs 44.20
Market price at 4th March 2015	Rs 140.38
Vesting schedule for the option is as follows:	
At the end of first year from the date of grant	10%
At the end of second year from the date of grant	15%
At the end of third year from the date of grant	25%
At the end of fourth year from the date of grant	50%

The details of activity under the Scheme 2014 are summarized below :

	For the year ended March 31, 2016		For the year ended March 31, 2015	
	No. of Options	Weighted Average Exercise Price (Rs)	No. of Options	Weighted Average Exercise Price (Rs)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	**500,000**	**44.20**	-	-
Forfeited / lapsed during the year	**160,000**	**-**	-	-
Exercised during the year	**-**	**-**	-	-
Outstanding at the end of the year	**340,000**	**44.20**	-	-
Exercisable at the end of the year	**34,000**	**44.20**	-	-

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2016 is 2.90 years (31st March 2015: Nil).

The weighted average fair value of stock options granted during the year was Rs 63.92 per share (31 March 2015: *). The Monte Carlo valuation model has been used for computing the weighted average fair value considering the following inputs:

	For the year ended March 31, 2016	For the year ended March 31, 2015
Dividend yield	**0.84%**	*
Expected volatility	**62.15%**	*
Risk-free interest rate	**6.85%**	*
Share price (Rs)	**95.10**	*
Exercise price (Rs)	**44.20**	*
Expected life of options granted in years	**2.90**	*

* Not applicable since no ESOP's were granted during the FY 2014-15

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

During the year ended March 31, 2016, the Company recorded an employee compensation expense of Rs 54.33 lacs in the Statement of Profit and Loss.

26 LEASES

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

	For the year ended March 31, 2016	For the year ended March 31, 2015
The amount of rent expenses included in statement of profit and loss towards operating leases	**87.40**	177.99

(Rs. in Lacs)

27 CAPITALIZATION OF EXPENDITURE

During the year, the Company has capitalized the following expenses to the cost of fixed asset. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

	For the year ended March 31, 2016	For the year ended March 31, 2015
Salaries, wages and bonus	**21.90**	-
Rent	**100.84**	-
Miscellaneous expenses	**3.77**	-
	126.51	**-**

28 INTEREST IN JOINT VENTURES

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

Name of joint ventures	Percentage of ownership	Country of incorporation
Cimco Equity Holdings Private Limited (consolidated)	-	India
[ceased to be a joint venture w.e.f. April 15, 2014]		

The Company's share in assets, liabilities, income and expenses in the above Jointly Controlled Entities are as follows :- :-

	Cimco Equity Holdings Private Limited	
	Audited March 31, 2016	**Unaudited as certified by the management Upto April 15, 2014**
Non-current assets	-	-
Current assets	-	-
Non-current liabilities	-	-
Current liabilities	-	-
Net Assets	-	-
Revenue	-	3.29
Cost of material consumed	-	3.69
Depreciation of plant and machinery	-	5.83
Employee benefit expense	-	5.67
Other expense	-	22.62
Profit / (Loss) before tax	-	(34.52)
Exceptional Loss	-	-
Income-tax expense	-	-
Loss after tax	-	(34.52)
Capital Expenditure Commitments	-	-
Contingent Liabilities		

29 SEGMENT INFORMATION

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

a) Wagons & Coaches – Consists of manufacturing of wagons, coaches, bogies, couplers and crossings as per customer specification.

b) Others - Consists of miscellaneous business like heavy earth moving machineries, bailey bridge, NBC etc. which comprises of less than 10% revenue on individual basis. - -

Notes to Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

Information about primary business segments

For the year ended March 31, 2016	Wagons & Coaches	Others	Total
Revenues (net of excise duty and cess)			
Segment Revenue (external)	28,638.38	2,336.32	30,974.70
Results			
Segment results	889.03	152.63	1,041.66
Less : Unallocated expenses net of unallocated income			1,435.76
Operating Profit (EBIDTA less Depreciation)			(394.10)
Add : Interest income (net of expenses)			1,495.93
Profit before taxes			1,101.83
Income taxes			470.83
Net profit after taxes			631.00
Segment assets	29,210.34	5,873.33	35,083.67
Unallocated assets			51,824.74
Total assets			86,908.41
Segment liabilities	6,548.46	656.13	7,204.59
Unallocated liabilities			2,730.34
Total liabilities			9,934.93
Other segment information			
Capital expenditure			
Tangible assets	656.22	-	656.22
Intangible assets	50.96	-	50.96
Depreciation	1,000.38	-	1,000.38
Non cash expenses:			
Provision for doubtful debts and advances	108.46	-	108.46
Irrecoverable debts/advances written off (net of provisions)	16.25	-	16.25

For the year ended March 31, 2015	Wagons & Coaches	Others	Total
Revenues (net of excise duty and cess)			
Segment Revenue (external)	36,577.90	1,035.83	37,613.73
Results			
Segment results	4,744.34	(68.35)	4,675.99
Less : Unallocated expenses net of unallocated income			2,193.68
Operating Profit (EBIDTA less Depreciation)			2,482.31
Add : Interest income (net of expenses)			731.53
Less : Exceptional Items	(1,710.15)	-	(1,710.15)
Profit before taxes			1,503.69
Income taxes			517.98
Net profit after taxes			985.71
Segment assets	30,316.49	3232.21	33,548.70
Unallocated assets			42,620.58
Total assets			76,169.28
Segment liabilities	9,232.56	560.67	9,793.23
Unallocated liabilities			3,372.03
Total liabilities			13,165.26
Other segment information			
Capital expenditure			
Tangible assets	955.10	66.01	1,021.11
Intangible assets	31.96	-	31.96
Depreciation	909.57	-	909.57
Non cash expenses:			
Provision for doubtful debts and advances	11.71		11.71
Irrecoverable debts/advances written off (net of provisions)	64.06	-	64.06

(Rs. in Lacs)

29 SEGMENT INFORMATION *(Contd.)*

Geographical Segment :

The following table shows the distribution of the Company's sales by geographical market :

	For the year ended March 31, 2016	For the year ended March 31, 2015
Geographical segment revenue		
Domestic (net of excise duty)	**30,096.85**	32,456.87
Overseas	**877.85**	5,156.86
Total	**30,974.70**	**37,613.73**

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

30 RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Related parties where control exists :

Subsidiary Companies :	Titagarh Singapore Pte Limited Titagarh Capital Private Limited Titagarh Wagons AFR Greysham and Co. Private Limited (ceased to be a subsidiary w.e.f. February 20, 2015) Titagarh Marine Limited Titagarh Agrico Private Limited (Formerly Titagarh Cranes Private Limited) Corporated Shipyard Private Limited (subsidiary of Titagarh Marine Limited) Times Marine Enterprises Private Limited (subsidiary of Titagarh Marine Limited) Cimco Equity Holdings Private Limited (w.e.f. April 16, 2014) Cimmco Limited, subsidiary of Cimco Equity Holdings Private Limited (w.e.f. April 16, 2014) Titagarh Firema Adler S.p.A (w.e.f. from July 14th, 2015, refer note no. 10(h))
Under AS18 related parties with whom transactions have taken place during the period:	
Joint Venture Companies :	Cimco Equity Holdings Private Limited (till April 15, 2014) Cimmco Limited, subsidiary of Cimco Equity Holdings Private Limited (till April 15, 2014)
Key Management Personnel (KMPs) :	Mr. J P Chowdhary – Executive Chairman Mr. Umesh Chowdhary – Vice Chairman & Managing Director Mr. Sudipta Mukherjee - Director (Wagons Operations3)
Relatives of KMPs :	Ms. Savitri Devi Chowdhary, Wife of Mr. J P Chowdhary Ms. Vinita Bajoria, Daughter of Mr. J P Chowdhary Ms. Sumita Kandoi, Daughter of Mr. J P Chowdhary Mrs. Bimla Devi Kajaria, Mother of Mrs. Rashmi Chowdhary
Enterprises over which KMP/ Shareholders/ Relatives have significant influence :	Titagarh Logistics Infrastructure Private Limited Titagarh Capital Management Services Private Limited Traco International Investment Private Limited Titagarh Enterprises Limited (formerly Titagarh Papers Limited) Panihati Rubber Limited Singhal Contractors & Builders Private Limited Simplex Developments Private Limited Tecalemit Industries Limited Navyug Business Private Limited
Additional related parties as per Companies Act 2013 with whom transactions have taken place during the year	
Directors	Mr. Sudev Chandra Das - Independent Director Mr. Dharmendar Nath Davar - Independent Director Mr. Manoj Mohanka - Independent Director Mrs. Rashmi Chowdhary - Non-Executive Director Mr. Shekhar Dutta - Independent Director Mr. Sunirmal Talukdar - Independent Director
Key Management Personnel (KMPs):	Mr. Anil Agarwal - Chief Financial Officer Mr. Dinesh Arya - Company Secretary
Enterprises over which KMP/ Shareholders/ Relatives have significant influence	Adarsh Imports & Exports Private Limited Kanishk Fabricators Private Limited Nutech Engineering Company

Notes to Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

30 RELATED PARTY DISCLOSURES *(Contd.)*

Nature of transactions	Subsidiary Companies	Joint Ventures	KMP	Relatives of KMP	Enterprise over which KMP/shareholders/ relatives have significant influence	Total
In relation to the statement of profit and loss						
Revenue from operations						
Cimmco Limited	542.40					542.40
	(1,702.36)					(1,702.36)
Corporated Shipyard Private Limited	-					-
	(9.19)					(9.19)
Management Fees						
Titagarh Wagons AFR	173.49					173.49
	(186.05)					(186.05)
Rent Income						
Titagarh Agrico Private Limited	5.63					5.63
	(1.73)					(1.73)
Interest income on Loans						
Cimco Equity Holdings Private Limited	5.24	-				5.24
	(5.02)	(0.20)				(5.22)
Titagarh Wagons AFR	282.61					282.61
	(405.24)					(405.24)
Titagarh Capital Pvt. Ltd.	54.51					54.51
	(18.18)					(18.18)
Titagarh Marine Limited	141.03					141.03
	(25.51)					(25.51)
Guarantee Commission						
Titagarh Singapore Pte Limited	42.07					42.07
	(-)					(-)
Purchase of raw material & components						
Cimmco Limited	132.26					132.26
	(84.62)					(84.62)
Nutech Engineering Company					139.01	139.01
					(1.87)	(1.87)
Adarsh Imports & Exports Private Limited					43.30	43.30
					(0.07)	(0.07)
Job Processing and other machining charges (including contract labour charges)						
Cimmco Limited	96.32					96.32
	(25.00)					(25.00)
Kanishk Fabricators Private Limited					137.38	137.38
					(43.22)	(43.22)
Reimbursement of Expenses						
Cimmco Limited	20.15					20.15
	(4.82)					(4.82)
Titagarh Firema Adler S.p.A	164.50					164.50
	(-)					(-)

(Rs. in Lacs)

30 RELATED PARTY DISCLOSURES *(Contd.)*

Nature of transactions	Subsidiary Companies	Joint Ventures	KMP	Relatives of KMP	Enterprise over which KMP/shareholders/ relatives have significant influence	Total
Advance Written Off						
Panihati Rubber Limited					-	-
					(9.20)	(9.20)
Rent Paid						
Titagarh Enterprises Limited (formerly Titagarh Papers Limited)					131.41	131.41
					(126.20)	(126.20)
Dividend paid						
Ms. Savitri Devi Chowdhary				289.86		289.86
				(144.93)		(144.93)
Ms. Rashmi Chowdhary			205.06			205.06
			(102.53)			(102.53)
Mr. J P Chowdhary			2.50			2.50
			(1.25)			(1.25)
Mr. Umesh Chowdhary			1.24			1.24
			(0.62)			(0.62)
Ms. Vinita Bajoria			-			-
			(0.20)			(0.20)
Ms. Sumita Kandoi			-			-
			(0.13)			(0.13)
Traco International Investment Private Limited					2.42	2.42
					(1.21)	(1.21)
Titagarh Capital Management Services Private Limited					346.72	346.72
					(173.36)	(173.36)
Titagarh Logistics Infrastructures Private Limited					2.40	2.40
					(1.20)	(1.20)
Singhal Contractors & Builders Private Limited					0.38	0.38
					(0.19)	(0.19)
Simplex Developments Private Limited					0.29	0.29
					(0.14)	(0.14)
Tecalemit Industries Limited					0.20	0.20
					(0.10)	(0.10)
Navyug Business Private Limited					0.19	0.19
					(0.10)	(0.10)
Bimla Devi Kajaria				0.03		0.03
				(0.01)		(0.01)

Notes to Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

30 RELATED PARTY DISCLOSURES *(Contd.)*

Nature of transactions	Subsidiary Companies	Joint Ventures	KMP	Relatives of KMP	Directors	Enterprise over which KMP/shareholders/ relatives have significant influence	Total
Remuneration (including contribution to Provident and other funds)							
Mr. J P Chowdhary			68.43 (84.82)				68.43 (84.82)
Mr. Umesh Chowdhary			64.57 (59.37)				64.57 (59.37)
Ms. Vinita Bajoria				27.64 (27.64)			27.64 (27.64)
Mr. Anil Agarwal			31.43 (31.43)				31.43 (31.43)
Mr. Dinesh Arya			19.62 (19.62)				19.62 (19.62)
Mr. Sudipta Mukherjee			31.43 (31.43)				31.43 (31.43)
Sitting Fees & Commission to Directors							
Mr. Sudev Chandra Das					4.38 (2.90)		4.38 (2.90)
Mr. Dharmendar Nath Davar					10.02 (8.65)		10.02 (8.65)
Mr. Manoj Mohanka					8.81 (6.20)		8.81 (6.20)
Mrs. Rashmi Chowdhary					1.75 (1.00)		1.75 (1.00)
Mr. Shekhar Dutta					4.18 (4.70)		4.18 (4.70)
Mr. Sunirmal Talukdar					7.10 (5.25)		7.10 (5.25)
Employee Stock Option Plan cost							
Mr. Anil Agarwal			7.99 (-)				7.99 (-)
Mr. Sudipta Mukherjee			7.99 (-)				7.99 (-)
Mr. Dinesh Arya			3.99 (-)				3.99 (-)
In relation to the balance sheet **Purchase of Fixed Asset**							
Titagarh Wagons AFR	9.99 (-)						9.99 (-)
Cimmco Limited	- (22.15)						- (22.15)
Loans & advances given							
Titagarh Marine Limited	369.50 (686.75)						369.50 (686.75)
Titagarh Capital Pvt. Ltd.	900.00 (350.00)						900.00 (350.00)
Others	23.51 (0.23)						23.51 (0.23)
Investments made							
Titagarh Agrico Private Limited	990.00 (1,250.00)						990.00 (1,250.00)
Cimmco Limited	- (2,500.00)						- (2,500.00)
Titagarh Singapore Pte. Ltd.	4,957.22 (37.19)						4,957.22 (37.19)
Titagarh Firema Adler S.p.A	127.75 (-)						127.75 (-)
Cimco Equity Holdings Private Limited	- (50.00)						- (50.00)

(Rs. in Lacs)

30 RELATED PARTY DISCLOSURES *(Contd.)*

Nature of transactions	Subsidiary Companies	Joint Ventures	KMP	Relatives of KMP	Directors	Enterprise over which KMP/shareholders/ relatives have significant influence	Total
Allotment of shares against share application money							
Titagarh Agrico Private Limited	-						-
	(112.50)						(112.50)
Conversion of Optionally fully convertible debentures into Equity shares							
Cimco Equity Holdings Private Limited		-					-
		(6,400.00)					(6,400.00)
Loans & advance refunded							
Titagarh Wagons AFR	2,134.50						2,134.50
	(-)						(-)
Titagarh Capital Pvt. Ltd.	665.00						665.00
	(-)						(-)
Others	163.97						163.97
	(66.67)						(66.67)
Guarantees / Put Options Outstanding							
Titagarh Wagons AFR	8,260.51						8,260.51
	(7,426.14)						(7,426.14)
Titagarh Singapore Pte. Ltd.	17,347.06						17,347.06
	(-)						(-)
Cimmco Limited (Refer Note 32B)	4,000.00						4,000.00
	(4,000.00)						(4,000.00)
Balance outstanding as at the year end - Receivable							
Titagarh Marine Limited	897.17						897.17
	(838.59)						(838.59)
Titagarh Wagons AFR	3,014.67						3,014.67
	(5,074.57)						(5,074.57)
Titagarh Capital Pvt. Ltd.	634.06						634.06
	(366.36)						(366.36)
Cimmco Limited	776.60						776.60
	(1,187.85)						(1,187.85)
Titagarh Firema Adler S.p.a	164.50						164.50
	(-)						(-)
Others	102.34		3.47				105.81
	(44.93)		(3.23)				(48.16)
Balance outstanding as at the year end - Payable							
Mr. J P Chowdhary			4.06				4.06
			(35.89)				(35.89)
Mr. Umesh Chowdhary			4.06				4.06
			(16.58)				(16.58)
Nutech Engineering Company						27.91	27.91
						(1.87)	(1.87)
Kanishk Fabricators Private Limited						11.74	11.74
						(0.07)	(0.07)
Adarsh Imports & Exports Private Limited						9.67	9.67
						(27.40)	(27.40)
Titagarh Wagons AFR	9.99						9.99
	(-)						(-)

Notes to Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

	As at March 31, 2016	As at March 31, 2015
31 CAPITAL AND OTHER COMMITMENTS		
a) Estimated amount of capital commitments (net of advances) remaining to be executed	**323.15**	5.24
b) Titagarh Wagons Limited (TWL), the ultimate holding company of Cimmco Limited (Cimmco) owns majority of equity and preference shares, directly or indirectly, in Cimmco. Cimmco Limited has been incurring losses over the last few years due to lower sales orders. TWL has given commitment to provide financial support, to best of its ability, to Cimmco Ltd so as to ensure its business continuity.		
c) Titagarh Wagons Limited (TWL), the holding company of Titagarh Agrico Private Limited (TAPL), holding 95.62% equity shares has issued a comfort letter to RBL Bank Limited towards the working capital facility of Rs. 200 lacs sanctioned by it, that it will not reduce its financial interest in TAPL till the facility availed by TAPL is repaid.		

32 CONTINGENT LIABILITIES		
A. Disputed claims contested by the Company and pending at various courts/arbitration	**1,832.50**	930.27
Matters under appeal with:		
Sales tax authorities	**1,312.66**	819.00
Income tax authorities	**941.64**	535.79
Customs and excise authorities	**11,654.75**	11,015.15
Letter of Credit and Bank Guarantees outstanding	**17,807.82**	19,046.84
Corporate Guarantee given / investments pledged on behalf of a subsidiary Company for term loan and working capital limits sanctioned to the subsidiary company's	**25,607.57**	7,426.14
Custom Duty on import of equipments and spare parts under EPCG-scheme	**981.00**	981.00
	60,137.94	**40,754.19**
In respect of above cases, based on favourable decisions in similar cases/legal opinions taken by the Company/discussions with the solicitors etc., the management is of the opinion that it is possible, but not probable, that the action will succeed and accordingly no provision for any liability has been made in the financial statements.		
B. The Company, has given a put option for a loan obtained by Cimmco limited from ICICI Bank for Rs.4,000 lacs. In terms of the said put option, upon occurrence of any event of default as per the terms of the facility agreement, ICICI bank shall have the right to call upon TWL to pay the entire outstanding within such time .as may be prescribed.		

33 UTILIZATION OF MONEY RAISED THROUGH QUALIFIED INTITUTIONAL PLACEMENT		
Amount raised during the year	**15,000.00**	-
Less: amount utilized during the year	**11,707.75**	-
Unutilized amount at the end of the year (invested in fixed deposits of Banks)	**3,292.25**	-
Details of short-term investments made from unutilized portion of Qualified Intitutional Placement raised during the year ended 31 March 2016		
Investment in fixed deposits of banks	**3,292.25**	-

Notes to Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

		As at March 31, 2016	As at March 31, 2015
34 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE			
a. Derivatives outstanding as at the balance sheet date			
Particulars	Purpose		
Forward contract to sell Euro	Minimising Risk of Currency Exposure on loan given	**Euro 25,00,000**	Euro 55,00,000
		Rs. 1905.65 lacs	Rs. 3803.25 lacs
Forward contract to sell US$	Minimising Risk of Currency Exposure on export of goods	**USD 54,61,700**	-
		Rs.3786.44 lacs	-
Forward contract to buy US$	Minimising Risk of Currency Exposure on import of goods	**-**	USD 6,59,580
		-	Rs. 423.88 lacs
Forward contract to buy Euro	Minimising Risk of Currency Exposure on import of goods	**-**	EURO 2,25,260
		-	Rs. 182.26 lacs
b. Particulars of unhedged foreign currency exposure as at the reporting date			
Investment in foreign Subsidiaries		**Rs. 8517.82 lacs**	Rs. 3432.85 lacs
		Euro 46,80,000	Euro 45,00,000
		USD 90,25,000	USD 11,65,000
Trade Receivables		**Rs. 14.93 lacs**	-
		USD 22,508	-
Other Current Assets		**Rs. 1521.23 lacs**	Rs. 1528.90 lacs
		Euro 17,89,021	Euro 20,16,219
		USD 268,000	USD 268,000
Loan to subsidiary		**Rs. 0.38 lacs**	Rs. 0.34 lacs
		Euro 500	Euro 500
Advance from Customers		**Rs. 77.65 lacs**	Rs. 160.55 lacs
		USD 1,17,064	USD 2,56,510

	For the year ended March 31, 2016	For the year ended March 31, 2015
35 VALUE OF IMPORTS CALCULATED ON CIF BASIS		
Raw Materials and components	**2,666.99**	1,071.31
Capital Goods	**14.68**	261.71
	2,681.66	**1,333.02**

	For the year ended March 31, 2016	For the year ended March 31, 2015
36 EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)		
Travelling	**148.23**	68.16
Interest	**2.51**	33.57
Professional and consultancy fees	**83.43**	48.94
Selling and Sales promotion expense	**41.36**	76.65
Other Expense	**0.39**	7.66
	275.92	**234.98**

	For the year ended March 31, 2016		For the year ended March 31, 2015	
	Amount	% of total consumption	Amount	% of total consumption
37 IMPORTED AND INDIGENEOUS RAW MATERIALS, COMPONENTS AND SPARE PARTS CONSUMED				
Raw materials and components				
Imported	**2,519.08**	**13%**	2,176.28	13%
Indigenously obtained	**17,252.27**	**87%**	14,328.70	87%
	19,771.35	**100%**	**16,504.98**	**100%**
Stores and Spare parts				
Indigenously obtained	**2,569.02**	**100%**	2,411.63	100%
	2,569.02	**100%**	**2,411.63**	**100%**

Notes to Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

38 NET DIVIDEND REMITTED IN FOREIGN EXCHANGE

Year of remittance	For the year ended March 31, 2016	For the year ended March 31, 2015
Final Dividend		
Period to which it relates	**1 April 2014 to 31 March 2015**	1 April 2013 to 31 March 2014
Number of non-resident shareholders	**2**	2
Number of equity shares held on which dividend was due	**4,410,260**	2,561,442
Amount remitted (USD in lacs)	**0.54**	1.66
Amount remitted (INR in lacs)	**35.28**	102.46
Interim and Final Dividend		
Period to which it relates	**1 April 2015 to 31 March 2016**	
Number of non-resident shareholders	**2**	
Number of equity shares held on which dividend was due	**5,410,260**	
Amount remitted (USD in lacs)	**0.65**	
Amount remitted (INR in lacs)	**43.28**	

39 EARNING IN FOREIGN CURRENCY (ACCRUAL BASIS)

Exports at F.O.B. value	**877.85**	5,156.86
Interest income	**282.61**	405.24
Management fee	**173.49**	186.05
Guarantee Commission	**42.07**	-
Reimbursement of Expenses	**164.50**	-
Others	**4.08**	-
	1,544.60	**5,748.15**

40. The Board of Directors of the Company at its meeting held on September 24, 2015 have approved a Scheme of Amalgamation of its wholly owned subsidiaries namely Cimco Equity Holdings Private Limited and Titagarh Marine Limited (alongwith its two wholly owned subsidiary companies Corporated Shipyard Private Limited and Times Marine Enterprises Private Limited) with Titagarh Wagons Limited pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act 1956. The Hon'ble High Court has sanctioned the aforesaid scheme of amalgamation, however the certified true copy of the said order has been applied for and the scheme of amalgamation will be made effective upon filing of the same with Registrar of Companies, West Bengal, pending which, no adjustment has been made in these accounts.

41. Pursuant to a favourable arbitration award received during the year in relation to a disputed claim against a customer, the Company has recognised the income of Rs 835.44 lacs (including interest of Rs. 225.00 lacs) in these financial statements. The said money has also been received.

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

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

As per our Report of even date
For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

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

Place : Kolkata
Dated : May 26, 2016

For and on behalf of the Board of Directors

J P Chowdhary
Executive Chairman

Umesh Chowdhary
Vice Chairman & Managing Director

Manoj Mohanka
Director

Sudev Chandra Das
Director

Anil Kumar Agarwal
Chief Financial Officer

Dinesh Arya
Company Secretary

Independent Auditor's Report

To the Members of Titagarh Wagons Limited

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Titagarh Wagons Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance Sheet as at March 31, 2016, the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'the consolidated financial statements').

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in Other Matters below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated financial statements.

Basis for qualified opinion

We draw attention to the following:

(a) Note no. 15.2(a)(i) regarding certain claims of a step down subsidiary Company amounting to Rs 3,952.35 lacs (Rs 3,952.35 lacs as at March 31, 2015), which has been considered good of recovery by the management. Although the management is hopeful to recover the claims in full, pending final decision of the Court, we are unable to comment on its recoverability including consequential impact that may arise in this regard in these consolidated financial statements. This had also caused us to qualify our audit opinion on the consolidated financial statements for the year ended March 31, 2015.

(b) A subsidiary Company has capitalised certain indirect expenses including business and market development amounting to Rs. 835.29 lacs (Rs. 332.20 lacs recognised upto March 31, 2015) till December 31, 2015 as a prototype under intangible assets on the basis that the project has not started commercial production till December 31, 2015. This being a matter of management estimation and in the absence of adequate information on the evaluation of the nature of activities performed during the period, we are unable to comment on the appropriateness of such capitalisation in terms of Accounting Standard 26 on Intangible Assets including any consequential adjustments that may be required in this regard in these consolidated financial statements. This had also caused us to qualify our audit opinion on the consolidated financial statements for the year ended March 31, 2015.

Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2016, of their consolidated loss and their consolidated cash flows for the year ended on that date.

Emphasis of Matter

(a) We draw attention to note no. 33(vi)(a) regarding certain claims raised by a Sub-contractor against a step down subsidiary Company, which has been upheld by the arbitration tribunal and a demand of Rs 2,525.85 lacs (including interest of Rs. 1,721.63 lacs) has been awarded against the Company. The Company has filed an appeal against the said award with the Hon'ble High Court of Delhi in respect of which, a stay has been granted by the Hon'ble High Court. Pending final decision of the Court, no adjustments have been made in these financial statements. Our opinion is not qualified in respect of this matter.

Independent Auditor's Report

(b) We draw attention to Note 35 to the consolidated financial statements in respect of Scheme of Amalgamation to merge the business of Titagarh Marine Limited, Times Marine Enterprises Private Limited, Corporated Shipyard Private Limited and Cimco Equity Holdings Private Limited with the Holding Company with effect from 1st April, 2015 subject to necessary approvals more fully described therein. Pending completion of necessary approvals, no adjustment has been made in these accounts. Our opinion is not qualified in respect of this matter.

(c) We draw attention to Note 42 to the consolidated financial statements which states that as per business purchase agreement entered by Titagarh Firema Adler (TFA) with the Extraordinary Administration (Firema Trasporti S.p.A.), the amounts as of July 14, 2015 are subject to the netting adjustment process not yet concluded, as of today, by the Parties and currently under discussion, which may result in the net payable / receivable to change. However, TFA management informed the auditors that they are reasonably certain that the closing of the aforesaid process would not lead to any significant effect on the financial statements as of March 31, 2016. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, to the extent applicable, we report that:

(a) We / the other auditors whose reports we have relied uponhave sought and,except for the matters described in Basis for Qualified Opinion paragraph above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

(b) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept by the Company so far as appears from our examination of those books and the reports of the other auditors;

(c) The consolidated Balance Sheet, consolidated Statement of Profit and Loss, and consolidated Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;

(d) Except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph above, in our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

(e) The matter described in the Basis for Qualified Opinion paragraph above, in our opinion, may have an adverse effect on the functioning of the Group;

(f) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2016 and taken on record by the Board of Directors of the Holding Company and the reports of the auditors who are appointed under Section 139 of the Act, of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.

(g) The qualifications relating to the maintenance of accounts and other matters connected therewith are as stated in the Basis for Qualified Opinion paragraph above;

(h) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting of the Holding Company and its subsidiary companies incorporated in India, refer to our separate report in "Annexure 1" to this report;

(i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

   i. The consolidated financial statements disclose the impact of pending litigations on consolidated financial position of the Group – Refer Note 8(b)(i) and Note 33 to the consolidated financial statements;

   ii. The Group did not have any long-term contracts including derivative contracts, for which there were any material foreseeable losses;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiaries incorporated in India.

Other Matter

The accompanying consolidated financial statements include total assets of Rs.160,686.00 lacs as at March 31, 2016, and total revenues and net cash outflows of Rs. 59,263.96 lacs and Rs. 1,284.16 lacs for the year ended on that date, in respect of 7 subsidiaries which have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries,is based solely on the reports of such other auditors.

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

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

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

Place : Kolkata
Dated : May 26, 2016

Annexure 1 to the Independent Auditor's Report

of Even Date on the Consolidated Financial Statements of Titagarh Wagons Limted

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

In conjunction with our audit of the consolidated financial statements of TITAGARH WAGONS LIMTED as of and for the year ended March 31, 2016, we have audited the internal financial controls over financial reporting of TITAGARH WAGONS LIMTED (hereinafter referred to as the "Holding Company") and its subsidiary companies which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Holding Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on the report issued by other auditors on internal financial controls system over financial reporting in case of subsidiary companies, which are companies incorporated in India, the following material weakness have been identified as at March 31, 2016:

a) Attention is drawn to Basis for qualified opinion paragraph of Auditors' Report on Consolidated Financial Statements more fully described therein, regarding certain claims of Rs 3,952.35 lacs (Rs 3,952.35 lacs as at March 31, 2015), which has been considered good of recovery by the management of a step-down subsidiary Company. Although the management is hopeful to recover the claims in full, pending final decision of the Court, we are unable to comment on its recoverability. This could potentially result in misstatement of Company's Other Assets;

Annexure to the Auditor's Report

b) Attention is drawn to Basis for qualified opinion paragraph of Auditors' Report on Consolidated Financial Statements more fully described therein regarding a subsidiary Company, resulting to capitalisation of certain indirect expenses including business and market development during the year as a prototype under intangible assets on the basis that the project has not started commercial production till December 31, 2015, which could potentially result in misstatements of Company's intangible assets.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the holding company's annual or interim consolidated financial statements will not be prevented or detected on a timely basis.

In our opinion, the Holding Company and its subsidiary companies which are companies incorporated in India, have, in all material respects, maintained adequate internal financial controls over financial reporting as at March 31, 2016, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India, and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the internal financial controls over financial reporting were operating effectively in the Holding Company and its subsidiary companies which are companies incorporated in India as of March 31, 2016.

Other Matters

Our report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 4 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

We also have audited, in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India, the consolidated financial statements of the Holding Company, which comprise the Consolidated Balance Sheet as at March 31, 2016, and the Consolidated Statement of Profit and Loss and Consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, and our report dated May 26, 2016 expressed a qualified opinion thereon.

For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

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

Place : Kolkata
Dated : May 26, 2016

Consolidated Balance Sheet as at March 31, 2016

(Rs. in Lacs)

	Notes	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	3	**2,307.69**	2,005.91
Reserves and surplus	4	**77,761.29**	66,876.80
Money received against Share Warrants		**-**	10.00
		80,068.98	**68,892.71**
Minority Interest		**4,152.00**	3,635.29
Non-current liabilities			
Long-term borrowings	5	**16,890.47**	4,270.13
Deferred Tax Liabilities	6	**476.04**	83.97
Other long-term liabilities	7	**5,737.06**	23.00
Long-term provisions	8	**9,277.31**	738.17
		32,380.88	**5,115.27**
Current liabilities			
Short term borrowings	9	**5,225.46**	5,352.11
Trade payables			
Total outstanding dues of micro enterprises and small enterprises	10.1	**27.34**	93.19
Total outstanding dues of creditors other than micro enterprises and small enterprises	10.1	**37,706.14**	9,470.44
Other current liabilities	10.2	**73,993.53**	10,464.15
Short-term provisions	8	**9,035.76**	3,042.15
		125,988.23	**28,422.04**
TOTAL		**242,590.09**	**106,065.31**
II. ASSETS			
Non-Current assets			
Fixed assets			
Tangible assets	11.1	**61,393.67**	35,061.31
Intangible assets	11.2	**3,796.75**	1,544.38
Capital work-in-progress		**1,495.63**	1,276.79
Intangible assets under development	12	**202.61**	1,378.77
Goodwill on Consolidation		**4,950.14**	4,950.14
Non-current investments	13	**120.66**	120.66
Deferred tax assets	6	**-**	286.55
Loans and advances	14	**2,527.86**	2,268.79
Trade Receivables	15.1	**330.05**	478.23
Other non-current assets	15.2	**4,323.11**	4,121.86
		79,140.48	**51,487.48**
Current assets			
Inventories	16	**71,709.64**	22,433.98
Trade receivables	15.1	**23,231.89**	11,283.38
Cash and bank balances	17	**20,397.29**	14,722.29
Loans and advances	14	**13,508.26**	4,526.99
Other current assets	15.2	**34,602.53**	1,611.19
		163,449.61	**54,577.83**
TOTAL		**242,590.09**	**106,065.31**
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the consolidated financial statements.			

As per our Report of even date
For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

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

Place : Kolkata
Dated : May 26, 2016

For and on behalf of the Board of Directors

J P Chowdhary
Executive Chairman

Umesh Chowdhary
Vice Chairman & Managing Director

Manoj Mohanka
Director

Sudev Chandra Das
Director

Anil Kumar Agarwal
Chief Financial Officer

Dinesh Arya
Company Secretary

Consolidated Statement of Profit and Loss for the year ended March 31, 2016

(Rs. in Lacs)

	Notes	For the year ended March 31, 2016	For the year ended March 31, 2015
Income			
Revenue from operations (gross)	18	**97,464.58**	78,092.54
Less: Excise duty		**1,532.60**	1,980.88
Revenue from operations (net)		**95,931.98**	76,111.66
Other Income	19.1	**1,392.48**	1,813.11
Total Revenue (I)		**97,324.46**	**77,924.77**
Expenses			
Cost of raw materials & components consumed	20	**55,250.30**	38,494.17
Purchase of Traded Goods		**17.43**	-
(Increase)/Decrease in inventories of finished goods,			
Work in progress, traded goods and saleable scrap	21	**(422.17)**	7,957.89
Employee benefits expenses	22	**16,626.75**	7,530.94
Other expenses (including prior period expenses (net)	23	**20,389.40**	18,136.96
of Rs. 45.05 Lacs (Rs. 67.47 Lacs)			
Total Expenses (II)		**91,861.71**	**72,119.96**
Earning before interest, taxes, depreciation			
& amortization (EBIDTA) (I-II)		**5,462.75**	**5,804.81**
Depreciation & amortization expenses	11.1 & 11.2	**4,326.79**	2,566.53
Interest Income	19.2	**(1,740.18)**	(952.39)
Finance costs	24	**1,686.91**	1,765.29
Profit before taxes and exceptional items		**1,189.23**	**2,425.38**
Exceptional items	38	**2,085.71**	2,780.06
Loss before taxes		**(896.48)**	**(354.68)**
Tax expenses			
Current tax (Refer Note 40)		**1,387.98**	838.49
Deferred tax charge / (credit)		**678.63**	(245.04)
Income Tax relating to earlier years		**(155.36)**	34.41
Total tax expenses		**1,911.25**	**627.86**
Loss after tax		**(2,807.73)**	**(982.54)**
Minority interests		**(288.46)**	(651.97)
Loss after tax and minority interest		**(2,519.27)**	**(330.57)**
Earnings per equity share	25		
[Nominal value of share Rs. 2/- (Rs 2/-)]			
Basic (Rs.)		**(2.27)**	(0.33)
Diluted (Rs.)		**(2.27)**	(0.33)
Summary of significant accounting policies	2		
The accompanying notes are an integral part of the consolidated financial statements			

As per our Report of even date
For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

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

Place : Kolkata
Dated : May 26, 2016

For and on behalf of the Board of Directors

J P Chowdhary
Executive Chairman

Umesh Chowdhary
Vice Chairman & Managing Director

Manoj Mohanka
Director

Sudev Chandra Das
Director

Anil Kumar Agarwal
Chief Financial Officer

Dinesh Arya
Company Secretary

TITAGARH

Consolidated Cash Flow Statement for the year ended March 31, 2016

(Rs. in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss before taxation	**(896.48)**	(354.68)
Adjustments for :		
Depreciation & amortization expenses	**4,326.79**	2,566.53
Interest Expenses	**1,308.25**	1,408.62
Exchange differences (unrealised)	**(69.49)**	53.78
Irrecoverable debts/ advances written off	**55.44**	117.01
Loss / (gain) on sale of fixed assets (net)	**(0.93)**	16.57
Unspent liabilities / provisions no longer required written back	**(497.05)**	(395.22)
Interest on Deposits from banks/ loans, advances etc.	**(1,740.18)**	(952.39)
Provision for doubtful debts and advances	**108.46**	16.95
Operating profit before working capital changes	**2,594.81**	**2,477.17**
Increase in trade payables	**28,560.51**	1,222.50
Increase / (Decrease) in provisions	**(593.02)**	1,226.08
Increase / (Decrease) in other current liabilities	**6,442.13**	(7,609.09)
Decrease / (Increase) in trade receivables	**(11,964.23)**	3,527.78
Decrease / (Increase) in inventories	**(11,819.75)**	9,385.58
Decrease / (Increase) in loans and advances	**(7,281.89)**	745.50
Decrease / (Increase) in other assets	**(19,587.83)**	195.27
Cash generated from / (used in) operations	**(13,649.27)**	**11,170.79**
Taxes paid	**(1,805.05)**	(970.36)
Net cash generated from / (used in) operating activities	**(15,454.32)**	**10,200.43**
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets including capital work in progress	**(2,573.30)**	(4,137.70)
Purchase of Investment	**-**	(50.00)
Purchase of Business in TFA (Refer Note 41)	**(1,060.41)**	-
Investment in fixed deposits with Banks	**(27,659.53)**	(12,623.20)
Bank fixed deposits encashed/matured	**22,921.93**	12,742.52
Interest received	**1,619.21**	959.95
Net cash used in investing activities	**(6,752.11)**	**(3,108.43)**

Consolidated Cash Flow Statement for the year ended March 31, 2016

(Rs. in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds on issue of equity shares	**301.78**	-
Proceeds of Securities Premium from issue of Equity shares	**14,698.22**	-
Proceeds from issue of equity shares to minority	**795.17**	-
Expenses on issue of shares	**(459.59)**	-
Proceeds from long-term borrowings	**11,942.03**	4,000.00
Repayment of long-term borrowings	**(2,673.27)**	(2,360.54)
Net movement in other borrowings (short term)	**541.29**	(904.99)
Net movement in buyer's credit	**(568.67)**	(5,206.12)
Interest paid	**(90.71)**	(1,445.57)
Dividend Paid (including corporate dividend tax)	**(2,208.76)**	(935.89)
Net cash generated from / (used in) financing activities	**22,277.52**	**(6,853.11)**
D. EXCHANGE DIFFERENCES ON TRANSLATION OF FOREIGN SUBSIDIARIES	**1,057.52**	**608.30**
Net increase in cash & cash equivalent (A+B+C+D)	**1,128.62**	**847.19**
Cash and cash equivalents - opening balance	**4,488.33**	**3,641.14**
Cash and cash equivalents - closing balance	**5,616.95**	**4,488.33**
Cash & cash equivalents :		
Cash on hand	**11.18**	16.40
Balance with banks:		
On Current accounts	**5,561.83**	4,132.22
Deposits with original maturity of less than three months	**-**	308.97
On unpaid dividend account #	**24.79**	11.57
On unpaid debenture #	**5.08**	5.08
On unpaid fractional share entitlement #	**13.59**	13.61
On share application refundable account	**0.48**	0.48
	5,616.95	**4,488.33**

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

As per our Report of even date
For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

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

Place : Kolkata
Dated : May 26, 2016

For and on behalf of the Board of Directors

J P Chowdhary
Executive Chairman

Umesh Chowdhary
Vice Chairman & Managing Director

Manoj Mohanka
Director

Sudev Chandra Das
Director

Anil Kumar Agarwal
Chief Financial Officer

Dinesh Arya
Company Secretary

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2016

1 GROUP INFORMATION

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) Principles of Consolidation

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

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

Name of the Subsidiary	Country of Incorporation	Proportion of Ownership / Interest	
		March 31, 2016	March 31, 2015
Titagarh Capital Private Limited (TCPL)	India	**100%**	100%
Titagarh Singapore Pte. Limited (TSPL)	Singapore	**100%**	100%
Titagarh Wagons AFR* (AFR)	France	**100%**	100%
Titagarh Firema Adler SpA (TFA)	Italy	**90%**	-
Titagarh Agrico Private Limited (TAPL)	India	**95.62%**	96.43%
Titagarh Marine Limited (TML)	India	**100%**	100%
Cimco Equity Holdings Private Limited (CEHPL) [Refer note 12(a)]	India	**100%**	-

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

(i) The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book value of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balances, intra-group transactions and any unrealized profits/losses. The difference between the cost of investment in the subsidiaries, and the Group's share of net assets at the time of acquisition of shares in the subsidiaries is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.

(ii) Minorities' interest in net profit/loss of consolidated subsidiaries for the year has been identified and adjusted against the income in order to arrive at the net income attributable to the shareholders of the Group. Their share of net assets has been identified and presented in the Consolidated Balance Sheet separately.

(iii) In translating the financial statements of the non-integral foreign subsidiary for incorporation in the consolidated financial statements, the assets and liabilities, both monetary and non-monetary are translated at the closing exchange rate, while income and expenses are translated at average exchange rate and all resulting exchange differences are accumulated in Foreign Currency Translation Reserve in Note 4(E).

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

Name of the Joint Venture	Country of Incorporation	Proportion of Ownership / Interest	
		March 31, 2016	March 31, 2015
Cimmco Limited (Cimmco)	India	**74.76%**	75.73%

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

Name of the Joint Venture	Country of Incorporation	Proportion of Ownership / Interest	
		March 31, 2016	March 31, 2015
Corporated Shipyard Private Limited (CSPL)	India	**100%**	100%
Times Marine Enterprise Private Limited (TMEPL)	India	**100%**	100%

(vi) The consolidated financial statements have been prepared using uniform accounting policies for like transactions and events in similar circumstances and necessary adjustments required for deviation in accounting policies, if any, to the extent possible, are made in the consolidated financial statements and are presented in the same manner as the Company's separate financial statements.

(vii) The Group accounts for change in the minority interest arising out of acquisition / sale of investment in subsidiaries using "Hybrid Entity Concept". Under this concept, goodwill on acquisition of additional stake in the existing subsidiary is recognized by treating the difference between the consideration paid and the net carrying value of additional stake acquired on the date of such acquisition. In case of disposal of partial stake in a controlling subsidiary, the parent treats the transaction as an equity transaction and the resulting gain or loss (including goodwill or capital reserve adjustments, if any, is not taken to the statement of profit and loss but is routed through reserve & surplus.

b) Basis of preparation

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

c) Change in accounting policy

Component Accounting

The Group has adopted component accounting as required under Schedule II to the Companies Act, 2013 from 1 April 2015. The Group was previously not identifying components of fixed asset separately for depreciation purposes; rather, a single useful life/ depreciation rate was used to depreciate each item of fixed asset.

Due to application of Schedule II to the Companies Act, 2013, the Group has changed the manner of depreciation for its fixed assets. Now, the Group identifies and determines cost of each component/ part of the asset separately, if the component/ part has a cost which is significant to the total cost of the asset having useful life that is materially different from that of the remaining asset. These components are depreciated over their useful lives; the remaining asset is depreciated over the life of the principal asset. The Group has used transitional provisions of Schedule II to adjust the impact of component accounting arising on its first application. If a component has zero remaining useful life on the date of component accounting becoming effective, i.e., 1 April 2015, its carrying amount, after retaining any residual value, is charged to the statement of profit and loss. The carrying amount of other components, i.e., components whose remaining useful life is not nil on 1 April 2015, is depreciated over their remaining useful lives.

Had the Group continued to use the earlier policy of depreciating fixed asset, depreciation for the current period would have been lower by Rs. 84.26 lacs. Loss after tax and minority interest for the current period would have been Rs. 2,435.01 lacs. Fixed asset would correspondingly have been higher by Rs. 84.26 lacs.

On the date of component accounting becoming applicable, i.e., 1 April 2015, there was no component having zero remaining useful life. Hence, no amount has been directly adjusted against retained earnings.

d) Use of estimates

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

e) Tangible Fixed Assets

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

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

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

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

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

The group identifies and determines cost of components significant to the total cost of the asset having useful life that is materially different from that of the remaining life.

f) Intangibles

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

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

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

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

g) Depreciation & Amortisation of tangible & intangible fixed assets

Tangible Assets

Leasehold land is amortized on a straight line basis over the period of respective lease.

Depreciation on fixed assets is calculated on a straight-line basis using the rates arrived at based on the useful lives estimated by the management. The identified components are depreciated over their useful life. The remaining asset is depreciated over the life of principle assets which is in line with the useful lives as mentioned in Schedule II to the Companies Act 2013. The group has used the following rates to provide depreciation on its fixed assets:

Asset Class	Useful life (years)
Factory buildings	30
Other buildings	60
Plant and equipments	1-20
Railway wagons	15
Furniture and fixtures	10
Office equipment	3-8
Vehicles	8

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

The management has estimated, supported by independent assessment by professionals, the useful lives of certain components of assets to be 1 year to 10 years which are lower than those indicated in Schedule II.

Intangible Assets

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

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

Prototypes are amortised at 20% on straight line basis.

Research and development is amortised over a period of 5 years on a straight line basis.

h) Leases

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

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

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

i) Borrowing costs

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

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

j) Impairment of tangible and intangible fixed assets

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

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

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

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

k) Investments

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

On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charged or credited to the Statement of Profit and Loss.

l) Inventories

Raw materials & Components and Stores & spares Parts are valued at lower of cost and net realizable value. However, materials and other items held for use in the production of finished goods are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost include expenses incidental to procurement thereof and determined on a weighted average basis.

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

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

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

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

m) Revenue Recognition

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

Sale of Goods

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

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

The group is also engaged in manufacturing and supply of rail coaches on which revenue is recognized on percentage completion method based on the stage of completion of the contract. The stage of completion is determined as a proportion that contract costs incurred for work performed upto the reporting date bears to the estimated total costs. When it is probable that the total contract cost will exceed the total contract revenue, the expected loss is recognized immediately. For this purpose, total contract costs are ascertained on the basis of actual costs incurred and costs to be incurred for completion of contracts in progress, which is arrived at by the management based on current technical data, forecasts and estimate of expenditure to be incurred in future including contingencies, which being technical matters have been relied upon by the auditors. Revisions in projected profit or loss arising from change in estimates are reflected in each accounting period which, however, cannot be disclosed separately in the financial statements as the effect thereof cannot be accurately determined. Overhead expenses representing indirect costs that cannot be directly aligned with the jobs, are distributed on a pro-rata basis.

Income from Services

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

Construction contracts

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

Interest Income

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

n) Foreign Currency Transactions

Initial Recognition

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

Conversion

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

Exchange differences

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

Forward Exchange Contracts not intended for trading or speculation purposes

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

o) Retirement and other Employee Benefits

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

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

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

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

p) Employee stock compensation cost

Employees (including senior executives) of the group receive remuneration in the form of share based payment transactions, whereby employees render services as consideration for equity instruments (equity-settled transactions).

In accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and the Guidance Note on Accounting for Employee Share-based Payments, the cost of equity-settled transactions is measured using the fair valuation method. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the company's best estimate of the number of equity instruments that will ultimately vest. The expense or credit recognized in the statement of profit and loss for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefits expense.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

q) 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 Laws as applicable. In case of foreign subsidiaries the tax liability is provided as per Income Tax Laws prevailing in the respective countries.

Deferred income taxes reflect the impact of timing differences between taxable income and accounting income originating during the current year and reversal of timing differences of early years.

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

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

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

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

Deferred Tax Assets and Liabilities across various countries of operations are not set-off against each other as the Company does not have a legal right to do so.

r) Segment Reporting

Identification of segments

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

Inter Segment transfers

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

Allocation of common costs

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

Unallocated items

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

Segment accounting policies

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

s) Earning per share

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

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

t) Provisions

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

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

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

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

u) Contingent liabilities

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

v) 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.

w) 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.

x) 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.

y) Measurement of EBITDA

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

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

	As at March 31, 2016	As at March 31, 2015
3 SHARE CAPITAL		
Authorised Shares		
48,00,00,000 (31 March 2015: 9,60,00,000) Equity shares of Rs. 2/- (Rs. 10/-) each	**9,600.00**	9,600.00
5,20,00,000 (31 March 2015: 5,20,00,000) Preference shares of Rs. 10/- each	**5,200.00**	5,200.00
	14,800.00	**14,800.00**
Issued, Subscribed and Fully Paid-up Shares		
11,53,84,370 (31 March 2015: 2,00,59,069) Equity shares of Rs. 2/- (Rs. 10/-) each	**2,307.69**	2,005.91
	2,307.69	**2,005.91**

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

	2015-16		2014-15	
Name of the Shareholder	**No. of shares**	**Rs. in lacs**	**No. of shares**	**Rs. in lacs**
Equity Shares				
At the beginning of the year	**20,059,069**	**2,005.91**	20,059,069	2,005.91
Increase in number of shares on account of stock split (Refer Note below)	**80,236,276**	**-**	-	-
Shares Issued during the year pursuant to Qualified Institutional Placement [Refer Note (e) below]	**15,089,025**	**301.78**	-	-
Outstanding at the end of the year	**115,384,370**	**2,307.69**	**20,059,069**	**2,005.91**

Note: During the year 20,059,069 equity shares of Rs 10 each were split into 100,295,345 equity shares of Rs 2 each pursuant to approval of shareholders obtained through postal ballot on April 13, 2015. The record date for the sub-division was April 24, 2015.

b) Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 2/- (Rs. 10/-) per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended March 31, 2016, the amount of per share dividend recognised as distribution to equity shareholders is Rs. 0.80/- (Rs. 0.80/-).

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

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

	As at March 31, 2016	As at March 31, 2015
	No. of shares	**No. of shares**
Equity shares allotted as fully paid up, for consideration other than cash	**-**	3,66,954

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

	As at March 31, 2016		As at March 31, 2015	
	No. of shares	**% holding**	**No. of shares**	**% holding**
Equity shares of Rs 2/- (Rs. 10/-) each fully paid [Refer note (a) above]				
Titagarh Capital Management Services Private Limited	**21,670,165**	**19%**	4,334,033	22%
Savitri Devi Chowdhary	**18,116,035**	**16%**	3,623,207	18%
Rashmi Chowdhary	**12,816,105**	**11%**	2,563,221	13%
G E Capital International(Mauritius)	**5,322,200**	**5%**	2,459,499	12%
HDFC Trustee Company Limited	**6,151,556**	**5%**	-	-

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

e) Pursuant to the approval of shareholders on April 13, 2015, the Company has issued and alloted 15,089,025 Equity Shares of Rs.2/- each at an issue price of Rs.99.41 per share (including premium of Rs.97.41 per share) aggregating to Rs. 15,000.00 lacs under Qualified Institutional Placement (QIP) in accordance with Chapter VIII-A of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulation 2009, which was completed on July 15, 2015.

f) Shares reserved for issue under options

For details of shares reserved for Employee Stock Option (ESOP) of the Company, please refer Note No. 27.

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

	As at March 31, 2016		As at March 31, 2015	
4 RESERVES AND SURPLUS				
A. Capital Reserve (as per the last financial statements)		**9.18**		**9.18**
B. Capital reserve arising on consolidation of a subsidiary company				
Balance as per the last financial statements		**40.29**		**40.29**
C. Securities premium account				
Balance as per the last financial statements		**26,194.45**		26,194.45
Add : Premium on Equity Shares issued during the year pursuant to Qualified Institutional Placement [Refer Note 3(e) above]		**14,698.22**		-
Less : Expenses incurred in relation to Qualified Institutional Placement [Refer Note 3(e) above] *		**(459.59)**		-
		40,433.08		**26,194.45**
D. Revaluation reserve				
Balance as per the last financial statements		**10,872.79**		5,791.06
Add : Reserve acquired on acquisition of remaining shares, in a joint venture company thereby making it a subsidiary		**-**		5,111.69
Less : Amount transferred to the statement of profit and loss		**-**		29.96
		10,872.79		**10,872.79**
E. Foreign currency translation reserve				
Balance as per the last financial statements		**(370.89)**		469.11
Add: Arisen during the year		**367.08**		(840.00)
		(3.81)		**(370.89)**
F. General reserve				
Balance as per the last financial statements		**5,311.39**		5,482.61
Add: Amount transferred from surplus in the statement of profit and loss		**100.00**		100.00
Less: Adjustment for change in useful life of fixed assets (net of deferred tax)		**-**		(271.22)
		5,411.39		**5,311.39**
G. Employee Stock Option Oustanding				
Balance as per the last financial statements		**-**		-
Add: Compensation option granted during the year (Refer Note No. 27)		**54.33**		-
		54.33		**-**
H. Special reserve under Section 45-IC of RBI Act				
Balance as per the last financial statements		**15.70**		15.27
Add: Amount transferred from the statement of profit and loss		**-**		0.43
		15.70		**15.70**
I. Surplus in the Consolidated Statement of Profit and Loss				
Balance as per the last financial statements		**24,803.89**		26,285.21
Loss for the year		**(2,519.27)**		(330.57)
Add: Purchase of share of minority		**-**		1.57
Less: Adjustment for change in useful life of fixed assets (net of deferred tax)	**-**		108.17	
Less: Transferred to Minority Interest	**-**	**-**	(21.98)	86.19
Less: Appropriations				
Transfer to special reserve	**-**		(0.43)	
Proposed final equity dividend [amount per share Rs. 0.80/- (Rs 0.80/-)]	**(1,043.79)**		(802.36)	
Tax on proposed equity dividend	**(212.49)**		(163.34)	
Transfer to general reserve	**(100.00)**		(100.00)	
Total Appropriations		**(1,356.28)**		(1,066.13)
Net surplus in the Statement of Profit and Loss		**20,928.34**		**24,803.89**
Total reserves and surplus TOTAL (A to I)		**77,761.29**		**66,876.80**

* Includes Rs. 32.59 lacs (including out of pocket expense Rs. 0.59 lacs) paid to the Auditors.

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

	Non-Current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
5 LONG TERM BORROWINGS				
Secured				
Finance lease obligations	-	-	-	1,006.60
Deferred payment credit	**1,312.72**	-	-	-
Term Loan from Banks	**12,533.77**	4,000.00	**1,228.65**	1,666.67
Unsecured				
Term Loan from Banks	**2,102.67**	-	-	-
Loan against Research & Development tax credits	**941.31**	270.13	**218.54**	199.28
	16,890.47	4,270.13	**1,447.19**	2,872.55
Amount disclosed under other current liabilities (Refer Note No. 10.2)	-	-	**(1,447.19)**	(2,872.55)
Total	**16,890.47**	**4,270.13**	-	-
The above amount includes :				
Secured borrowings	**13,846.49**	4,000.00	**1,228.65**	2,673.27
Unsecured borrowings	**3,043.98**	270.13	**218.54**	199.28

a) In case of Titagarh Firema Adler SpA, deferred payment credit of Rs. 1,312.72 lacs relates to liability towards photovoltaic equipment acquired on acqusition of business of Firema Transporti SpA. The said loan is secured by way of hypothecation of the above equipment. The repayment terms including interest clause of the deferred payment credit are under negotiation with the lender.

b) Secured term Loan from banks represents following :

i) In case of Cimmco Limited :
Term Loan of Rs. 4,000.00 lacs carries an interest @ 11.10% p.a (Base +spread of 1.75%) and is repayable in 14 quarterly installments of Rs. 285.71 lacs each starting from September 2016 to December 2019. Further the loan covenants stipulate mandatory repayments upto 50% of the amount collected in relation to the refunds and claims recoverable as mentioned in note 15.2.a. Accordingly an amount of Rs 371.51 lacs (50% of Rs. 743.02 lacs) has been disclosed as current maturities.
Above term loan is secured by first pari passu charge on the land admeasuring 18.75 acres situated at Gwalior and also first pari passu charge on other fixed assets (including its land admesuring 470 bighas 1 biswa at Bharatpur, Rajasthan). The loan is further backed by a "Put Option" of Titagarh Wagons Limited (TWL, the ultimate holding company). In terms of the said put option, upon occurrence of any event of default as per the terms of the facility agreement, bank shall have the right to call upon TWL to pay the entire outstanding within such time as may be prescribed.

ii) In case of Titagarh Singapore Pte Limited:
The company has obtained a long term loan for Rs. 12,015.28 Lacs (Euro 16 million) during the year out of the above, Rs. 9,762.42 Lacs (Euro 13 million) has been disbursed as of March 31, 2016. The loan carries an interest rate of Euribor + 4% and is repayable in 11 half-yearly installments having ballooning schedule, begining on 09th October 2018 and the last repayment is on 05th October 2023. The loan is secured against the Corporate Guarantee of Titagarh Wagons Limited and pledge of investment of 26% of the equity shares of AFR and 88% equity shares of TFA held by the TSPL and 100% shares of Titagarh Singapore PTE Limited held by Titagarh Wagons Limited.

c) Unsecured Loan from Bank represents following :
In case of Titagarh Wagon AFR

i) Term Loan of Rs. 2,102.67 Lacs (Euro 2.80 Million) represents new loan received during the year to be used for long term working purposes. The loan is repayable in 18 installments beginnging from June 30, 2018 and ending on September 30, 2022 and carries an interest rate of 2.7% p.a.

(ii) Loan against research and development tax credits is repayable in installments by 2022. The loan installments would be repaid through the refund of tax credit on research and development as and when collected from the tax department and carries interest rate of 1.8% p.a.

	As at March 31, 2016	As at March 31, 2015
6 DEFERRED TAX ASSETS / (LIABILITIES) (NET)		
Deferred Tax Liabilities		
Timing differences in depreciable assets	**792.70**	722.29
Gross Deferred Tax Liabilities	**792.70**	**722.29**
Deferred Tax Assets		
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	**238.55**	457.07
Provision for Onerous Contracts	-	298.25
Provision for doubtful debts and advances	**78.11**	35.76
Provision for warranties and Liquidated Damages	-	133.79
Gross Deferred Tax Assets	**316.66**	**924.87**
Net Deferred Tax Asset / (Liabilities)	**(476.04)**	**202.58**
Amount recognised in Balance Sheet		
Deferred tax assets	-	286.55
Deferred tax liabilities	**(476.04)**	(83.97)
	(476.04)	**202.58**

In case of Cimmco Limited, Titagarh Capital Private Limited, Titagarh Marine Limited and Titagarh Agrico Private Limited, due to absence of virtual certainity supported with convincing evidence, the aforesaid subsidiaries have not recognized the deferred tax asset arising on account of brought forward losses and unabsorbed depreciation.

(Rs. in Lacs)

	As at March 31, 2016	As at March 31, 2015
7 OTHER LONG TERM LIABILITIES		
Interest free deposits from dealers	**104.90**	23.00
Payable towards purchase of Fixed Assets	**5,632.16**	-
	5,737.06	**23.00**

	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
8 PROVISIONS				
Provisions for employee benefits* :				
Gratuity (Refer Note No. 26)	**364.23**	392.99	**85.21**	78.47
Leave benefits	**-**	-	**120.18**	152.53
	364.23	**392.99**	**205.39**	**231.00**
Other provisions for :				
Warranties	**-**	345.18	**1,233.86**	114.71
Liquidated damages	**2,699.68**	-	**3,386.24**	312.74
Loss on onerous contract	**6,213.40**	-	**2,594.21**	1,209.85
Litigations, Claims & Contingencies	**-**	-	**496.04**	208.15
Provision for standard assets			**1.63**	-
Provision for tax	**-**	-	**1,118.40**	-
Proposed equity dividend	**-**	-	**-**	802.36
Provision for tax on proposed equity dividend	**-**	-	**-**	163.34
	8,913.08	**345.18**	**8,830.38**	**2,811.15**
Total Provisions	**9,277.31**	**738.17**	**9,035.76**	**3,042.15**

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

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

	(i) Warranties		(ii) Liquidated damages	
	2015-16	2014-15	2015-16	2014-15
At the beginning of the year	**459.89**	643.15	**312.74**	159.25
Add: Provision acquired on acquisition of remaning shares in a joint venture thereby making it a subsidiary	**-**	1.25	**-**	51.12
Add: Provision acquired on acquisition of business of Firema Transporti SPA in Titagarh Firema Adler S.p.A	**-**	-	**5,328.03**	-
Arisen during the year	**803.68**	837.37	**717.23**	216.50
Utilized during the year	**(55.23)**	(1,014.26)	**(410.97)**	(114.13)
Unused amounts reversed	**(25.52)**	(7.62)	**(138.89)**	-
At the end of the year	**1,233.86**	**459.89**	**6,085.92**	**312.74**
Add : Proportionate Share in Joint Venture				
At the end of the year	**1,233.86**	**459.89**	**6,085.92**	**312.74**
Current portion	**1,233.86**	114.71	**3,386.24**	312.74
Non-current portion	-	345.18	**2,699.68**	**-**

8 PROVISIONS *(Contd.)*

(Rs. in Lacs)

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

	(i) Litigation Claims and Contingencies		(ii) Onerous Contract	
	2015-16	**2014-15**	**2015-16**	**2014-15**
At the beginning of the year	**208.15**	160.24	**1,209.85**	-
Add: Provision acquired on acquisition of business of Firema Transporti SPA in Titagarh Firema Adler S.p.A [Refer note 41]	**-**	-	**8,807.61**	-
Arisen during the year	**311.05**	47.91	**131.54**	2,259.43
Utilized / Unused amount reversed during the year	**(23.16)**	-	**(1,341.40)**	(1,049.58)
At the end of the year	**496.04**	**208.15**	**8,807.61**	**1,209.85**
Current portion	**496.04**	208.15	**2,594.21**	1,209.85
Non-current portion	**-**	-	**6,213.40**	-

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

	As at March 31, 2016	As at March 31, 2015
9 SHORT TERM BORROWINGS		
Secured		
Cash credits [Refer Note (a)]	**5,225.46**	3,875.66
Buyers' credit	**-**	561.60
Unsecured Loans from :		
Overdraft facility	**-**	808.51
Loan from Financial Institution	**-**	106.34
	5,225.46	**5,352.11**

Notes :

a) Cash credits includes following :

i) In case of Titagarh Wagons Limited:

Cash credits of Rs. 1329.80 lacs are secured by first charge on the Company's current assets, present and future and by way of collateral charge on fixed assets of the Company, both present and future. All the mortgages and charges created in favour of the above lenders rank pari passu with consortium member banks. Cash credits carry interest at base rate ranging from 9.10% to 11.00% plus spread ranging between 0.25% to 3.00% p.a and are repayable on demand.

ii) In case of Titagarh Wagons AFR:

Cash credit of Rs 2252.87 lacs (Euro 3,000,000) is secured by first charge on the Company's current assets, present and future and by way of collateral charge on fixed assets of the Company, both present and future. In addition, the holding company has also extended corporate guarantee and pledge over 90% of the shares of the company held by the Holding Company. The above facility carries interest at LIBOR + 3.75% p.a. and are repayable on demand.

iii) In case of Cimmco Limited:

a) Cash credits of Rs. 1461.12 Lacs 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 @13.50% to 14.50% p.a.

iv) In case of Titagarh Agrico Private Limited:

Cash credits of Rs. 181.67 Lacs are secured by exclusive charge by way of hypothecation on the Company's current and movable fixed assets both present and future. The cash credit is repayable on demand and carry an interest rate of 10.65% plus spread of 1.35% p.a.

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

	As at March 31, 2016	As at March 31, 2015
10 OTHER CURRENT LIABILITIES		
10.1 Trade Payables		
Total outstanding dues of micro enterprises and small enterprises *	**27.34**	93.19
Total outstanding dues of creditors other than micro enterprises and small enterprises [including acceptances of Rs. 311.35 Lacs and (31 March 2015: Rs. 721.45 Lacs)]	**37,706.14**	9,470.44
	37,733.48	**9,563.63**
10.2 Other Liabilities		
Current maturities of long term borrowings (Refer Note No. 5)	**1,447.19**	2,872.55
Interest accrued but not due on borrowings	**1,221.82**	4.28
Advance from customers	**63,276.62**	2,341.86
Payable towards purchase of fixed assets	**1,222.02**	91.52
Payable towards purchase of investment	**251.69**	251.69
Others		
Statutory Dues	**2,932.54**	1,097.79
Employee related liabilities	**2,822.16**	1,313.63
Forward Contract Payable	**138.47**	89.99
Other liabilities	**637.08**	2,370.10
Investor education and protection fund will be credited by following amounts (as and when due)		
Unpaid dividends	**24.79**	11.57
Unpaid Debentures	**5.08**	5.08
Unpaid fractional share	**13.59**	13.61
Unpaid Share Application	**0.48**	0.48
	73,993.53	**10,464.15**
Total Current Liabilities	**111,727.01**	**20,027.78**

Note :

* Details of dues to Micro, Small & Medium Enterprise as defined under Micro, Small & Medium Enterprise Development Act, 2006 (MSMED Act) is as follows:

		As at March 31, 2016	As at March 31, 2015
a)	Principal amount remaining unpaid to any supplier at the end of accounting year (I)	**27.34**	93.19
	Interest Due on Above (II)	**-**	-
	Total of (I) and (II)	**27.34**	**93.19**
b)	Amount of interest paid/adjusted by the Company to the suppliers	**-**	-
c)	Amounts paid to the suppliers beyond the respective due date1	**165.33**	5.39
d)	Amount of interest due and payable for the period of delay in payments but without adding the interest specified under the Act	**0.88**	0.01
e)	Amount of interest accrued and remaining unpaid at the end of each accounting year	**0.88**	0.01
f)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSME Act.	**2.45**	2.44

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

11 FIXED ASSETS

11.1 TANGIBLE FIXED ASSETS

	Land - Freehold	Land - Leasehold	Buildings	Plant & Machineries	Railway Wagons	Railway Sidings	Furniture & Fixtures	Office equipments & Computers	Vehicles	Total Tangible Assets
Cost or valuation At April 1, 2014	**5,885.72**	**4,362.50**	**9,306.42**	**18,545.22**	**691.68**	**325.24**	**348.39**	**588.78**	**799.61**	**40,853.56**
Fixed assets acquired on acquisition of remaning shares in a joint venture thereby making it a subsidiary	3,810.15	4,081.14	1,421.40	1,900.01	-	20.89	8.19	18.30	39.92	11,300.00
Additions	1.10	63.16	222.74	2,069.86	-	22.49	61.48	49.51	26.57	2,516.91
Disposals	-	-	-	443.18	-	-	113.14	122.92	46.21	725.45
Exchange differences on consolidation	(41.78)	-	(376.01)	(1,247.69)	-	-	-	-	-	(1,665.48)
At March 31, 2015	**9,655.19**	**8,506.80**	**10,574.55**	**20,824.22**	**691.68**	**368.62**	**304.92**	**533.67**	**819.89**	**52,279.54**
Fixed assets acquired on acquisition of business of Firema Transporti SPA in Titagarh Firema Adler S.p.A [Refer Note 42]	-	9,176.26	13,176.48	4,946.37	-	-	-	-	-	27,299.11
Additions	150.38	7.78	305.32	1,245.45	-	-	8.01	25.57	15.50	1,758.01
Disposals	-	-	22.88	643.08	-	-	-	-	8.97	674.93
Exchange differences on consolidation	280.10	-	553.29	823.02	-	-	-	-	-	1,656.41
At March 31, 2016	**10,085.68**	**17,690.84**	**24,586.76**	**27,195.98**	**691.68**	**368.62**	**312.93**	**559.24**	**826.42**	**82,318.14**
Depreciation & amortization At April 1, 2014	**-**	**335.05**	**2,089.57**	**9,574.41**	**49.00**	**85.43**	**125.29**	**293.86**	**249.30**	**12,801.91**
Accumulated depreciation acquired on acquisition of remaning shares in a joint venture thereby making it a subsidiary	-	319.55	706.81	1,672.67	-	20.01	1.97	11.05	16.58	2,748.64
Charge for the year	-	133.01	365.18	1,457.46	-	22.35	29.83	81.72	52.17	2,141.72
Disposals	-	-	-	254.28	-	-	108.42	117.12	25.71	505.53
Exchange differences on consolidation	-	-	(82.95)	(404.60)	-	-	-	-	-	(487.55)
Transfer to Reserve	-	-	335.58	111.50	-	8.16	3.55	42.93	17.32	519.04
At March 31, 2015	**-**	**787.61**	**3,414.19**	**12,157.16**	**49.00**	**135.95**	**52.22**	**312.44**	**309.66**	**17,218.23**
Charge for the year	-	158.02	749.25	2,653.08	-	23.24	68.97	40.32	22.22	3,715.10
Disposals	-	-	9.66	344.14	-	-	-	3.38	0.08	357.26
Exchange differences on consolidation	-	-	59.14	289.25	-	-	-	-	-	348.39
At March 31, 2016	**-**	**945.63**	**4,212.91**	**14,755.36**	**49.00**	**159.19**	**121.19**	**349.38**	**331.80**	**20,924.46**
Net Block At March 31, 2015	**9,655.19**	**7,719.19**	**7,160.36**	**8,667.06**	**642.68**	**232.67**	**252.70**	**221.23**	**510.23**	**35,061.31**
At March 31, 2016	**10,085.68**	**16,745.21**	**20,373.84**	**12,440.62**	**642.68**	**209.43**	**191.74**	**209.86**	**494.62**	**61,393.67**

a) Freehold land and buildings includes land and building agreegating to gross block of Rs. 310.68 lacs and net block of Rs. 275.68 of which original registered sale deed / conveyance deed / transfer deed / assignment deed are not traceable. However, Company has photo copies of the same.

b) Deed of conveyance in respect of freehold land and buildings amounting to Gross block Rs 1677.77 lacs and Net block Rs. 1413.43 lacs is pending registration. The freehold land also includes, land amounting to Rs. 108 lacs of which title deed is in dispute and pending resolution in the Civil Court of Kolkata.

11 FIXED ASSETS *(Contd.)*

c) Land, Buildings, Plant & Machineries of Titagarh Steels Unit aggregating to Rs. 3,246.54 lacs (Gross block) as on 31st March 2009 were revalued by approved valuers on Replacement Cost basis and the net increase of Rs. 1,345.49 lacs was transferred to Revaluation Reserve.

d) In case of Cimmco Limited, 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 Repleacement Cost basis and the net increase of Rs. 14,646.57 lacs was tranasfered to Revaluation Reserve.

e) In case of Cimmco Limited, immovable properties includes land at Gwalior measuring 20 bighas 8 biswa for which a dispute was raised by the third party for the title of land but the same was against the third party by both Single as well as Division Bench of the Hon'ble High Court of Madhya Pradesh. The matter is now pending before the Hon'ble Supreme Court of India against an appeal filed by the said third party.

(Rs. in Lacs)

f) In case of Titagarh Capital Private Limited, railway wagons include 200 wagons purchased in 2013-14, which comprises significant quantity of steel scrap on discard. The subsidiary's management, based on the technical advice of an independent chartered engineer, has worked out the residual value of the aforesaid wagons considering the realizable value of the steel content on discard of these wagons. The residual value of these wagons has been determined at Rs 9,99,06,750, which is higher than Rs 1,61,00,000 (i.e. 5% of the original cost) of the said wagons.

11.2 INTANGIBLE FIXED ASSETS

	Computer Softwares	Patents	Research & Development	Prototype	Total Intangible Assets
Cost or valuation					
At April 1, 2014	**242.73**	**1,012.70**	**1,406.77**	**-**	**2,662.20**
Fixed assets acquired on acquisition of remaning shares in a joint venture thereby making it a subsidiary	9.73	-	-	-	9.73
Additions	16.73	198.47	-	-	215.20
Exchange differences	-	(210.33)	(257.89)	-	(468.22)
At March 31, 2015	**269.18**	**1,000.84**	**1,148.88**	**-**	**2,418.91**
Fixed assets acquired on acquisition of business of Firema Transporti SPA in Titagarh Firema Adler S.p.A [Refer Note 42]	-	197.41	-	-	197.41
Additions	50.96	-	-	1,759.64	1,810.60
Exchange differences	-	117.96	872.12	-	990.08
At March 31, 2016	**320.14**	**1,316.21**	**2,021.00**	**1,759.64**	**5,417.00**
Depreciation & Amortization					
At April 1, 2014	**161.76**	**377.56**	**28.20**	**-**	**567.52**
Accumulated depreciation acquired on acquisition of remaning shares in a joint venture thereby making it a subsidiary	6.53	-	-	-	6.53
Charge for the year	46.37	378.44	-	-	424.81
Exchange differences	-	(83.99)	(40.34)	-	(124.33)
At March 31, 2015	**214.66**	**672.01**	**(12.14)**	**-**	**874.53**
Charge for the year	46.20	516.69	-	87.98	650.87
Exchange differences	-	50.97	43.89	-	94.86
At March 31, 2015	**260.86**	**1,239.67**	**31.75**	**87.98**	**1,620.26**
Net Block					
At March 31, 2015	**54.53**	**328.83**	**1,161.02**	**-**	**1,544.38**
At March 31, 2016	**59.28**	**76.54**	**1,989.25**	**1,671.66**	**3,796.75**

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

	As at March 31, 2016	As at March 31, 2015
12 INTANGIBLE ASSETS UNDER DEVELOPMENT		
Opening balance	**1,378.77**	295.20
Add: Expenses incurred during the year		
Cost of Raw Material and Components consumed	**838.74**	227.50
Consumption of Stores & Spares	**23.61**	48.84
Employee benefits expenses		
Salaries, wages and bonus	**479.87**	494.04
Contribution to provident and other funds	**27.39**	29.93
Gratuity expense	**0.75**	12.70
Staff welfare expenses	**9.51**	10.47
Testing Fees	**17.97**	25.65
Power & fuel	**15.87**	11.16
Insurance	**3.06**	0.10
Job Contractor Charges	**14.95**	3.15
Facility Charges	**51.19**	-
Depreciation	**39.14**	-
Advertisement and sales promotion	**11.60**	13.32
Repairs and maintenance	**5.90**	3.38
Travelling and conveyance	**104.73**	126.05
Communication costs	**10.43**	13.48
Printing and stationery	**3.39**	6.43
Legal and professional fees	**33.04**	33.04
Recruitment and meeting expense	**3.32**	9.11
Designing charges	**-**	15.23
Freight outward	**14.97**	-
Less: Sale of tractors & spare parts	**(1,087.20)**	-
Less: Stock of FG & WIP transferred to inventory	**(75.67)**	-
Less: Intangible Assets Capitalised	**(1,759.64)**	-
	165.69	**1,378.77**
ERP software under development	**36.92**	-
	202.61	**1,378.77**
Details of raw material and components consumed		
Engine	**209.33**	37.57
Transmission	**45.38**	24.53
Tyre	**77.73**	16.98
Others	**506.30**	148.42
	838.74	**227.50**

In the case of Titagarh Agrico Private Limited, pursuant to receipt of approval drom Central Farm Machinery Training and Testing Institute, Budni above expenditure incurred on development of Prototype for Tractors has been captitalized on 31st December 2015. Further the Company has commenced commercial production w.e.f 1st January 2016.

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

	No. of Shares				
	As at 31.3.2016	As at 31.3.2015	Face Value Per Share (Rs.)	As at March 31, 2016	As at March 31, 2015
13 NON-CURRENT INVESTMENTS					
(Valued at cost unless stated otherwise)					
Non-trade Investments					
In fully paid up equity shares					
Quoted					
Continental Valves Limited#	**1,60,000**	1,60,000	10	**14.78**	14.78
Orissa Sponge Iron & Steel Limited	**500**	500	10	**0.05**	0.05
Unquoted					
Titagarh Enterprises Limited (formerly Titagarh Papers Ltd.)	**49,33,000**	49,33,000	10	**493.30**	493.30
Less : Provision for diminution				**(415.49)**	(415.49)
				77.81	77.81
Tecalemit Industries Limited	**6,85,000**	6,85,000	10	**22.82**	22.82
Bhatpara Papers Limited	**50,000**	50,000	10	**5.00**	5.00
				120.46	120.46
Investment in National Savings Certificates (Refer Note a)				**0.20**	0.20
				120.66	**120.66**
Aggregate amount of quoted investments				**14.83**	14.83
Aggregate amount of unquoted investments				**105.83**	105.88
Market value of quoted investments				**1.26**	0.75
Aggregate provision for diminution				**415.49**	415.49

Quotations not available

Notes :

a) In case of Titagarh Agrico Private Limited, the National saving certificates are pledged with the Commercial Tax Officer, Bharatpur as Security Deposit.

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

		Non-current		Current	
		As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
14 LOANS AND ADVANCES					
(Unsecured, considered good unless stated otherwise)					
Capital Advances					
Considered good		**100.74**	140.30	**-**	-
Considered doubtful		**88.40**	88.40	**-**	-
		189.14	228.70	**-**	-
Provision for doubtful advances		**88.40**	88.40	**-**	-
	A	**100.74**	**140.30**	**-**	-
Security Deposits					
Considered good		**293.49**	157.59	**257.13**	238.70
Considered doubtful		**46.62**	42.50	**-**	-
		340.11	200.09	**257.13**	238.70
Provision for doubtful deposits		**46.62**	42.50	**-**	-
	B	**293.49**	**157.59**	**257.13**	**238.70**
Advance recoverable in cash or kind					
Considered good - To Others		**14.11**	0.14	**4,872.30**	1,299.86
Considered good - To Related Party		**1.86**	-	**1.61**	-
[Refer Note No. 30 and Note No. (a) below]					
Considered doubtful - To Others		**-**	-	**38.60**	38.60
		15.97	0.14	**4,912.51**	1,338.46
Provision for doubtful advances		**-**	-	**38.60**	38.60
	C	**15.97**	**0.14**	**4,873.91**	**1,299.86**
Other loans and advances					
Balance with statutory / government authorities		**-**	6.41	**6,981.64**	2,408.64
Advance tax (net of provision for taxes)		**2,034.88**	1,936.45	**475.55**	1.55
Prepaid expenses		**82.78**	27.90	**920.03**	578.24
	D	**2,117.66**	**1,970.76**	**8,377.22**	**2,988.43**
Total	**(A+B+C+D)**	**2,527.86**	**2,268.79**	**13,508.26**	**4,526.99**

	As at March 31, 2016	As at March 31, 2015	Maximum Amount due at any time during the year 2015-16	2014-15
a) Advances recoverable in cash or kind				
Due from Directors/Officers of the Company	**3.47**	3.23	**67.66**	42.52
b) Advance tax and tax deducted at source amounting to Rs 4.02 lacs (Rs. 34.41 Lacs), considered to be not recoverable, has been written off during the year.				

	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
15 TRADE RECEIVABLES AND OTHER ASSETS				
15.1 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	**330.05**	478.23	**2,446.40**	2,617.93
Considered doubtful	**-**	-	**176.05**	53.97
	330.05	478.23	**2,622.45**	2,671.90
Provision for doubtful advances	**-**	-	**176.05**	53.97
	330.05	478.23	**2,446.40**	2,617.93
Other receivables	**-**	-	**20,785.49**	8,665.45
	-	-	**20,785.49**	8,665.45
	330.05	**478.23**	**23,231.89**	**11,283.38**

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
15.2 OTHER ASSETS (Unsecured, considered good unless stated otherwise)				
Non Current Bank Balances (Refer Note No. 17)	**192.97**	1.75	**-**	-
Interest accrued on fixed deposits	**0.04**	0.02	**591.60**	362.88
Unamortised Premium on forward contract	**-**	-	**-**	20.39
Refunds and claims recoverable (Refer Note (a) below)	**3,952.35**	3,952.35	**874.89**	743.01
Subsidy Receivable	**-**	-	**152.31**	-
Interest Receivable	**-**	-	**46.39**	-
Others				
Considered good	**177.75**	167.74	**32,937.34**	484.91
	4,323.11	**4,121.86**	**34,602.53**	**1,611.19**

(a) Represents claims receivable in case of Cimmco Limited:

i) Rs. 3952.35 Lacs (Rs 3952.35 Lacs) recoverable from Indian Railway (Railways) on account of differential sub lease rental for the leased wagons for the period 1997-98 to 2008-09, net of Rs 1316.84 Lacs, being the cost of wheel sets to be returned to the Railways. The said matter was under arbitration proceedings since 2004 and finally, the Arbitrators, passed an award on 03/02/2016 whereby the Company's claims were rejected. Being aggrieved by the award the Company has filed an appeal under section 34 of the Arbitration & Conciliation Act, 1996 (as amended) before the Hon'ble High Court, Delhi on 29/04/2016 and hearing in the matter is expected to take place shortly. Considering the merit of the case, the management is hopeful to recover this claim in full.

ii) Rs. 743.02 Lacs, net of Rs. 150.00 Lacs received under guarantee given by the company, 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 had referred the matter to the Honb'le Supreme Court. During the year, the Company has received a favorable decision from the Hon'ble Supreme Court of India whereby the Hon'ble Court has awarded the claim in favour of the Company and an amount of Rs 874.89 lacs (including interest of Rs 131.87 lacs) has been received subsequent to the balance sheet date.

	As at March 31, 2016	As at March 31, 2015
16 INVENTORIES (Valued at lower of cost and net realizable value)		
Raw materials & components (includes goods in transit Rs. 433.65 lacs (Rs. 180.27 lacs)	**23,276.30**	10,999.03
Work in progress	**44,559.57**	7,443.11
Finished goods	**2,612.64**	2,529.45
Traded Goods	**8.29**	-
Saleable scrap	**452.78**	489.59
Stores and spares	**800.06**	972.80
	71,709.64	**22,433.98**

	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
17 CASH AND BANK BALANCES				
I. Cash and cash equivalents				
Balances with banks :				
On current accounts			**5,561.83**	4,132.22
On unpaid dividend account			**24.79**	11.57
On unpaid debenture			**5.08**	5.08
On unpaid fractional share entitlement			**13.59**	13.61
On share application refundable account			**0.48**	0.48
Deposits with original maturity of less than three months			**-**	308.97
Cash on hand (including cheques in hand)			**11.18**	16.40
Total Cash and cash equivalents			**5,616.95**	**4,488.33**

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

	Non-current		Current	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
II. Other bank balances				
Balances with banks :				
Deposits with remaining maturity for less than 12 months	-	-	**13,828.76**	8,913.07
Margin money deposit #	**192.97**	1.75	**951.58**	1,320.89
Total Other bank balances	**192.97**	**1.75**	**14,780.34**	**10,233.96**
Total Cash & bank balances [(I)+(II)]	**192.97**	**1.75**	**20,397.29**	**14,722.29**
Amount disclosed under non-current assets (Note 15.2)	**(192.97)**	(1.75)	-	-
Net Cash & bank balances	-	-	**20,397.29**	**14,722.29**

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

	For the year ended March 31, 2016	For the year ended March 31, 2015
18 REVENUE FROM OPERATIONS		
Revenue from operations		
Sale of products		
Finished Goods	**77,145.35**	75,241.26
Traded Goods	**181.43**	88.67
Sale of Services	**19,096.70**	605.37
Sale of raw materials & components	**303.47**	23.52
Other operating revenues		
Scrap sales	**737.63**	1,321.44
Others	-	812.28
Revenue from operations (gross)	**97,464.58**	78,092.54
Less : Excise duty #	**1,532.60**	1,980.88
Revenue from operations (net)	**95,931.98**	**76,111.66**

Excise duty on sales amounting to Rs. 1532.60 Lacs (Rs. 1980.88 Lacs) has been reduced from sales in profit & loss account and excise duty on increase/(decrease) in stock amounting to Rs.28.46 Lacs (Rs. 1.25 Lacs) has been considered as (income)/expense in Note 23 of financial statements.

	For the year ended March 31, 2016	For the year ended March 31, 2015
19.1 OTHER INCOME		
Unspent liabilities / provisions no longer required written back*	**497.05**	395.22
Net gain on sale of investments (long term, Non-trade)	**1.05**	-
Gain on sale of fixed assets (net)	**0.93**	-
Subsidy received	**471.13**	183.44
Gain on foreign exchange fluctuations/forward exchange contracts (net)	**171.56**	-
Commission Income	**42.07**	-
Other non operating income	**208.69**	1,234.45
Total other income	**1,392.48**	**1,813.11**

Includes Rs. 106.34 lacs relating to period prior to financial year ended 31.03.2001 and no demand / correspondence has been received from the concerned Financial Institution even after lapse of substantial period.

19.2 INTEREST INCOME		
Interest Income on		
Bank deposits	**1,156.66**	937.72
Long-term investments	**0.02**	0.02
Loans, advances etc	-	14.64
Insurance Claim	**131.87**	-
Income Tax Refund	**224.79**	-
Others	**226.84**	0.01
Total Interest Income	**1,740.18**	**952.39**

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
20 COST OF RAW MATERIALS & COMPONENTS CONSUMED		
Inventory at the beginning of the year	**10,999.03**	11,111.88
Add: Stock acquired on acquisition of remaining shares in a joint venture thereby making it a subsidiary	**-**	469.99
Add : Purchases	**68,446.92**	38,138.83
	79,445.95	49,720.70
Less : Inventory at the end of the year	**23,276.30**	10,999.03
	56,169.65	38,721.67
Less: Taken to Intangible asset under development (Refer Note 12)	**(838.74)**	(227.50)
Less: Write down of inventory to its net relaizable value (transferred to Exceptional items)	**(80.61)**	-
Total Cost of raw materials & components consumed	**55,250.30**	**38,494.17**

(a) The consumption figures shown above are after adjusting excess and shortages, if any, on physical count, unserviceable items, etc. and net of discount received on purchases. Further the above does not include materials received from customers on free supply basis.

	For the year ended March 31, 2016	For the year ended March 31, 2015	(Increase)/ Decrease
21 INCREASE/(DECREASE) IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS AND SALEABLE SCRAPS			**For the year ended March 31, 2016**
Closing Stock			
Finished Goods	**2,612.64**	2,529.45	**(83.19)**
Work in Progress	**44,559.57**	7,443.11	**(37,116.46)**
Trade Goods	**8.29**	-	**(8.29)**
Saleable Scraps	**452.78**	489.59	**36.81**
	47,633.28	**10,462.15**	**(37,171.13)**
			For the year ended March 31, 2015
Opening Stock			
Finished Goods	**2,529.45**	3,854.53	1,325.08
Work in Progress	**7,443.11**	14,108.49	6,665.38
Saleable Scraps	**489.59**	121.52	(368.07)
	10,462.15	**18,084.54**	**7,622.39**
	(37,171.13)	**7,622.39**	
Add: Stock acquired on acquisition of business of Firema Transporti SPA in Titagarh Firema Adler SpA [Refer note 41]	**37,455.91**	-	
Add: Stock acquired on acquisition of remaning shares in a joint venture thereby making it a subsidiary	**-**	1,227.88	
Less : Inventory transferred from Intangible asset (Refer Note 12)	**75.67**	-	
	360.45	8,850.27	
Less: Write down of inventory to its net relaizable value (transferred to Exceptional items)	**466.11**	-	
Add: Foreign Currency translation adjustment	**2,617.57**	(892.38)	
	2,511.91	**7,957.89**	
Less: Utilization of provision for onerous contract	**2,934.08**	-	
	(422.17)	**7,957.89**	

		For the year ended March 31, 2016		For the year ended March 31, 2015
22 EMPLOYEE BENEFITS EXPENSES				
Salaries, wages and bonus		**16,126.65**		7,003.23
Employee Stock Option Expenses (Refer note 27)		**54.33**		-
Contribution to provident & other funds		**185.08**		157.99
Gratuity expense (Refer note 26)		**30.86**		55.11
Staff welfare expenses		**125.43**		134.35
Directors' remuneration				
Remuneration to Managing and Whole Time Directors :				
- Salary, bonus, etc	**96.64**		125.04	
- Contribution to provident fund	**7.76**		7.76	
- Commission on profit	**-**	**104.40**	47.46	180.26
Total		**16,626.75**		**7,530.94**

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

		For the year ended March 31, 2016		For the year ended March 31, 2015
23 OTHER EXPENSES				
Consumption of stores & spares		**3,391.80**		3,134.37
Cost of raw materials & components sold		**388.99**		870.98
Job processing and other machining charges (including contract labour charges)		**3,119.04**		2,586.55
Increase / (Decrease) of excise duty on inventories		**28.46**		1.25
Power & fuel		**2,758.05**		2,441.31
Design & development expenses		**175.60**		143.72
Repairs and maintenance				
Plant & machinery		**896.33**		479.60
Buildings		**82.51**		106.02
Others		**393.14**		305.04
Rent		**487.51**		448.83
Rates & taxes		**890.26**		376.06
Insurance		**566.95**		406.33
Security Services		**241.93**		137.22
Freight and Forwarding		**156.34**		244.98
Advertising and sales promotion		**181.61**		210.94
Brokerage and commission		**57.82**		84.90
Travelling and conveyance		**983.87**		557.24
Legal and professional fees		**1,525.90**		969.94
Commission to non-whole time directors		**10.00**		10.00
Directors sitting fees		**49.62**		42.17
Payment to Auditors				
As Auditor				
Audit fee	**73.36**		43.00	
Limited review	**35.14**		33.00	
Other certification services	**9.86**		12.45	
In other capacity				
Other services	**-**		6.00	
Reimbursement of expenses	**2.97**	**121.33**	3.67	98.12
Warranty claims	**183.77**		1,100.70	-
Less: Adjusted with provision	**55.23**	**128.54**	1,014.26	86.44
Provision for warranties		**778.16**		829.75
Liquidated damages	**531.95**		140.01	
Less: Adjusted with provision	**410.97**	**120.98**	114.13	25.88
Provision for liquidated damages		**578.34**		216.50
Irrecoverable debts/ advances written off	**55.44**		499.01	
Less: Adjusted with provision	**-**	**55.44**	382.00	117.01
Provision for doubtful debts and advances		**108.46**		16.95
Contingency provision against standard assets		**1.63**		-
Loss on foreign exchange fluctuations/forward exchange contracts (net)		**-**		621.79
Prior period expenses [Refer Note (a) below]		**30.00**		67.47
Miscellaneous expenses		**2,080.80**		2,499.60
Total		**20,389.40**		**18,136.96**

Note (a)
Details of Prior Period Expenses

Income				
Other Income		**27.02**		-
		27.02		-
Expenses				
Cost of raw materials & components consumed		**-**		24.38
Employee benefits expenses		**41.69**		1.12
Job Processing and other machining charges (including contract labour charges)		**6.71**		4.69
Other expenses		**8.62**		37.28
Prior Period Expenses		**57.02**		**67.47**
Prior Period Expenses (Net)		**30.00**		**67.47**

(Rs. in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
24 FINANCE COSTS		
Interest expenses [Net of subsidy Rs. 164.85 lacs (Rs. 76.28 lacs)]	**1,308.25**	1,408.62
Bank charges	**378.66**	356.67
Total	**1,686.91**	**1,765.29**

25 EARNING PER SHARE (EPS)		
Present number of weighted average equity shares	**111,055,551**	100,295,345
Effect of dilution : Stock options granted under ESOP	**325,355**	-
Weighted average number of equity shares in calculating diluted EPS	**111,380,907**	100,295,345
Loss after taxes (Rs in Lacs)	**(2,519.27)**	(330.57)
Nominal value of each share (Rs)	**2.00**	2.00
Earning per share - Basic (Rs.)	**(2.27)**	(0.33)
Diluted (Rs.)*	**(2.27)**	(0.33)

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

Note : The shareholders of the Company have approved the split of each equity share having a face value of Rs 10 into five equity shares having a face value of Rs 2 each through postal ballot on April 13, 2015. The record date for the sub-division was April 24, 2015. Accordingly, the earnings per share for previous year has been adjusted with respect to the aforesaid increase in number of equity shares.

26 RETIREMENT AND OTHER EMPLOYEE BENEFIT PLANS

The Company has a defined benefit gratuity plan which is unfunded (except for Titagarh Steels unit where it is administered through a trust and partly funded with a special deposit scheme with State Bank of Bikaner and Jaipur). Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972.

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

	Gratuity (funded)		Gratuity (unfunded)	
	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2015
Statement of Profit and Loss				
Net employee benefit expense recognized in the employee cost				
Current service cost	**7.15**	6.38	**38.06**	38.53
Interest cost on benefit obligations	**12.05**	15.93	**26.17**	28.73
Expected return on plan assets	**(4.08)**	(3.74)	**-**	-
Past Serivce Cost	**-**	-	**0.07**	-
Net actuarial (gain)/ loss recognised during the year	**(12.45)**	(15.55)	**(35.36)**	(2.47)
Net benefit expenses*	**2.67**	3.02	**28.94**	64.79

* In case of Titagarh Agrico Private Limited, gratuity expense of Rs. 0.75 lacs (31 March 2015: Rs. 12.70 lacs) has been shown under Note 12.

Balance Sheet				
Benefit liability				
Present value of defined benefit obligation	**147.33**	168.47	**351.53**	348.33
Fair value of plan assets	**49.42**	45.34	**-**	-
Plan liability	**97.91**	123.13	**351.53**	348.33
Changes in the present value of the defined benefit obligation are as follows :				
Opening defined benefit obligations	**168.47**	188.49	**348.33**	345.49
Current service cost	**7.15**	6.38	**38.06**	38.53
Interest cost	**12.05**	15.93	**26.17**	28.73
Benefits paid	**(27.89)**	(26.78)	**(25.74)**	(61.95)
Plan Amendments	**-**	-	**0.07**	-
Actuarial (gains)/ losses on obligations	**(12.45)**	(15.55)	**(35.36)**	(2.47)
Closing defined benefit obligations	**147.33**	**168.47**	**351.53**	**348.33**

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2016

26 RETIREMENT AND OTHER EMPLOYEE BENEFIT PLANS *(Contd.)* *(Rs. in Lacs)*

	Gratuity (funded)		Gratuity (unfunded)	
	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2016	For the year ended March 31, 2015
Changes in the fair value of plan assets are as follows :				
Opening fair value of plan assets	**45.34**	41.60		
Expected return	**4.08**	3.74		
Closing fair value of plan assets	**49.42**	**45.34**		
Actual Return on plan assets	**4.08**	**3.74**		
The major categories of plan assets as a percentage of the fair value of total plan assets are as follows :				
Investments with Insurer	**100%**	100%		
The principal assumptions used in determining gratuity obligation is shown below :				
Discount rate	**7.70%**	7.80%	**7.70%**	7.80%
Expected rate of return on assets	**9.00%**	9.00%	**NA**	NA
Mortality table			**Standard table LIC**	**(1994-1996)**

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

	For the year ended March 31, 2016	For the year ended March 31, 2015	For the year ended March 31, 2014	For the year ended March 31, 2013	For the year ended March 31, 2012
Defined benefit obligation - unfunded	**351.53**	348.33	339.23	303.47	342.57
Defined benefit obligation - funded	**147.33**	168.47	215.70	164.16	144.75
Plan assets	**49.42**	45.34	74.99	38.46	37.39
Deficit	**449.44**	471.46	479.94	429.17	449.93
Experience adjustments on plan liabilities - Unfunded [(gains)/Losses]	**(35.36)**	(2.47)	(7.81)	(63.80)	8.70
Experience adjustments on plan liabilities - Funded [(gains)/losses]	**(12.45)**	(15.55)	44.66	21.08	(10.91)
Experience adjustments on plan assets [gains/(losses)]	**-**	-	(0.30)	(0.81)	(0.38)

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

The Company expects to contribute Rs. 264.05 Lacs (Rs 126.11 lacs) to the gratuity fund during 2016-17.

The amounts provided for defined contribution plans are as follows :

	For the year ended March 31, 2016	For the year ended March 31, 2015
Provident fund	**162.14**	144.59
Superannuation fund	**7.18**	-
Total	**169.32**	**144.59**

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

In case of Titagrh Capital Private Limited, Provident Fund and Payment of Gratuity Act are not applicable to the Company as it has employed less than 10 employees during the year.

27 EMPLOYEE STOCK OPTION PLANS

(Rs. in Lacs)

The Company provides share-based payment schemes to its employees. During the year ended 31 March 2016, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below.

On 11 September 2014, the shareholders, by way of a special resolution passed at the Annual General Meeting, approved the issue of shares to eligible employees under Employee Stock Option Scheme (Scheme 2014). The scheme has been approved by the authorized Compensation Committee pursuant to a resolution passed at its meeting held on March 4, 2015. According to the Scheme 2014, the employee selected by the ESOS compensation committee from time to time will be entitled to the stock options. The total number of options granted should not exceed 25,00,000 options and will be granted in one or more tranches over a period of 5 years. Each option, when exercised, will be converted into 1 equity share of Rs 2 each fully paid up. During the year, the company has issued the first tranche of 500,000 stock options. Other relevant terms of the grant are as below :

Exercise period	Any point in time after vesting
Expected life	2.90 years
Exercise price	Rs 44.20
Market price at 4th March 2015	Rs 140.38
Vesting schedule for the option is as follows:	
At the end of first year from the date of grant	10%
At the end of second year from the date of grant	15%
At the end of third year from the date of grant	25%
At the end of fourth year from the date of grant	50%

The details of activity under the Scheme 2014 are summarized below :

	For the year ended March 31, 2016		For the year ended March 31, 2015	
	No. of Options	Weighted Average Excercise Price (Rs)	No. of Options	Weighted Average Excercise Price (Rs)
Outstanding at the beginning of the year	-	-	-	-
Granted during the year	**500,000**	**44.20**	-	-
Forfeited / lapsed during the year	**160,000**	**-**	-	-
Exercised during the year*	**-**	**-**	-	-
Outstanding at the end of the year	**340,000**	**44.20**	-	-
Exercisable at the end of the year	**34,000**	**44.20**	-	-

The weighted average remaining contractual life for the stock options outstanding as at 31 March 2016 is 2.90 years (31st March 2015: Nil).

The weighted average fair value of stock options granted during the year was Rs 63.92 per share (31 March 2015: *). The Monte Carlo valuation model has been used for computing the weighted average fair value considering the following inputs :

	For the year ended March 31, 2016	For the year ended March 31, 2015
Dividend yield	**0.84%**	*
Expected volatility	**62.15%**	*
Risk-free interest rate	**6.85%**	*
Share price (Rs)	**95.10**	*
Exercise price (Rs)	**44.20**	*
Expected life of options granted in years	**2.90**	*

* Not applicable since no ESOP's were granted during the FY 2014-15

The expected life of the stock is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

During the year ended March 31, 2016, the Company recorded an employee compensation expense of Rs 54.33 lacs in the Statement of Profit and Loss.

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

	For the year ended March 31, 2016	For the year ended March 31, 2015
28 LEASES		
a) The Group has operating leases for office premises and land that are renewable on a periodic basis and are cancelable by giving a notice period ranging from one month to three months. There is no escalation clause and restriction under the lease agreement. There are no subleases.		
The amount of rent expenses included in Statement of Profit and Loss	**94.80**	180.24

b) Assets include land & buildings acquired under finance lease Gross block Rs. 2232.70 Lacs (Rs 1872.01 Lacs), Net block Rs. 1693.90 Lacs (Rs. 1471.87 Lacs) and the year wise breakup of future obligations towards lease rentals, inclusive of finance charges of Nil (Rs. 386.55 Lacs) under the agreement as on March 31, 2016 amounting to Nil (Rs. 2258.53 Lacs) is given below :

	Total		Not later than 1 year		Later than 1 year but not later than 5 years	
	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015	As at March 31, 2016	As at March 31, 2015
Minimum Lease Payments	-	2,258.56	-	1,018.43	**Nil**	Nil
Present Value of minimum lease payments	-	1,872.01	-	797.96	**Nil**	Nil

29 SEGMENT INFORMATION

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

a) Wagons & Coaches – Consists of manufacturing of wagons, coaches, bogies, couplers and crossings as per customer specification.

b) Others - Consists of miscellaneous business like heavy earth moving machineries, bailey bridge etc. which comprises of less than 10% revenue on individual basis.

Information about primary business segments *(Rs. in Lacs)*

For the year ended March 31, 2016	Wagons & Coaches	Others	Total
Revenues (net of excise duty and cess)			
Segment Revenue (external)	93,149.88	2,782.10	**95,931.98**
Results			
Segment results	5,255.56	(2,499.01)	**2,756.55**
Less: Unallocated expenses net of unallocated income			**1,620.59**
Operating Profit (EBIDTA less Depreciation)			**1,135.96**
Less: Interest Income (net of Finance Cost)			**53.27**
Less: Exceptional Items	(2,085.71)	-	**(2,085.71)**
Loss before taxes			**(896.48)**
Income taxes			**1,911.25**
Net loss after taxes			**(2,807.73)**
Segment assets	209,879.66	14,234.16	**224,113.82**
Unallocated assets			**18,476.27**
Total assets			**242,590.09**
Segment liabilities	148,859.65	10,876.79	**159,736.44**
Unallocated liabilities			**2,784.67**
Total liabilities			**162,521.11**
Other segment information			
Capital expenditure			
Tangible assets	1,324.18	433.83	**1,758.01**
Intangible assets	50.96	1,759.64	**1,810.60**
Depreciation	4,106.26	220.53	**4,326.79**
Non cash expenses:			
Provision for doubtful debts and advances	108.46	-	**108.46**
Irrecoverable debts/ advances written off	55.44	-	**55.44**

(Rs. in Lacs)

For the year ended March 31, 2015	Wagons & Coaches	Others	Total
Revenues (net of excise duty and cess)			
Segment Revenue (External)	74,875.27	1,236.39	**76,111.66**
Results			
Segment results	5,586.35	(307.77)	**5,278.58**
Less: Unallocated expenses net of unallocated income			**2,040.30**
Operating Profit (EBIDTA less Depreciation)			**3,238.28**
Less: Interest Expense (net of income)			**(812.90)**
Less: Exceptional Items	(2,780.06)		**(2,780.06)**
Profit before taxes			**(354.68)**
Income taxes			**627.86**
Net profit after taxes			**(982.54)**
Segment assets	80,190.28	13,251.43	**93,441.71**
Unallocated assets			**12,623.60**
Total assets			**106,065.31**
Segment liabilities	27,296.68	6,503.93	**33,800.61**
Unallocated liabilities			**3,371.99**
Total liabilities			**37,172.60**
Other segment information			
Capital expenditure			
Tangible assets	1,981.66	535.25	**2,516.91**
Intangible assets	215.20	-	**215.20**
Depreciation	2,456.07	110.46	**2,566.53**
Non cash expenses:			
Provision for doubtful debts and advances	16.95	-	**16.95**
Irrecoverable debts/ advances written off	66.22	50.79	**117.01**

Geographical Segment :

	For the year ended March 31, 2016	For the year ended March 31, 2015
The following table shows the distribution of the Company's sales by geographical market :		
Geographical segment revenue		
Domestic (net of excise duty)*	**37,294.23**	33,986.67
Overseas	**58,637.75**	42,124.99
Total	**95,931.98**	**76,111.66**

	For the year ended March 31, 2016	For the year ended March 31, 2015
Geographical segment assets		
Domestic	**213,677.40**	86,891.43
Overseas	**28,912.69**	19,173.88
Total	**242,590.09**	**106,065.31**

30 RELATED PARTY DISCLOSURES

(a) Names of related parties and related party relationship

Key Management Personnel (KMPs) :	Mr. J P Chowdhary – Executive Chairman Mr. Umesh Chowdhary – Vice Chairman & Managing Director Mr. Sudipta Mukherjee - Director (Wagons Operations)
Relatives of KMPs :	Ms. Savitri Devi Chowdhary, Wife of Mr. J P Chowdhary Ms. Vinita Bajoria, Daughter of Mr. J P Chowdhary Ms. Sumita Kandoi, Daughter of Mr. J P Chowdhary Mrs. Bimla Devi Kajaria, Mother of Mrs. Rashmi Chowdhary

(Rs. in Lacs)

30 RELATED PARTY DISCLOSURES *(Contd.)*

Enterprises over which KMP/ Shareholders/ Relatives have significant influence :	Titagarh Logistics Infrastructure Private Limited Titagarh Capital Management Services Private Limited Traco International Investment Private Limited Titagarh Enterprises Limited (formerly Titagarh Papers Limited) Panihati Rubber Limited Singhal Contractors & Builders Private Limited Simplex Developments Private Limited Tecalemit Industries Limited Navyug Business Private Limited
Additional related parties as per Companies Act 2013 with whom transactions have taken place during the year	
Directors	Mr. Sudev Chandra Das - Independent Director Mr. Dharmendar Nath Davar - Independent Director Mr. Manoj Mohanka - Independent Director Mrs. Rashmi Chowdhary - Non-Executive Director Mr. Shekhar Dutta - Independent Director Mr. Sunirmal Talukdar - Independent Director
Key Management Personnel (KMPs):	Mr. Anil Agarwal - Chief Financial Officer Mr. Dinesh Arya - Company Secretary
Enterprises over which KMP/ Shareholders/ Relatives have significant influence	Adarsh Imports & Exports Private Limited Kanishk Fabricators Private Limited Nutech Engineering Company

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

Nature of transactions	KMP	Relatives of KMP	Directors	Enterprise over which KMP/shareholders/ relatives have significant influence	Total
Purchase of raw material and component					
Nutech Engineering Company				**139.01**	**139.01**
				(1.87)	(1.87)
Adarsh Imports and Exports Private Limited				**43.30**	**43.30**
				(0.07)	(0.07)
Advance Written Off					
Panihati Rubber Limited				-	-
				(9.20)	(9.20)
Rent Paid					
Titagarh Enterprises Limited				**131.41**	**131.41**
(Formerly Titagarh Papers Limited)				(126.20)	(126.20)
Job Processing and other machining charges (including contract labour charges)					
Kanishk Fabricators Private Limited				**141.43**	**141.43**
				(53.16)	(53.16)
Dividend paid					
Ms. Savitri Devi Chowdhary		**289.86**			**289.86**
		(144.93)			(144.93)
Ms. Rashmi Chowdhary			**205.06**		**205.06**
			(102.53)		(102.53)
Mr. J P Chowdhary	**2.50**				**2.50**
	(1.25)				(1.25)
Mr. Umesh Chowdhary	**1.24**				**1.24**
	(0.62)				(0.62)
Ms. Vinita Bajoria		-			-
		(0.20)			(0.20)

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

Nature of transactions	KMP	Relatives of KMP	Directors	Enterprise over which KMP/shareholders/ relatives have significant influence	Total
Dividend paid *(Contd.)*					
Ms. Sumita Kandoi		-			-
		(0.13)			(0.13)
Traco International Investment Private Limited				**2.42**	**2.42**
				(1.21)	(1.21)
Titagarh Capital Management Services Private Limited				**346.72**	**346.72**
				(173.36)	(173.36)
Titagarh Logistics Infrastructure Services Private Limited				**2.40**	**2.40**
				(1.20)	(1.20)
Singhal Contractors & Builders Private Limited				**0.38**	**0.38**
				(0.19)	(0.19)
Simplex Developments Private Limited				**0.29**	**0.29**
				(0.14)	(0.14)
Tecalemit Industries Limited				**0.20**	**0.20**
				(0.10)	(0.10)
Navyug Business Private Limited				**0.19**	**0.19**
				(0.10)	(0.10)
Mrs. Bimla Devi Kajaria		**0.03**			**0.03**
		(0.01)			(0.01)
Remuneration (including contribution to Provident and other funds)					
Mr. J P Chowdhary	**68.43**				**68.43**
	(84.82)				(84.82)
Mr. Umesh Chowdhary	**64.57**				**64.57**
	(59.37)				(59.37)
Ms. Vinita Bajoria		**27.64**			**27.64**
		(27.64)			(27.64)
Mr Anil Agarwal	**31.43**				**31.43**
	(31.51)				(31.51)
Mr. Dinesh Arya	**19.62**				**19.62**
	(19.70)				(19.70)
Mr. Sudipta Mukherjee	**31.43**				**31.43**
	(31.43)				(31.43)
Sitting Fees & Commission to Directors					
Mr. Sudev Chandra Das			**5.09**		**5.09**
			(2.90)		(2.90)
Mr. Dharmendar Nath Davar			**10.10**		**10.10**
			(8.65)		(8.65)
Mr. Manoj Mohanka			**10.46**		**10.46**
			(6.20)		(6.20)
Mrs. Rashmi Chowdhary			**1.75**		**1.75**
			(1.00)		(1.00)
Mr. Shekhar Dutta			**4.93**		**4.93**
			(4.70)		(4.70)
Mr. Sunirmal Talukdar			**9.38**		**9.38**
			(5.25)		(5.25)
Mr Anil Agarwal	**3.78**				**3.78**
	(3.58)				(3.58)
Mr. Dinesh Arya	**0.56**				**0.56**
	(0.46)				(0.46)
Professional Fees					
Mr. Anil Agarwal	**6.00**				**6.00**
	(6.00)				(6.00)
Mr. Dharmendar Nath Davar			**0.68**		**0.68**
			(0.38)		(0.38)

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

Nature of transactions	KMP	Relatives of KMP	Directors	Enterprise over which KMP/shareholders/ relatives have significant influence	Total
ESOP Cost					
Mr. Anil Agarwal	**7.99**				**7.99**
	(-)				(-)
Mr. Sudipta Mukherjee	**7.99**				**7.99**
	(-)				(-)
Mr. Dinesh Arya	**3.99**				**3.99**
	(-)				(-)
In Relation to Balance Sheet					
Balance outstanding as at the year end - Credit					
Mr. J P Chowdhary	**4.06**				**4.06**
	(35.89)				(35.89)
Mr. Umesh Chowdhary	**4.06**				**4.06**
	(16.58)				(16.58)
Nutech Engineering Company				**27.91**	**27.91**
				(1.87)	(1.87)
Kanishk Fabricators Private Limited				**11.74**	**11.74**
				(0.07)	(0.07)
Adarsh Imports & Exports Private Limited				**9.67**	**9.67**
				(27.40)	(27.40)

31 Additional information in respect of net assets and profit / loss of each entity within the group and their proportionate share of the totals

	As at March 31, 2016				As at March 31, 2015			
	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss		Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
Name of the entity in the Group	As % of consolidated net assets	Amount (Rs in lacs)	As % of consolidated profit or loss	Amount (Rs in lacs)	As % of consolidated net assets	Amount (Rs. in lacs)	As % of consolidated profit or loss	Amount (Rs. in lacs)
Parent								
Titagarh Wagons Limited	**91.40%**	**76,975.19**	**15.27%**	**(428.88)**	86.86%	62,994.48	-37.71%	370.51
Subsidiaries (including Step down subsidiaries)								
Indian								
Cimco Equity Holdings Private Limited (CEHPL) [Refer note 12)(a)]	**-2.55%**	**(2,145.14)**	**0.30%**	**(8.39)**	-2.95%	(2,136.75)	0.68%	(6.70)
Cimmco Limited (subsidiary of CEHPL)	**10.13%**	**8,530.39**	**21.64%**	**(607.53)**	13.06%	9,475.00	196.45%	(1,930.21)
Titagarh Agrico Private Limited	**-0.55%**	**(459.26)**	**9.96%**	**(279.55)**	-0.09%	(67.16)	3.57%	(35.11)
Titagarh Capital Private Limited	**-2.16%**	**(1,820.84)**	**3.59%**	**(100.72)**	-2.33%	(1,687.53)	6.47%	(63.58)
Titagarh Marine Limited (TML)	**-1.13%**	**(949.52)**	**8.02%**	**(225.32)**	-0.97%	(701.17)	10.94%	(107.45)
Corporated Shipyard Private Limited (subsidiary of TML)	**-3.06%**	**(2,580.50)**	**82.43%**	**(2,314.40)**	-0.26%	(188.40)	8.51%	(83.58)
Times Marine Enterprise Private Limited (subsidiary of TML)	**-0.04%**	**(36.78)**	**0.13%**	**(3.55)**	-0.05%	(33.24)	2.07%	(20.31)
Greysham & Company Private Limited (ceased to be a subsidiary company w.e.f 20th February 2015)	**-**	**-**	**-**	**-**	-	-	0.04%	(0.42)
Foreign								
Titagarh Wagons AFR	**2.59%**	**2,185.29**	**-47.54%**	**1,334.71**	1.69%	1,224.44	-161.05%	1,582.36
Titagarh Firema Adler S.p.A	**0.75%**	**633.68**	**-9.11%**	**255.83**	-	-	-	-
Titagarh Singapore Pte Limited	**-0.31%**	**(263.51)**	**5.04%**	**(141.47)**	0.02%	13.04	3.67%	(36.08)
Minority Interests in all Subsidiaries	**4.93%**	**4,152.00**	**10.27%**	**(288.46)**	5.01%	3,635.29	66.36%	(651.97)
TOTAL	**100.00%**	**84,220.99**	**100.00%**	**(2,807.73)**	100.00%	72,528.00	100.00%	(982.54)

(Rs. in Lacs)

		As at March 31, 2016	As at March 31, 2015
32	**CAPITAL AND OTHER COMMITMENTS**		
a	Estimated amount of capital commitments (net of advances) remaining to be executed	**326.47**	51.87

b In case of Cimmco Limited, the financial performance of the Company for the year has been severely impacted by the overall industry scenario and delay in relese of wagons procurement orders by the Indian Railways. Titagarh Wagons Limited, the ultimate parent company is committed to provide suitable financial support to the Company for the near future and has also contributed additional capita in earlier years to meet the cash flow requirements. The Company has been awarded with a new wagon contract dated May 11th, 2016 from Indian Railways for supply of 1,264 wagons. In view of the above, the financial statements of Cimmco Limited have been prepared on a goin concern basis.

c Titagarh Wagons Limited (TWL), the holding company of Titagarh Agrico Private Limited (TAPL), holding 95.62% equity shares has issued a comfort letter to RBL Bank Limited towards the working capital facility sanctioned by it, that it will not reduce its financial interest in TAPL till the facility availed by TAPL is repaid.

33	**CONTINGENT LIABILITIES**		
(i)	Disputed claims contested by the Company and pending at various courts and arbitrations*	**8,330.61**	7,249.14
(ii)	Matters under appeal with:		
	- Sales tax authorities	**1,755.23**	1,560.92
	- Income tax authorities	**1,210.94**	544.48
	- Customs and Excise Authorities	**13,958.71**	13,319.11
(iii)	Letters of Credit, Bills discounted and Bank Guarantees outstanding	**24,260.18**	26,128.69
(iv)	Corporate Guarantee given by Titagarh Wagons Limited on behalf of a subsidiary Company for working capital limit sanctioned to the subsidiary company	**7,584.65**	7,775.54
(v)	Custom Duty on import of equipments and spare parts under EPCG-scheme	**981.00**	981.00

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

* In case of Cimmco Limited, it Includes Rs 1292.95 lacs (Rs 1292.95 Lacs) which in terms of BIFR order, even if decided against the Company, would stand at Rs 129.29 lacs (Rs 129.29 lacs) only.

(vi) The Company, has given a put option for a loan obtained by Cimmco limited from ICICI Bank for Rs.4,000 lacs. In terms of the said put option, upon occurrence of any event of default as per the terms of the facility agreement, ICICI bank shall have the right to call upon TWL to pay the entire outstanding within such time as may be prescribed.

(vii) In case of Cimmco Limited :

(a) The legal case pending at various courts referred to above includes a case relating to M/s Uppal Engg Co. Pvt. Ltd. for widening of road against a contract awarded to the Company by the Rajasthan PWD in 1992. Uppal Engg Co had invoked arbitration proceedings against the Company in 1998 for certain claims. The arbitration award was issued during the year, pursuant to which Cimmco has been directed to pay Rs 2,525.85 lacs (Rs 804.22 lacs as principle and Rs 1721.63 lacs as interest). The Company has filed an appeal against the said award with the Hon'ble High Court of Delhi in respect of which, a stay has been granted by the Hon'ble High Court. Accordingly, management is hopeful of a favourable outcome in this regard and does not foresee any liability crystallising on the Company as a consequence of the award.

(b) The Company had in earlier years (prior to lockout and take-over of the Company), obtained certain advance licenses for making duty free import of inputs subject to fulfilment of export obligation (EO) within the specified time limit from the date of issuance of such 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 had extended the EO period upto 31st March 2016. In the current year, based on the details available with the Company regarding the imports made prior to the lock out and as per its best estimates, the Company has made necessary payments to the tune of Rs 85.00 lacs for the unfulfilled export obligation and for the balance licenses a liability of Rs 11.00 lacs has been made in the books. However, in absence of complete list of licenses alongwith the imports made against each license the amount of contingent liability towards custom duty saved on unfulfilled export obligations and penal interest if any, is presently unascertainable.

(c) The company had given 687 wagons to Indian Railways on sub-lease till October 2007 and as per the agreement the sub-lease was renewable at the consent of the Indian Railway on an annual basis. Post the expiry of the original sub-lease term, Indian Railways continued to use the wagons without renewing the sub-lease arrangement. During the previous year, the company had received a demand of Rs. 1234.20 lacs from Titagarh Capital Pvt. Ltd., the 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 Calcutta 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.

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

		As at March 31, 2016	As at March 31, 2015
34 DERIVATIVE INSTRUMENTS AND UNHEDGED FOREIGN CURRENCY EXPOSURE			
a. Derivatives outstanding as at the balance sheet date			
Particulars	Purpose		
Forward contract to sell US$	Minimising Risk of Currency Exposure on export of goods	**USD 5,461,700**	Nil
		Rs. 3,786.44 lacs	Nil
Forward contract to buy US$	Minimising Risk of Currency Exposure on import of goods	**-**	USD 6,59,580
		-	Rs. 423.88 lacs
Forward contract to buy US$	Minimising Risk of Currency Exposure on import of goods	**-**	EURO 2,25,260
		-	Rs. 182.26 lacs
Cross currency interest rate swap	Minimising Risk of Currency Exposure on long term loans	**EURO 16,000,000**	-
		Rs. 12,015.28 lacs	-
b. Particulars of unhedged foreign currency exposure as at the reporting date			
Trade Payables		**Rs. 14.93 lacs**	-
		USD 22,508	-
Other Current Assets		**Rs. 177.76 lacs**	Rs. 167.74 lacs
		USD 268,000	USD 268,000
Advance from Customers		**Rs. 77.65 lacs**	Rs. 160.55 lacs
		USD 1,17,064	USD 2,56,510

35. The Board of Directors of the Company at its meeting held on September 24, 2015 have approved a Scheme of Amalgamation of its wholly owned subsidiaries namely Cimco Equity Holdings Private Limited and Titagarh Marine Limited (alongwith its two wholly owned subsidiary companies Corporated Shipyard Private Limited and Times Marine Enterprises Private Limited) with Titagarh Wagons Limited pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act 1956. The Hon'ble High Court has sanctioned the aforesaid scheme of amalgamation, however the certified true copy of the said order has been applied for and the scheme of amalgamation will be made effective upon filing of the same with Registrar of Companies, West Bengal, pending which, no adjustment has been made in these accounts.

36. Pursuant to a favourable arbitration award received during the year in relation to a disputed claim against a customer, the Company has recognised the income of Rs 835.44 lacs (including interest of Rs. 225.00 lacs) in these financial statements. The said money has also been received.

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

(Rs. in Lacs)

	As at March 31, 2016	As at March 31, 2015
38 EXCEPTIONAL ITEMS		
Onerous Contract (Refer Note a)	**131.54**	2,259.43
Statutory Dues	**-**	520.63
Irrecovrable Advances, debts and claims receivable written off (Refer Note b)	**1,319.04**	-
Provision for Advances (Refer Note b)	**88.40**	-
Provision for Inventory (Refer Note b)	**546.73**	-
	2,085.71	**2,780.06**

(a) In case of Cimmco Limited:

During the current year, Indian Railways has exercised its option for purchase of additional quantity in relation to the wagon contract that was awarded last year. Since the execution of the above additional quantity would also result into loss, the Company has in line with the earlier year, recognized additional provision for onerous contract on the aforesaid additional quantity amounting to Rs. 131.54 lacs and disclosed it as exceptional item.

(b) The management, of CSPL has provided/written off Rs 1,954.17 Lacs relating to trade receivables, inventory and other advances / Claims receivable as significant time has elapsed without any recovery / realisation in the balances. The said amount has been disclosed as exceptional items.

Notes to Consolidated Financial Statements as at and for the year ended March 31, 2016

(Rs. in Lacs)

	As at March 31, 2016	As at March 31, 2015
39 UTILIZATION OF MONEY RAISED THROUGH QUALIFIED INTITUTIONAL PLACEMENT		
Amount raised during the year	**15,000.00**	-
Less: amount utilized during the year	**11,707.75**	-
Unutilized amount at the end of the year (invested in fixed deposits of Banks)	**3,292.25**	-

40. Current Tax for the year includes current tax charge pertaining to holding company and foreign subsidiaries having profits during the year.

41. During the year, the Company alongwith its wholly owned subsidiary company Titagarh Singapore Pte Limited have formed a subsidiary company in Italy in the name of Titagarh Firema Adler SpA (TFA). TFA has acquired the business and assets of Firema Trasporti SpA, a designer and manufacturer of metro coaches and semi / high speed trains.

42. In case of TFA, as per the business purchase agreement with the Extraordinary administration (Firema Trasporti SpA), few of the balances are subject to the "Netting" adjustment process which has not yet been concluded. However, the management of TFA is hopeful that the completion of the "Netting" process would not have material impact on such balances as of March 31, 2016.

43. In case of Titagarh Capital Private Limited and Titagarh Agrico Private Limited, the Company is in the process of appointing a Chief Financial Officer and a Company Secretary respectively to comply with the provisions of The Companies Act, 2013.

44. Previous period's figures including those given in brackets have been rearranged where necessary to conform to the current period's classification.

As per our Report of even date
For **S. R. Batliboi & Co. LLP**
Chartered Accountants
ICAI Firm Registration No.: 301003E/E300005

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

Place : Kolkata
Dated : May 26, 2016

For and on behalf of the Board of Directors

J P Chowdhary
Executive Chairman

Umesh Chowdhary
Vice Chairman & Managing Director

Manoj Mohanka
Director

Sudev Chandra Das
Director

Anil Kumar Agarwal
Chief Financial Officer

Dinesh Arya
Company Secretary

TITAGARH WAGONS LIMITED

CIN: L27320WB1997PLC084819

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

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

PROXY FORM

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

Name of the Member(s):.....

Registered Address : .....

E Mail ID : .....

Folio No/Client ID : .....

DP ID : .....

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

(1) Name : .....Address : .....

E Mail ID : ..... Signature : ..... or failing him

(2) Name : .....Address : .....

E Mail ID : ..... Signature : ..... or failing him

(3) Name : .....Address : .....

E Mail ID : ..... Signature : .....

as my/our proxy to attend and vote (on a poll) for me/us and on my behalf at the 19th Annual General Meeting of the Company to be held Thursday, the 29th day of September, 2016 at 10.00 A.M at Manovikas Kendra, 482, Madudah, Plot I-24, Sector-J, E M Bypass, Kolkata-700107 and at any adjournment thereof in respect of Resolutions as are indicated below:

Resolution No.	Resolution Proposed
	Ordinary Businesses
1	Adoption of Annual Financial Statements, Reports of the Board of Directors and Auditors for the Financial Year ended 31st March, 2016.
2	Re-appointment of Shri Umesh Chowdhary as Vice Chairman & Managing Director, liable to retire by rotation.
3	Confirmation of the Interim Dividend @ INR 0.80 per share declared by the Board as final.
4	Ratification of appointment of Statutory Auditors and authorize Board of Directors to fix their remuneration.
	Special Business
5	To take on record and approve the disclosures pursuant to Schedule V in respect of Shri Umesh Chowdhary.
6	To take on record and approve the disclosures pursuant to Schedule V in respect of Shri J. P. Chowdhary.
7	Reclassification of one of the promoters of the Company.
8	Approval of change in terms & designation of Shri Sudipta Mukherjee
9	Approval of the Related Party Transactions.
10	Ratification of remuneration of Cost Auditor.

Signed this.....day of.....2016

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 19th Annual General Meeting dated 22nd August, 2016.

TITAGARH

"Aapka Vikaas Hamaara Prayaas"

is TITAGARH's pledge to contribute to society by way of Corporate Social Responsibility.

CSR initiatives under three themes styled: "**JEEVAN NIROG**", "**GYAN JYOTI**" and "**SHAIL GANGA**" have been undertaken as projects.

आपका विकास, हमारा प्रयास

JEEVAN NIROG

Free health checkups and medicines for poorer sections of society particularly for elderly and mother and girl child. Medical interventions for young people coming from economically weaker sections of society suffering from cancer. The initiative has provided interventions to approximately one thousand people.

GYAN JYOTI

Full support to Dhankhet Manovikas Kendra where 75 specially abled children are provided education and mid-day meals.

Scholarships to meritorious students for pursuing higher education. A total of about 1200 children have been supported under this initiative.

"विद्या ददाति विनयं विनयाद्याति पात्रताम्।
पात्रत्वाद्धनमाप्नोति धनाद्धर्मं ततः सुखम्।।।।"

TITAGARH

TITAGARH WAGONS LIMITED

www.titagarh.biz

BRIGHTSTAR COMMUNICATIONS PVT. LTD.
033 2213 0558

TITAGARH

8th September, 2016

1. **National Stock Exchange of India Limited**
   Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400051

2. **Bombay Stock Exchange Limited**
   Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001

Dear Sirs,

Sub: Disclosure of the Impact of Audit Qualifications under Regulation 33/52 of SEBI (LODR), (Amendment) Regulations, 2016

With reference to Notification No. SEBI/LAD-NRO/GN/2016-17/001 dated May 25, 2016 and Circular No. CIR/CFD/CMD/56/2016 dated May 27, 2016 issued by the Securities and Exchange Board of India (SEBI), we enclose herewith **"Statement of Impact of Audit Qualifications"** of the Company for both Standalone and Consolidated Audited Financial Results separately for the FYE 31st March, 2016.

Please take this on record.

Thanking you,

Yours faithfully,

For Titagarh Wagons Limited

Aakash Sanaf

Authorized Signatory
Encl: As stated above

TITAGARH

Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results of Titagarh Wagons Limited – *Standalone for the financial year ended March 31, 2016*

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016 [*See* Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	**Sl. No.**	**Particulars**	**Audited Figures (as reported before adjusting for qualifications) (Rs. In lacs)**	**Adjusted Figures (audited figures after adjusting for qualifications) (Rs. In lacs)**
	1	Turnover / Total income (including other income)	33,670.72	33,670.72
	2	Total Expenditure (including tax expenses)	33,039.72	33,039.72
	3	Net Profit/(Loss)	631.00	631.00
	4	Earnings Per Share	0.57	0.57
	5	Total Assets	86,908.41	86,908.41
	6	Total Liabilities	9,934.93	9,934.93
	7	Net Worth (refer note a below)	76,324.05	76,324.05
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	**Audit Qualification**			
	a. **Details of Audit Qualification (as reproduced from the audit report):** We draw attention to Note 10(e) regarding non-provision against investment in equity shares, 0.1% optionally fully convertible debentures and loans given amounting to Rs 455.06 lacs, Rs 3,166.50 lacs and Rs 890.93 lacs respectively to Titagarh Marine Limited (TML), a wholly owned subsidiary Company, as at March 31, 2016, based on reasons mentioned therein, though the net worth as per the consolidated financial statements of the subsidiary is fully eroded. We are unable to comment on the carrying value/ recoverability of such investments and loan including consequential adjustments that may be required in these financial statements.		
	b. **Type of Audit Qualification :** Qualified Opinion		
	c. **Frequency of qualification:** First time		
	d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management views:** Impact not quantified by the auditors and therefore, not applicable.		
	e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**		
	(i) **Management's estimation on the impact of audit qualification:** Impact of audit qualification cannot be quantified.		
	(ii) **Management response and reasons for inability to estimate the impact:** The Board of Directors of the Company at its meeting held on September 24, 2015 had approved a Scheme of Amalgamation (the **Scheme**) of its wholly owned subsidiaries namely Cimmco Equity Holdings Private Limited and Titagarh Marine Limited (alongwith its two wholly owned subsidiary companies- Corporated Shipyard Private Limited and Times Marine Enterprises Private Limited) with Titagarh Wagons Limited pursuant to the Sections 391 to 394 and other applicable provisions of the Companies Act 1956. The Hon'ble High Court has sanctioned the Scheme and certified true copies of the order on the subject (the **Order**) have been received subsequent to the adoption of the financial statements for the year ended 31st March 2016. With the filing of the Order with the Registrar of Companies the Scheme is effective from 13/07/2016. Although the erosion of the networth of the respective subsidiary		

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	companies was already accounted for in the consolidated financial statements of the Company, pending sanction of the Scheme by the Hon'ble High Court no adjustment was made in the standalone financial statements for FYE 31/03/2016. The adjustment due to erosion in the networth of the respective subsidiaries would be considered in the standalone financial statements of the Company in the financial year 2016-17.
	(iii) **Auditors' Comments on (i) or (ii) above:** Refer details of audit qualification [para II (a) above]
III	**For Titagarh Wagons Limited** Umesh Chowdhary Vice Chairman & Managing Director and CEO
	Anil Agarwal Chief Financial Officer
	D N Davar Chairman of Audit Committee
	For S. R. BATLIBOI & CO. LLP **Firm Registration Number: 301003E/E300005** **CHARTERED ACCOUNTANTS** per Kamal Agarwal Partner Membership No.88652 S R Batliboi & Co. LLP Kolkata
	Place: Kolkata
	Date: August 22, 2016

Notes:

a) Net worth means paid up capital and free reserves. Revaluation reserve and foreign currency translation reserve have been excluded while calculating net worth.

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Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results of Titagarh Wagons Limited – *Consolidated for the financial year ended March 31, 2016*

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2016 [*See* Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications)	Adjusted Figures (audited figures after adjusting for qualifications)
	1	Turnover / Total income (including other income)	99,064.64	99,064.64
	2	Total Expenditure (including tax expenses and before minority interest)	101,872.37	101,872.37
	3	Net Profit/(Loss) (after minority interest)	(2,519.27)	(2,519.27)
	4	Earnings Per Share	(2.27)	(2.27)
	5	Total Assets	242,590.09	242,590.09
	6	Total Liabilities	162,521.11	162,521.11
	7	Net Worth (refer note a below)	69,200.00	69,200.00
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
II.	**Audit Qualification**			
	a. **Details of Audit Qualification (as reproduced from the audit report):** We draw attention to the following: 1. Note no. 15.2(a)(i) regarding certain claims of a step down subsidiary Company amounting to Rs 3,952.35 lacs (Rs 3,952.35 lacs as at March 31, 2015), which has been considered good of recovery by the management. Although the management is hopeful to recover the claims in full, pending final decision of the Court, we are unable to comment on its recoverability including consequential impact that may arise in this regard in these consolidated financial statements. This had also caused us to qualify our audit opinion on the consolidated financial statements for the year ended March 31, 2015. 2. A subsidiary Company has capitalised certain indirect expenses including business and market development amounting to Rs. 835.29 lacs (including Rs. 332.20 lacs recognised upto March 31, 2015) till December 31, 2015 as a prototype under intangible assets on the basis that the project has not started commercial production till December 31, 2015. This being a matter of management estimation and in the absence of adequate information on the evaluation of the nature of activities performed during the period, we are unable to comment on the appropriateness of such capitalisation in terms of Accounting Standard 26 on Intangible Assets including any consequential adjustments that may be required in this regard in these consolidated financial statements. This had also caused us to qualify our audit opinion on the consolidated financial statements for the year ended March 31, 2015.			
	b. **Type of Audit Qualification :** 1. Qualified Opinion 2. Qualified Opinion			
	c. **Frequency of qualification:** 1. Was Emphasis of matter for FYE 2011-12, and qualification for FYE 2012-13, 2013-14, 2014-15 and 2015-16. 2. Qualification for FYE 2014-15 and 2015-16			
	d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Impact not quantified by the auditors and therefore, not applicable.			

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	e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**
	(i) **Management's estimation on the impact of audit qualification:** Impact of audit qualification cannot be quantified.
	(ii) **Management response and reasons for inability to estimate the impact:** For first qualification: Rs. 3952.35 lacs recoverable from Indian Railways on account of difference of lease rental for the wagons leased to Indian Railways: In the year 1997-98 the Company (**Cimmco**) had entered into 3 separate sub-lease rental agreements with Indian Railways (IR) for lease to IR of 1200 wagons for a primary period of 10 years. However, owing to changes in the rate of Income Tax as well as the depreciation rate as per the Income Tax Act, the sub-lease rentals payable by IR to Cimmco in terms of the sub-lease agreements were impacted and IR, on a misinterpretation of the relevant clause in the sub-lease agreements, did not release the differential sub-lease rental to the Company. Although the issues were clarified, IR continued to withhold the differential payment and being compelled by non-recovery of its dues Cimmco invoked the Arbitration Clause and referred the matter to Arbitration on 27/10/2004. Due to the erosion of the net worth of Cimmco as at 30.06.2000 and Cimmco having become sick, the operations of Cimmco were suspended/closed with effect from 13.11.2000. As such, only a skeleton staff/personnel were available in Cimmco to actively pursue the matter. This led to lack of attention to the arbitration in the matter for a long time. Cimmco has been aggressively pursuing with the Arbitration Tribunal to expeditiously complete the Arbitration proceedings which had been kept in abeyance for the parties to explore the possibilities of amicable settlement. However, since the Tribunal did not fix further dates of hearing, a petition was filed before the Hon'ble High Court of Delhi on 14th August, 2014 seeking reconstitution of the Arbitration Tribunal. The matter was heard on 22nd August, 2014, however the Tribunal recommenced the proceedings and arguments have been concluded on May 2, 2015. Thereafter, the Tribunal has fixed September 7, 8 and 9, 2015 for making and publishing the award. The Tribunal passed an award on 03/02/2016 whereby the Company's claims were rejected. Being aggrieved by the award the Company has filed an appeal under section 34 of the Arbitration & Conciliation Act, 1996 (as amended) before the Hon'ble High Court, Delhi on 29/04/2016 and the matter was heard on 02/06/2016 when the Court directed issue of the notice to Indian Railways. The matter has been re-notified on 13/09/2016. Cimmco is convinced of merit of the case. The management is hopeful of getting a favourable order from the Hon'ble High Court, Delhi for recovery of the amount and hence this amount has been considered good of recovery. For second qualification: The expenses amounting to Rs.835.29 lacs relates to the certain portion of pre-operative expenditure of the Company's subsidiary Titagarh Agrico Private Limited (TAPL) which was in the process of implementing the project to manufacture tractors, accounted for such expenses as intangible assets under development in accordance with Accounting Standard 26. However, the auditors of the Company differ in their interpretation of the said Accounting Standard relating to the said portion of pre-operative expenditure and have therefore expressed such qualified opinion. The aforesaid cost incurred till the time of receipt of the ICT approval from Central Farm Machinery Training & Testing Institute, Budni (M.P.), Government of India, has been considered as pre-operative expense and capitalised in the books as the said approval was necessary to commence bulk production.
	(iii) **Auditors' Comments on (i) or (ii) above:** Refer details of audit qualification [para II (a) above]
III	**For Titagarh Wagons Limited** Umesh Chowdhary Vice Chairman & Managing Director and CEO

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Anil Agarwal
Chief Financial Officer

D N Davar
Chairman of Audit Committee

For S. R. BATLIBOI & CO. LLP
Firm Registration Number: 301003E/E300005
CHARTERED ACCOUNTANTS

per Kamal Agarwal
Partner
Membership No.58652

S R Batliboi & Co. LLP Kolkata

Place: Kolkata

Date: August 22, 2016

Notes:

a) Net worth means paid up capital and free reserves. Revaluation reserve and foreign currency translation reserve have been excluded while calculating net worth.