

**TEXMACO RAIL & ENGINEERING LTD.**

Annual Report 2014-15

**Vistas** >>>  
**next**





# The Unfolding Opportunities



The onset of FY '15 witnessed all-round buoyancy in public mood with heightened expectation of bold reforms and new paradigm in governance. The transition called for challenging adjustments to attune with the new pace of developmental strategy required for reaping the demographic dividend and meeting aspirations of the youth of the country.

Texmaco, with its world-class infrastructure, is poised to move in step with national priorities and create significant milestones in its contribution to the country's economy. The company is focusing on the creation of the right platforms through joint ventures with leading multinationals.

The highly professional and systems-driven management of the company is ready to play its part in the growth story of a dynamic India.

# Business units



## Rolling Stock

---

- High Payload Stainless / High Tensile Steel Freight Wagons
- Commodity Specific Wagons for Bulk Transport
- Special Purpose New Design Freight Wagons
- Bottom Discharge Coal Hopper Wagons
- Container Flat Rakes
- Tank Wagons
- Defence Equipment Wagons
- Chemical Carrying Wagons
- Auto Car Wagons
- Brake Vans
- EMU Coaches
- Coach Bogies
- Loco Shells & Components



## Steel Foundry

---

### Domestic

---

- High Speed Bogies
- H.T. Couplers
- Draft Gears
- Draw Bars
- Tight Lock Couplers
- CMS Crossings
- Industrial Castings for:
  - Earth Moving Equipment
  - Hydro Power Projects

### Export

---

- High Axle Load Bogie Castings
- Shroud Castings
- CMS Frogs
- Rotary Yokes



## Hydro-mechanical Equipment

---

- Gates in a wide range (Radial, Vertical, Mitre, Flap type)
- Penstocks / Pressure Shaft Liners
- Bifurcation, Trifurcation, Transition, Expansion Joints, Manifolds, Fixed & Rocker Supports and Specials
- Stoplogs / Bulkhead Gates
- Hydraulic, Rope Drum, Hoists, Screw Hoists, Travelling Hoists etc.
- Knife Edge Gate Valve (Screw / hydraulic / Electric Acuator operated) / Filling-in-valves
- Trashracks / Screens
- Trash Rack Cleaning Machines
- Goliath / EOT Cranes / Lifting Beams
- Refurbishment / replacement & overhauling of HM equipment of old hydro projects / barrages



## Bridges and other Steel Structures

---

- Industrial, Power House and Flyover Steel Structures
- Steel Bridges
- Ship Hull Blocks



## Process Equipment & Others

---

- Horton Sphere
- Cryogenic Vessels
- Clay Filter
- Gas Cooler
- Cold Box
- Heat Exchanger
- Agro Machinery

# Contents

|  |    |
|--|----|
| Corporate Information                    | 05 |
| Chairman's Message                       | 06 |
| Financial Highlights for ten years       | 08 |
| New Initiatives                          | 10 |
| Unique Opportunities                     | 12 |
| From the desk of Executive Vice Chairman | 14 |
| Work-Life Balance                        | 16 |
| Corporate Social Responsibility          | 18 |
| Report of the Directors                  | 20 |
| Report on Corporate Governance           | 55 |
| Auditors' Report                         | 67 |
| Balance Sheet                            | 70 |
| Statement of Profit and Loss             | 71 |
| Cash Flow Statement                      | 72 |
| Notes to Financial Statements            | 73 |

# Corporate Information



## Directors

S.K. Poddar, *Executive Chairman*  
Ramesh Maheshwari, *Executive Vice Chairman*  
A. C. Chakrabortti  
Sampath Dhasarathy\*  
D. R. Kaarthikeyan  
Hemant Kanoria  
Sunil Mitra  
Ms. Mridula Jhunjunwala  
Akshay Poddar  
D. H. Kela, *ED & CEO (SF)*  
Sandeep Fuller, *ED & CEO (HED)*  
A. K. Vijay, *ED, CFO & Secretary*

## Auditors

M/s. K. N. Gutgutia & Co., Kolkata

## Bankers

State Bank of India  
ICICI Bank  
HDFC Bank  
YES Bank  
Axis Bank

\* Resigned w.e.f. 31st May, 2015



## Registered & Corporate Office

Belgharia, Kolkata 700 056  
Phone: (033) 2569 1500  
Fax: (033) 2541 2448  
Email: [texrail\\_cs@texmaco.in](mailto:texrail_cs@texmaco.in)  
Website: [www.texmaco.in](http://www.texmaco.in)

## Kolkata Office

Birla Building  
9/1, R.N. Mukherjee Road  
Kolkata 700 001  
Phone: (033) 3057 3700  
Fax: (033) 2242 5833

## Regional Offices

• New Delhi • Mumbai

## Works (Kolkata)

### Heavy Engineering

• Agarpara • Sodepur • Panihati • Belgharia

### Steel Foundry

• Belgharia

CIN: L29261WB1998PLC087404

# Chairman's Message

---

## 'Make in India' Initiative


India is agog with expectations of 'achhe din', but the transformation cannot be done overnight. Doubtless, it will require a longer time horizon for correcting the deep-seated maladies, economy imbalances and broadbasing development moving away from an elitist approach. It would all need patience and perseverance, given the backlog of several decades. This is a truly daunting task to attain deliverance from mass deprivation and gross inequalities. The present leadership of Prime Minister Shri Narendra Modi exudes optimism of a new developmental paradigm to generate all-inclusive growth.

The Indian economy has to realize its full potential to pull millions of countrymen out of a dark alley and provide them self-esteem through job creation and gainful employment opportunities to harness the country's rich demographic dividend. In this direction, the government has already launched major schemes for providing vocational and technical training to build new skills. The National Mission for Skill Development aims at consolidating several initiatives in this regard. The movement for encouraging start-ups is catching up and gaining momentum.

Distributive justice and a general welfare of the masses will need robust GDP growth in a stable environment with the right macro-economic priorities. Innovative schemes will have to be launched across all Ministries to boost economic growth. A number of measures have been initiated by the Government to remedy the virtual paralysis of the economy in the recent foregoing years. But unfortunately, some of the major policy actions, for instance the GST, have been stymied in the legislative process in mindless political wrangles, regardless of the general consensus on substantive provisions. The alternate route of Ordinances is not the solution for such an imbroglio. For a populist country like India, major economic reforms have to be supported across party lines for the people's cause we all profess to espouse.

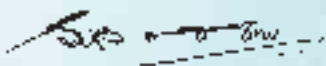
In addressing the economic issues, we have also to reckon global developments, which impact merchandise exports, rendering the economy vulnerable to external shocks. The softening of crude and gold prices is expected to help contain the Current Account Deficit within 1.5% of GDP. However, the outlook for capital flows remains uncertain as the US Monetary Policy (later in 2015) would substantially affect the capital movement in emerging markets.





For Texmaco Rail, the emphasis of the Government in revitalizing the manufacturing sector with a special priority on the Rail Sector would be conducive to its accelerated growth and diversification programme. This will enable the Company to fulfill its corporate vision of becoming a global engineering enterprise. The 'MAKE IN INDIA' slogan of the Prime minister will need to be backed by appropriate labour market reforms, regulatory framework and an administrative environment to curb unhealthy business practices and facilitate the ease of doing business.

The time is not far when India will earn its rightful place in the Comity of Nations.



**S.K. Poddar**

*Executive Chairman*

# Straitened Business Scenario

During FY'15, the company was navigated through a difficult business environment. The working results were impacted by inefficient resource utilization owing to inadequate Railway wagon orders, aggravated by uneconomic wagon prices and unhealthy industry competition.

## Gross turnover

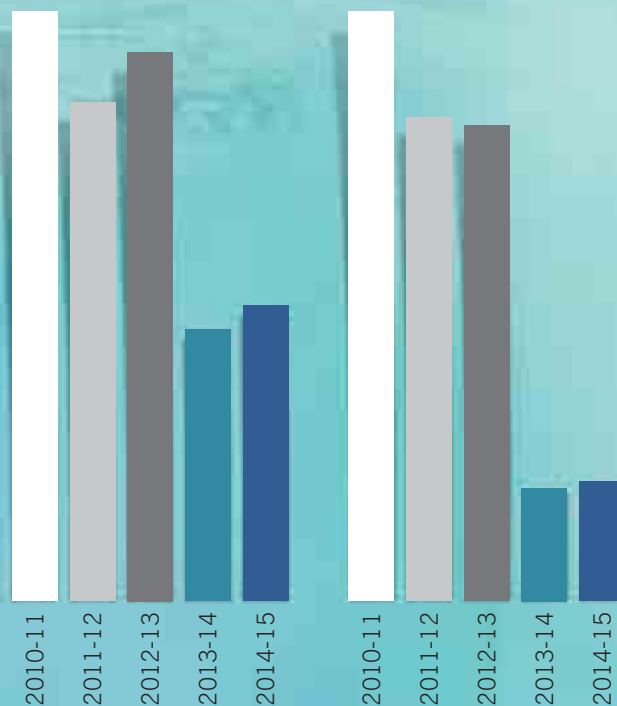
(Rs. in million)

|       |      |       |      |      |
|-------|------|-------|------|------|
| 11175 | 9451 | 10360 | 5152 | 5596 |
|-------|------|-------|------|------|

## EBIDTA

(Rs. in million)

|      |      |      |     |     |
|------|------|------|-----|-----|
| 1834 | 1505 | 1481 | 352 | 371 |
|------|------|------|-----|-----|



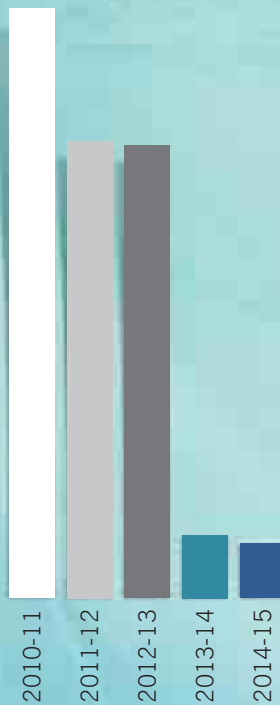
## Financial highlights for ten years

|  | 05-06     | 06-07     | 07-08     | 08-09      | 09-10      |
|--|-----------|-----------|-----------|------------|------------|
| Gross sales *  | 39,216.52 | 47,612.75 | 94,352.84 | 109,125.45 | 112,549.43 |
| Other income   | 259.30    | 455.92    | 596.37    | 796.95     | 1,452.96   |
| Gross profit (PBDT)  | 3,300.74  | 4,836.63  | 10,958.15 | 12,273.12  | 15,086.20  |
| Profit before tax  | 2,873.16  | 4,313.54  | 10,072.12 | 11,137.72  | 13,937.64  |
| Tax for the year   | 906.15    | 1,391.20  | 3,099.10  | 3,508.36   | 4,592.03   |
| Profit after tax   | 1,967.01  | 2,922.34  | 6,973.02  | 7,629.36   | 9,345.61   |
| Extraordinary /exceptional items                             | 65.62     | 74.73     | 63.95     | 45.38      | 41.13      |
| Profit after tax (PAT) and extraordinary / exceptional items | 1,901.39  | 2,847.61  | 6,909.07  | 7,583.98   | 9,304.48   |
| Equity #   | 1,032.57  | 1,032.57  | 1,107.83  | 1,107.83   | 1,271.83   |
| Free reserves  | 11,445.60 | 13,809.99 | 21,567.28 | 28,409.95  | 52,978.05  |
| Equity share book value (Rs.) ##                             | 118.78    | 142.03    | 206.08    | 26.64 **   | 42.65      |
| Rate of dividend   | 30%       | 40%       | 75%       | 75%        | 90%        |

### PBT

(Rs. in million)

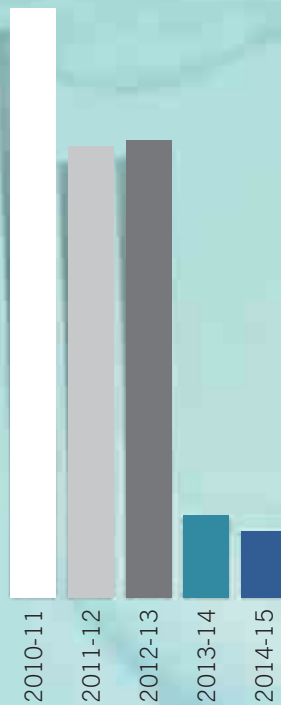
|      |      |      |     |     |
|------|------|------|-----|-----|
| 1757 | 1363 | 1348 | 188 | 162 |
|------|------|------|-----|-----|



### PAT

(Rs. in million)

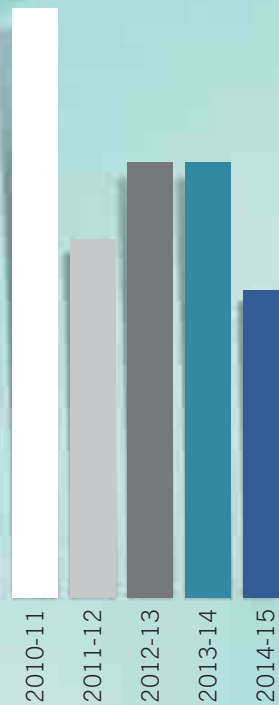
|      |     |     |     |     |
|------|-----|-----|-----|-----|
| 1215 | 931 | 943 | 170 | 137 |
|------|-----|-----|-----|-----|



### Debt-equity ratio

(Rs. in million)

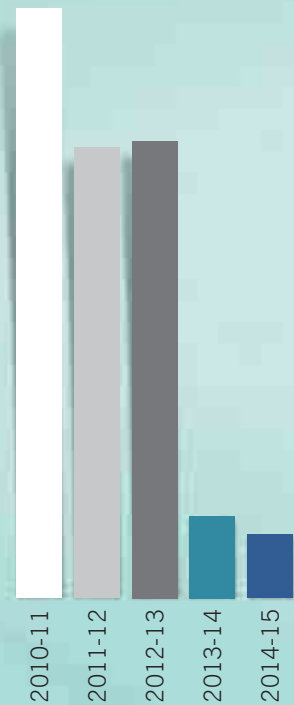
|      |      |      |      |      |
|------|------|------|------|------|
| 0.23 | 0.14 | 0.17 | 0.17 | 0.12 |
|------|------|------|------|------|



### EPS (Basic)

(Rs.)

|      |      |      |      |      |
|------|------|------|------|------|
| 6.68 | 5.11 | 5.18 | 0.93 | 0.72 |
|------|------|------|------|------|



(Rs. in lakhs)

|  | 10-11     | 11-12    | 12-13     | 13-14    | 14-15    |
|--|-----------|----------|-----------|----------|----------|
|  | 111750.32 | 94514.54 | 103596.50 | 51517.43 | 55956.41 |
|  | 1866.49   | 2560.74  | 3096.69   | 2289.02  | 2369.38  |
|  | 18424.71  | 14543.52 | 14415.85  | 3049.72  | 3115.93  |
|  | 17566.21  | 13625.72 | 13476.67  | 1875.94  | 1622.31  |
|  | 5418.16   | 4320     | 4049.76   | 178.72   | 248.76   |
|  | 12147.60  | 9305.72  | 9426.91   | 1697.22  | 1373.55  |
|  | -         | -        | -         | -        | -        |
|  | 12147.60  | 9305.72  | 9426.91   | 1697.22  | 1373.55  |
|  | 1817.83   | 1820.27  | 1820.27   | 1820.27  | 2100.64  |
|  | 40571.05  | 47837.94 | 55135.23  | 56300.04 | 86432.14 |
|  | 23.00     | 27.28    | 31.29     | 31.93    | 42.14    |
|  | 100%      | 100%     | 100%      | 25%      | 25%      |

\* Invoiced value varies depending on free-issue materials used by the company for the production of Wagons and Hydro-Mechanical Equipment.

# 16400000 Equity Shares (QIP) issued at a premium of Rs. 103 per share in 09-10. 28037383 Equity Shares (QIP) issued at a premium of Rs. 106 per share in 14-15.

## Computed on the post-rights equity base of Rs. 1,032.57 lakhs in 2004-05 and equity base of Rs. 1,107.83 lakhs as per scheme of arrangement in 2007-08.

\*\*\*Equity Shares of the Company were split to Re.1 Per share (previous year Rs.10 per share) with effect from 9th January 2009.



A 2-tier Rake carrying Vehicles for Multinational Auto Manufacturers

# New Initiatives

Automobiles being loaded



In the service of Indian Railways

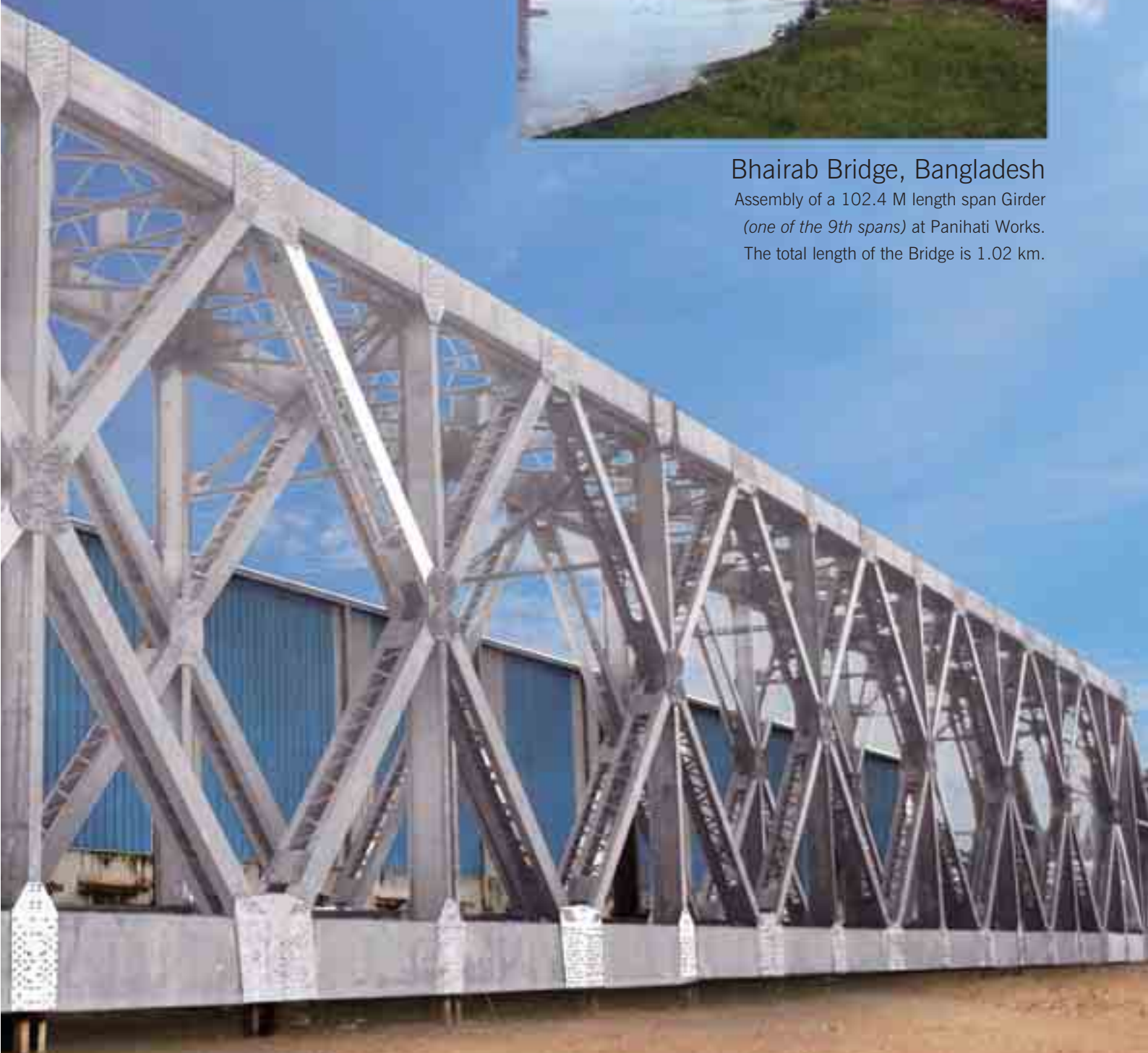
EMU rake leaving Texmaco Works to join the India Railways fleet

# Unique Opportunities





Bhairab Bridge, Bangladesh  
Assembly of a 102.4 M length span Girder  
(one of the 9th spans) at Panihati Works.  
The total length of the Bridge is 1.02 km.



From the desk of  
**Executive  
Vice Chairman**



### **The Hope**

In FY '15, the country was in a state of momentous transition to the present Government under the dynamic leadership of the Prime Minister Shri Narendra Modi. The transition heralded a new era; there was high-octane expectation all round for addressing the aspirations of the people at the grassroot level and lifting the nation out of a state of morass. There is an unprecedented zeal being witnessed across the board which is expected to gather pace and unleash the spirit of the people and help create a more vibrant India.



In the complex Indian polity, however, the path ahead was strewn with imponderables. In the normal course, it would have been scarcely possible to rid the governance of the bureaucratic mindset used to discretionary and discriminatory dispensation to sub-serve partisan interests. It is hoped that emboldened by the overwhelming mandate of the people for clean and good governance, there will be a persistent drive to clean the Augean stables.

### Surge in the Rail Sector

In the economic policy pronouncements of the Government, the Rail Sector figured prominently as the major beneficiary of a massive capex plan of Rs.8.56 lakh crore over the next 4 years. It is, indeed, a tall order and would call for out-of-box thinking to harness investment through PPP, FDI and multilateral/bilateral agencies.

Texmaco, alive to the growth opportunities, has taken decisive steps to reincarnate itself by broad-basing its product profile and emerging as a Total Rail Solutions provider. It successfully entered into partnerships and alliances with leading multinationals in the field of Locomotives, Coaches, Steel Bridges, EPC projects for Track laying, Signaling, Brake Equipment and Electronics etc.

The promise and potential of India's Rail Sector are immense, and the company is continually building its resources in infrastructure and technology, powered by professional skills for an impressive growth. In the journey to move into the big league, the Management is acutely aware of the intense competition and the imperative to create landmarks by illustrious performance to differentiate from the crowd.



**Ramesh Maheshwari**

*Executive Vice Chairman*



Picturesque fountain  
in the Children's Park



World Environment Day Celebration



Children's Park



Monsoon party at the swimming pool

# Work-Life Balance

# Corporate Social Responsibility

1. 'Women Empowerment' programme at the factory's Swimming Pool Club
2. Blood Donation Camp organised at Texmaco Workers' Club
3. Workshop at BITS training centre
4. Financial assistance to the local people to support education and healthcare through Texmaco Neighbourhood Welfare Society
5. 'Employee Recognition Award' for making significant contributions in the Shop working







# Report of the Directors

Your Directors have pleasure in presenting the 5th Operational Annual Report of the Company along with the Audited Financial Statements of the Company for the year ended 31st March, 2015.

## FINANCIAL RESULTS

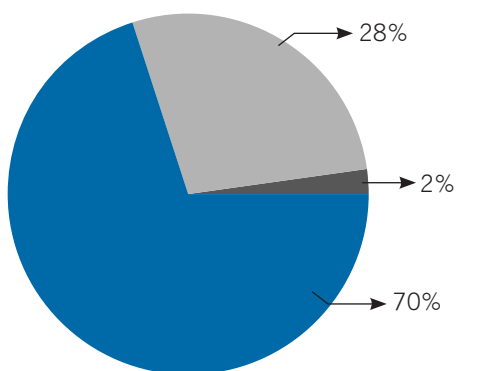
|   | <i>Rupees in Lakhs</i> |                  |
|---|------------------------|------------------|
|   | 2014-15                | 2013-14          |
| <b>Operating Profit (PBIDT)</b>                 | <b>3,707.72</b>        | <b>3,517.24</b>  |
| Less: Interest (Net)                            | 591.79                 | 467.52           |
| <b>Gross Profit (PBDT)</b>                      | <b>3,115.93</b>        | <b>3,049.72</b>  |
| Less: Depreciation                              | 1,493.62               | 1,173.78         |
| <b>Profit before Taxation</b>                   | <b>1,622.31</b>        | <b>1,875.94</b>  |
| Less: Provision for Taxation:                   |                        |                  |
| Current Tax                                     | 180.00                 | 355.00           |
| MAT Credit Entitlement                          | (45.00)                | (355.00)         |
| Deferred Tax Liability/(Asset)                  | 336.50                 | 174.57           |
| Income Tax for earlier year                     | (222.74)               | 4.15             |
| <b>Profit after Taxation</b>                    | <b>1,373.55</b>        | <b>1,697.22</b>  |
| Add: Balance brought forward from previous year | 11,376.33              | 10,711.52        |
|   | <b>12,749.88</b>       | <b>12,408.74</b> |
| <b>Appropriations</b>                           |                        |                  |
| Proposed Dividend on Equity Shares (Incl. Tax)  | 632.07                 | 532.41           |
| General Reserve                                 | 500.00                 | 500.00           |
| Balance Carried Forward                         | 11,617.81              | 11,376.33        |
|   | <b>12,749.88</b>       | <b>12,408.74</b> |



During the year under review, the Company's overall performance was substantially impacted due to general sluggishness in the market, release of inadequate orders by Railways and that too at un-remunerative prices affecting the top and bottom line of the Company.

The Gross Turnover for the year stood at Rs. 5596 million, net of the value of free-supply inputs (including steel and components) of over Rs.2110 million, provided to the Company by Indian Railways and other clients for some large value contracts.

### Division-wise turnover



■ Heavy Engg. Divn.    ■ Steel Fdy. Divn.  
 ■ Others

FY 2014-15

The Gross Profit for the year (PBDT) and Profit Before Tax (PBT) were at Rs.312 million and Rs. 162 million respectively. The Net Profit was Rs.137 million, after providing net tax liability of Rs.25 million for the year has been created in the Profit and Loss Account in accordance with the Accounting Standards issued by the Institute of Chartered Accountants of India.

### Dividend

In view of lower profits, the Directors recommend payment of a dividend of 25% for the year ended 31st March' 2015.

## THE MANAGEMENT DISCUSSION AND ANALYSIS

In the previous year's Report of the Directors, the Management had expressed its concern about the setback suffered owing to depleting orders bringing the production to a virtual halt in the last quarter Jan-March 2013. No orders were released for FY' 14 until the beginning of the next year FY'15 .

The acute paucity of orders continues to dog the Industry and, if anything, the situation has worsened in the current year 2015-16. Beside the quantum of orders, what is more worrisome is the precipitate fall in wagon prices owing to predatory pricing by new entrants in the field in their anxiety to get workload to maintain their operations .

In essence, the bane of the Industry is inadequate orders and the inequity of a regressive pricing formula for award of wagon orders, which has created serious imbalance in the entire procurement process to the detriment of the Railways themselves. In fact, the present system of tendering followed by the Railway Board would scarcely serve the much acclaimed pronouncement of the present Government to build a world class rail network with a proposed outlay of US\$ 140 billion. Needless to say, Railways are the lifeline of the nation, and the policies relating to procurement of Rolling stock and building of supportive infrastructure with firm timelines for implementation need to be revisited and efficiently administered with speed and alacrity.

### Heavy Engineering Division

#### A. Rolling Stock Division

##### a. Freight Car

For the year 2013-14, the company received an order for 2400 wagons (the highest in the Industry) in end April'14, based on performance criteria. Later, an additional quantity of 278 wagons were diverted by Indian Railways to the Company owing to the default of certain other wagon builders. The margins were, however, under severe pressure owing to unremunerative price at which the order was awarded in face of price war amongst the bidders in the Industry, who were starved of orders and saddled with huge idle capacity in the previous year.



Besides, the company secured non-IR orders for 1502 wagons, valued Rs.4887 million (ex-works), which included a prestigious order for 974 MBWT wagons (for transport of Battle Tanks), valued Rs.3428 million (ex-works) from the Ministry of Defence, Govt. of India.

During the year, the company executed orders for 2062 wagons altogether, valued Rs.3235.7 million made up of 77% IR and 23% non- IR orders. The performance could have been better but for the delayed availability of free issue materials from Railways.

The Wagon Industry, which has been smarting under severe losses owing to idling capacity and uneconomic prices as aforesaid, was hoping for some mitigation post Railway Budget for FY'16. However, to the utter disappointment of the Industry, the wagon Tender by the Railways for FY'16 is only for a reduced quantity of 8509 numbers against the budgeted quantity of 16800 wagons. To make it worse, the prices quoted by a new entrant (just approved by RDSO on 14th April'15) in respect thereof (opened on 20th April '15), registered a further steep reduction by more than 10% of the previous prices. The Industry has no more resilience to take the shock of further losses after highly adverse working during the last two years.

In the field of New Design Special wagons, the company successfully developed and executed an order for 3 rakes of Double-deck Car Carrying wagons from an esteemed group of multinationals. There has also been a repeat order for 3 more rakes with potential for further orders. The prototype development of an advanced model of this type of wagon to European design is progressing well, and the company expects to offer it to the market in the near future. The container movement is also picking up, and as your company has an excellent track record of supplying container rakes to most of the important CTOs, it expects substantial business in this segment. This apart, with Double Decker Container being developed in technical collaboration of UGL, Australia, there would be a good opportunity especially, to cater to DFC requirement. Besides, the company has identified other Commodity-specific special wagons with good market prospects, and the development work is progressing thereon.

With the initiative of the present Government, the progress on DFC is gathering momentum. Your company, in association with Kalindee Rail Nirman (Engineers) Ltd., is now well poised to secure business in the field of Rail Infrastructure, such as, Track Laying, Signaling, Rail Telecom etc. The demand for high capacity heavy haulage wagons is in the offing for which your Company is well geared up.

## b. EMU Coaches

Your Directors are pleased to report that the first rake of EMU Coaches was successfully commissioned during the year and is in commercial service on Eastern Railway since 3rd Feb' 2015. It was manufactured at the new State-of-the-Art coach manufacturing facility at the company's Sodepur Works.

With the successful completion of the development order, your company is qualified to get further orders from Indian Railways.

## c. Electric Locomotive Components / Assemblies

As mentioned in the last report, your Company has diversified into manufacture of Electric Locomotive Shells and Sub-Assemblies, and secured orders for supply of Centre Sills, Head Stocks, Roof Structures, Underframe Assemblies and Complete Shell Assembly. The delivery of these components to the Railways has commenced. The facilities set up for their manufacture have generated a lot of interest among leading multinationals. Your company hopes to establish its position as a premier supplier of Locomotive Assemblies and Sub-Assemblies in the coming years.

## d. Fabricated Bogie Frames

Your Company has also diversified into manufacture of Fabricated Bogie Frames and secured developmental orders for supply of Fiat Bogie Frames (Unmachined) & Bogie Frames for DMU Coaches. It expects to further consolidate its position as a supplier of Bogie Frames for ICF & RCF in the coming years.

## e. Mining & Tunneling Locomotives

Your Company has been appointed as the exclusive agent of M/s. Clayton Equipment Ltd. UK, for marketing of their Mining & Tunneling Locomotives in India. Clayton Equipment Ltd., UK is a world renowned company engaged in the manufacture and supply of mining and tunneling locomotives.

## Joint Ventures

### Texmaco UGL Rail Private Limited

The Joint Venture (JV) with UGL Rail Services Ltd., Australia, with State-of-the-Art manufacturing facility, was set up primarily to cater to the huge requirement of locomotive, wagon and coach components for the Australian market through UGL. Investments in the JV were made accordingly in line with business potential projected by UGL. However, due to changing market dynamics





in Australia, in the first year of operation itself, UGL's business projection collapsed by more than 80% and, the situation continued to be dismal in the second year of operation as well. This resulted in substantial idling of capacities, and the revenue could be achieved only to the tune of Rs. 207.9 million compared to Rs.149.1 million in the first year

In this backdrop, the JV had to take initiatives to develop its own customer base and take steps for getting registered, qualified and audited for acceptance of trial orders. It has been done successfully with respect to some global companies like GE Transportation, Alstom, Harsco, ZF, etc. It has also been successful in getting trial orders from Indian Railways for Coach Bogie Frames. The product portfolio has thus become more broad-based, and currently the JV is targeting long duration projects which require Hi- precision, Hi-tech manufacturing capability.

#### **Touax Texmaco Railcar Leasing Private Limited**

Recovering from a period of sluggish economic activity and poor investment sentiment, the company signed its first leasing contract this year with a leading logistics company. The lean period that the transportation industry in general and the Railways in particular had been going through is a matter of past. The company expects to sign few more leases in the immediate future.

With the new administrative dispensation in the Ministry of Railways, there are progressive moves initiated to promote leasing, introduction of new wagon types and greater private participation in the development of Railway infrastructure. All this augurs well for the leasing industry and the company looks forward to a fulfilling year.

#### **Wabtec Texmaco Rail Private Limited**

Wabtec Corporation, headquartered in Wilmerding, Pennsylvania, USA, has joined hands with Texmaco Rail & Engineering Ltd. to form a joint venture company in India under the name and style of 'Wabtec Texmaco Rail Pvt. Ltd'.

Wabtec is a global provider of value-added, technology based products and services for Rail and other Industrial markets.

Wabtec Texmaco Rail would offer Wabtec's globally competitive Freight and Friction products to Indian Railways. The Company, with its technologically advanced products (including High Capacity Draft Gears & Bogie Mounted Brake Systems under the Freight segment and Composition material lined Friction Wedges & High performance Brake Blocks under the Friction

segment), would help Indian Railways attain higher levels of safety, productivity and efficiency. Leveraging Texmaco's market leadership in Indian Railways, Wabtec Texmaco Rail is poised to become a market leader in its range of products in the very near future.

### **Associate Company**

#### **Kalindee Rail Nirman (Engineers) Limited**

The company, with a view to expanding its footprint in the emerging Rail Sector, made a strategic acquisition by acquiring 49.07% Equity (including Shares to be transferred under a Share Purchase Agreement) in the well-established Rail Infrastructure Company, Kalindee.

The Board of Directors of the Company looking to the synergy of business of Kalindee with the Company, has approved the Scheme of Merger of Kalindee into the Company. In terms of the provisions of the Act, the Company filed necessary application before the Hon'ble High Court, Calcutta, for approval of the Scheme of Merger. Similar application was filed by Kalindee before the Hon'ble High Court, Delhi, for approval of the said Scheme.

The Hon'ble High Court, Calcutta, has vide its order dated 14th May 2015, asked the Company to convene a Meeting of the Shareholders of the Company for their necessary approval of the Scheme. This will enable the Company to target large value contracts with the combined strength of Texmaco and Kalindee for various Rail Solution Projects of the Railways, public & private organizations and others.

#### **B. Hydro Mechanical Eqpt. and Steel Structures**

The performance of the Division significantly improved during the year. The turnover increased to Rs. 550 million as compared to Rs.300 million in the previous FY. The activity has gained momentum in the current year, and the Division is expected to further improve its performance with a comfortable work load of Rs.3560 million in hand.

There are encouraging business opportunities emerging from intensified participation of the company in domestic and international bids, many of which have become active since the beginning of the current year after lying dormant for some time. The company has bagged a contract worth Rs.500 million in Himachal Pradesh and hopes to finalise Rs.1000 million worth of contracts in the near future. It has also pre-qualified to participate in large value prestigious Hydro Project tenders of



NHPC in Sikkim, Arunachal Pradesh, Himachal Pradesh, and of DGPC in Bhutan.

After successful completion of a couple of refurbishment contracts, the Division is well entrenched into refurbishment / upgradation work of old hydro projects.

It has emerged the winner against rehabilitation tender for Chhukha Hydel Project, (the oldest power project of Bhutan).

### C. Bridge & other Steel Structures

Your company has reorganised and upgraded the facilities available at its Panihati works, and has started a new Bridge & Structural Division, which has taken off handsomely with export orders for around 9000 MT of fabrication/erection work for Bridge Girders worth Rs. 998 million for major bridges in Bangladesh and Sri Lanka.

With the emphasis of the present government on expansion, upgradation and modernisation of the Railway Infrastructure, including expediting the Dedicated Freight Corridor (DFC), there is a huge potential in the Bridge Structural segment, and your company hopes to establish itself soon as a premium player in this field.

### Steel Foundry Division

The production and despatch during the year were 12193 MT and 13184 MT against 8006 MT and 9947 MT, a surge of 52% and 33% respectively over the previous year. The turnover improved by about 15% and stood at Rs. 1591 million. The Foundry maintained its status of the leading supplier of Railway Castings with a market share of 30% in bogies and 31% in couplers.

The mismatch in demand and production capacity in the Industry had led to unhealthy competition and depressed the price realisation. In consequence, the bottom line of the Foundry was impaired.

On the export front, while there was a setback owing to non-execution of orders from Ukraine due to ongoing political unrest, the exports to other developed nations registered improvement and stood at Rs.153 million.

During the year, your Foundry developed a number of new OEM Parts with exotic specifications to be used in Swedish & Canadian mining industry, and an educational order has also been received

for these products. The world renowned Dellner of Sweden has also placed an initial order with the Foundry for couplers which will be fitted & used in Metro train in Hong Kong Railways.

The Foundry has successfully passed Re-certification Audit valid up to 2017, conducted by independent auditors of Association of American Rail Road (AAR). The Bogie Castings developed for North American market are undergoing Static and Dynamic tests at AAR laboratory in USA. Upon successful completion of tests which is expected shortly, the supplies of Railway Castings to North American market will commence and add significantly to the working results from second half of the current year.

### Exports

During the year, the Company executed export orders worth Rs.410 million, comprising of Hydro Mechanical Equipment to Nepal and Steel Castings to USA and Australia. The Company's products are accredited with CIS countries. Unfortunately, due to political unrest and setback in Ukraine, the export to that country did not materialise.

The company has received an order for Rs. 20 million for export of wagon components to certain African countries. In Hydro Mechanical Equipment Division, the company, based on its satisfactory performance in Upper Tamakoshi Project in Nepal, is set to receive substantial additional orders during the year.

### R & D Activities

The R&D activities of the Company are focused on development of New Hi-tech products for export and domestic markets. The programmes undertaken to upgrade the technology and processes are:

#### A. Steel Foundry Division

##### (a) Export Bogie Castings

Alloy Steel Bogie Castings for High Axle Load ( 27.5T) have been developed and sample castings sent to a foreign laboratory for static and dynamic Fatigue testing and quality approval, the results of which are awaited.

##### (b) Indigenous Bogie Castings

- i. High Axle Load Bogie castings for Indian Railways (25T) have been developed. The castings are in the process of testing by RDSO for Fatigue Analysis and Quality.

- 
- ii. High Capacity Draft Gear Castings (Import Substitution) have been developed and tested, which will be commercially exploited.
  - iii. High Wear Resistance Railway Crossing Castings with Refined Grain Structure have been developed. The company expects to exploit this product soon.
  - iv. Three New Grade High Wear Resistance Components were developed for mining industry with export potential. These are now under testing and the products will be sent to mines for field trial.

## **B. Heavy Engineering**

### **1. Rolling Stock**

The company has successfully designed and developed following two types of Double Deck Wagons, which will result in faster loading and unloading and higher carrying capacity:

- i. Bogie Double Deck Autocar Carrying (BDDAC) wagon has been designed with technical support from a renowned European Company, and the prototype is getting ready.
- ii. Bogie Flat Container (BFCT) double stack wagon for the Dedicated Freight Corridor which has been designed with the technical support from UGL, Australia, and is in the final stage of approval by RDSO including the detailed Fatigue Analysis. The approval for design and the permission for prototype manufacturing are expected shortly.

### **2. Hydro mechanical Division**

The Division has developed a new design for Bifurcation Pipes with crescent girder construction. The design has been done for pipes with diameter ranging from 1.47m to 3.6m, duly validated by Finite Element Analysis (FEA) and also approved by European Consultants. The Bifurcation Pipes, to be installed as inlet pieces for 6 nos. turbines of hydro power generation, are subjected to extreme conditions of loading. The materials were carefully selected and appropriate fabrication procedures established including the necessary testing before installation.

## **IT Services**

To keep pace with the latest development in Information Technology for business application, the IT Department is adopting practical solutions to facilitate efficient and smooth functioning of manufacturing operations. The network of all the business units is now integrated with increased internet bandwidth to establish improved online connectivity. To bring security in business information, fire-proof Safe has been introduced for backup data.

The phase-2 implementation for extension of R12 ERP system to the Manufacturing & Sales operations was initiated during last quarter of FY 13-14 with the assistance of the Implementation Agency, KPMG. It has been successfully accomplished and is in use since 4th quarter of FY '15. Presently, the entire business operations like Procurement, Inventory, Production, Sales and Finance are encompassed in Oracle ERP Application R12 version with the successful completion of ERP phase-2 project.

## **Human Relations**

Your company believes that employees are the capital and its job is to grow that capital.

The Company continues its practices with business goals, motivate the team members for improved performance both in terms of quality and productivity. It has the aspirations for more global and competitive future where managing costs, productivity and talent is going to be HR challenge.

The company organised various programmes which include Attitudinal Development, Communication Skills improvement, Health & Safety awareness, better House Keeping, effective Energy Management, Production Process Improvement, Total Quality Management, and others. Several in-house programmes and Package programmes have been conducted for disseminating knowledge from vast cross section of the industries to benefit from their expertise practices. Training is also imparted for workmen of all disciplines.

The Company continues to maintain cordial and harmonious industrial relations over the decades. The management enjoys full cooperation, understanding and trust of the workmen and their unions in implementing its growth-oriented programmes and promoting latest technology for achieving Cost effectiveness, On-time delivery & Quality.



## Opportunity & Threat

After a dismal FY'14, a new dawn appeared on the horizon with the Rail Sector under focus in the novel scheme of priorities set by the government under Prime Minister Shri Narendra Modi. The Rail Budget for FY'15 signalled a major shift from the drift in policy planning which was responsible for underperformance of Railways, yielding ground to other modes of transport. There was a clear acknowledgement of the need for **'Good Economics over Bad Politics'** and to accord Railways the pride of place to match progressively with rest of the world. The Rail Budget of the new government in July'14 was a visionary statement to put Railways on fast track. It was a welcome turn of events creating new excitement in the Rail Sector.

Looking to the huge void and severe resource constraint, the task is indeed daunting. Given the new found will, however, there has been considerable enthusiasm for Foreign Direct Investment (FDI) and funding by domestic and global Institutions and multilateral agencies. Long term packages are on anvil to accelerate the programme for Rail network expansion and high speed connectivity to enable the country to move in the double digit growth trajectory.

Notwithstanding the clear roadmap, the implementation at the ground level gets mired in democratic framework and has hiccups in critical areas, especially land acquisition. The government, however, is pursuing resolutely to go fast forward in phased implementation of the celebrated schemes, such as Dedicated Freight Corridor (DFC).

Beside garnering ways and means, the regulatory framework in the Ministry of Railways has to be radically changed and administrative machinery geared to harness the local entrepreneurship and create a congenial business environment of partnership in building a world class domestic industry. It is unfortunately wanting, but the comfort is that the problems have been acknowledged and are being addressed with a sense of urgency.

## Corporate Social Responsibility


Your company firmly believes in the commitment to all our stakeholders and local communities for ensuring sustainable development.

The fundamentals of CSR rest on the fact that not only Public policy but even corporates should be responsible enough to address social issues. CSR has been present in this country since long and it has gone through many phases in India like Philanthropy to Trusteeship etc. but now CSR has been integrated with sustainable business strategy. The ability to make a significant difference in the society and improve the overall quality of life has clearly been proven by the corporates. All corporations will continue to try and bring about a change in the current social situation in India in order to have an effective and lasting solution to the social woes.

Texmaco's journey over several decades has been enthralling chronicle of pioneering initiatives in engineering operations in infrastructure development for the nation and community development. Texmaco follows a practice of responsible industrialization with minimal impact on environment and socio-economic empowerment of the community.

The company has been engaged in CSR activities prior to CSR found its place in corporate glossary. The concept of corporate citizenship has already been gaining ground with concern and understanding to integrate social, environmental, ethical human rights into the business operations. The organisation is conscious and significantly contributing to the improvement of the quality of life of the community at large, as well as, the workforce and their families. Texmaco Management has committed liberally to the development of social infrastructure with amenities which are the envy of most urban dwellers. The management has been spearheading sustainability strategy to achieve a fine balance of economic, environmental and social imperatives, while taking care of expectation of both internal and external stakeholders. The people in the neighbouring localities are partners in the company's progress and prosperity through job opportunities, training and special assistance for health and education. The company has taken special initiatives to promote local talents in performing arts, especially in the field of music and dancing.

The Company is ardently striving to maintain green and pollution-free environment in and around the Works and the residential estate, going beyond the call of legal and regulatory requirements. We take utmost care in the selection of community interventions we initiate. The Company's prime endeavor is to



remain focused on creating long-term wealth creation for all local community members irrespective of their gender, ethnic and religious backgrounds. Being a conglomerate with diverse business interests, across various segments of economy, we are in a position to integrate our services, let that be communication, financial services, entertainment and others. We explore to amalgamate potential benefits one segment of the business may offer to the others so that a holistic solution addressing the needs and concerns of local community is found.

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, a Corporate Social Responsibility Committee has been constituted by the Board of Directors of the Company. The composition of the Corporate Social Responsibility Committee is provided in the Report on Corporate Governance as attached to the Directors' Report.

This being the first year of structured implementation for CSR activities, the Company is in the process of tie-up with various associations/ organisations / trust for pursuing the CSR activities as envisaged under the CSR policy of the Company. The process of identifying meaningful activities is time consuming and the Company could not spend a part of the prescribed amount in the financial year 2014-15.

As required under Section 135 of the Companies Act, 2013, read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the report on CSR is enclosed as **Annexure A**.

#### **Green Initiatives**

Your Company has started a sustainability initiative with the aim of going green and minimizing the impact on environment. Your Company has already started sending Annual Report, Notices etc. through e-mails to the Shareholders, whose e-mail IDs are registered with their Depository Participants. In case a Shareholder wishes to receive a printed copy, he/she may please send a request to the Company, which will send a printed copy of the annual report to the Shareholder. Members are requested to support this initiative by registering / updating their email addresses for receiving Annual Report, Notices etc. through e-mail.

#### **Particulars of Employees**

The number of employees as at 31st March, 2015 was 1444. In terms of the provisions of Section 197(12) of the Act read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules are provided as **Annexure B**.

Disclosures 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 are enclosed as **Annexure C**.

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

As required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, information relating to conservation of energy, technology absorption and foreign exchange earnings and outgo is enclosed as **Annexure D**.

## **BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

#### **Meetings of the Board:**

During the year under review, seven Board meetings were held on 15th April, 2014, 21st May, 2014, 16th June, 2014, 21st July, 2014, 27th October, 2014, 30th December, 2014 and 3rd February, 2015.

#### **Change in Directors and Key Managerial Personnel**

Mr. A. K. Vijay and Ms. Mridula Jhunjhunwala were appointed as Additional Directors w.e.f. 1st January, 2015 and 20th March, 2015 respectively. Mr. A. K. Vijay has also been designated as an Executive Director. Notices have been received from Members under Section 160 of the Companies Act, 2013 for their appointment at the ensuing Annual General Meeting.

Mr. D. H. Kela, Director, retires by rotation and being eligible, offer himself for re-appointment at the ensuing Annual General Meeting.

The Board has recommended his re-appointment.

#### **Board Evaluation**

The Company has formulated a Policy, for performance evaluation of Independent Directors, Board, Committees and other Directors by fixing certain criteria which was approved by the Nomination and Remuneration Committee and adopted by the Board. The criteria for the evaluation include their functioning as Members of Board or Committees of the Directors. A structured questionnaire, evolved through discussions within the Board, has been used for this purpose. Further on the basis of recommendations of the Nomination and Remuneration Committee and the performance review by Independent Directors, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors.

#### **Appointment of Directors and Remuneration Policy**

The Nomination & Remuneration Committee has approved the criteria to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board with diverse backgrounds and experience in business, government, education and public service. To bring diversity, your Company has appointed Ms. Mridula Jhunjhunwala, a woman Director and a Practicing Professional on the Board during the year.

Based on the recommendations of the Nomination and Remuneration Committee, the Board has approved the Remuneration Policy for Directors, KMP and other employees of the Company.

The policy ensures equity, fairness and consistency in rewarding the employees on the basis of performance against set objectives. A copy of the policy is enclosed as **Annexure E**.

#### **Declaration by Independent Directors**

All Independent Directors of your Company have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and

Clause 49 of the Listing Agreement.

## **AUDIT COMMITTEE AND AUDITORS**

#### **Composition of Audit Committee**

The composition of the Audit Committee is provided in the Report on Corporate Governance as attached to the Directors' Report.

#### **Statutory Auditors**

At the 16th Annual General Meeting held in the year 2014, M/s. K. N. Gutgutia & Co., Chartered Accountants, Statutory Auditors of the Company were re-appointed by the shareholders to hold office as such from the conclusion of 16th Annual General Meeting held in the year 2014 until the conclusion of 19th Annual General Meeting of the Company, subject to ratification of their appointment at every Annual General Meeting. Under Section 139 of the Companies Act, 2013, the Company is required to place the matter relating to Statutory Auditor's appointment for ratification by members at every Annual General Meeting.

Based on the recommendations by the Audit Committee, the Board of Directors of the Company recommends the ratification of their appointment.

#### **Cost Auditors**

Your Company has appointed Messrs. DGM & Associates, Cost Accountants, for conducting the Cost Audit for FY'16 in terms of the provisions of the Companies Act, 2013 and Companies (Cost Records and Audit) Rules, 2014 issued by the Ministry of Corporate Affairs.


#### **Secretarial Audit Report**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed M/s S. R. Associates & Co., Company Secretaries, as Secretarial Auditor, to conduct the Secretarial Audit of the Company for the FY'15.

The Report of the Secretarial Audit Report is enclosed as **Annexure F**.

#### **Whistle Blower Policy**

The details on the establishment of Whistle Blower Policy are



provided in the Report on Corporate Governance as attached to the Directors' Report.

## INTERNAL FINANCIAL CONTROLS AND RISK MANAGEMENT

The Company has a proper and adequate system of internal controls. This ensures that all transactions are authorised, recorded and reported correctly, and assets are safeguarded and protected against loss from unauthorized use or disposition. In addition there are operational controls and fraud risk controls, covering the entire spectrum of internal financial controls. The system is commensurate with the size and the nature of operations of the Company.

The Audit Committee regularly reviews the internal control system to ensure that it remains effective and aligned with the business requirements.

The Board of Directors on the recommendation of the Audit Committee has approved the Risk Management Policy for the Company in accordance with the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement. The Risk Policy document has in its scope, the establishment of a process for risk assessment, identification of risks both internal and external, and a detailed process for evaluation and treatment of risks.

The Audit Committee also evaluates the risk management system. The objectives of the Audit Committee pertaining to Risk Management is to monitor and review the risk management plan for the Company including identification therein of elements of risks, if any, and such other related functions.

## DISCLOSURES

- (a) There has been no change in the nature of business of the Company during the year under review.
- (b) There are no significant and material orders passed by the Regulators/ Courts that would impact the going concern status of the Company and its future operations.
- (c) There are no material changes and commitments affecting the financial position of the Company which have occurred

between the end of Financial year and the date of this Report.

### (d) Share Capital

During the year, your Company has raised Capital by issuing 2,80,37,383 Equity Shares through Qualified Institutional Placements (QIP) which received an overwhelming response from the Qualified Institutional Buyer, raising Rs. 300 Crores at a Premium of Rs.106 per share, i.e., Equity Shares of face value of Re. 1/- each was issued at Rs. 107/- each.

The paid-up capital of the Company has increased to Rs. 21,00,63,973 as at 31st March, 2015 from Rs.18,20,26,590 as at March 31, 2014, post raising of funds by way of QIP.

### (e) Deposits

During the year, the Company has not accepted any Deposits under the Companies Act, 2013. The deposits which have been accepted earlier from its employees under the Companies Act, 1956 has been repaid during the year.

### (f) Disclosures under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. No complaints pertaining to sexual harassment were received during FY 2014-15.

## OTHER INFORMATION

### Corporate Governance

A separate report on Corporate Governance pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges is attached as a separate Annexure and forms a part of this Report.

### Particulars of Loans, Guarantees and Investments

The details of Loans, Corporate Guarantees and Investments made during the year under the provisions of section 186 of the Companies Act, 2013 have been disclosed in the Note nos. 2.17, 2.26 and 2.12 respectively to the Financial Statement of the Company.



### Extract of Annual Return

The extract of Annual Return in Form no. MGT 9 as on the financial year ended 31st March, 2015 is enclosed as **Annexure G**.

### Related Party Transactions

All related party transactions during the financial year were entered in the ordinary course of business and on arm's length basis. All related party transactions are approved by the Audit Committee and Board of Directors. There were no materially significant related party transactions made by the Company with the promoters, directors, key managerial personnel which may have a potential conflict of interest with the Company at large and as such disclosure in Form AOC-2 is not required.

The Company has also formulated a policy on dealing with Related Party transactions and the same is disclosed on the Company's website. The web link for accessing such policy is <http://texmaco.in/texmaco/file/RELATED%20PARTY%20TRANSACTION%20POLICY.PDF>.

### DIRECTORS' RESPONSIBILITY STATEMENT U/S 134(5) OF THE COMPANIES ACT, 2013

Your Directors state:

- (a) That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (b) That such accounting policies are applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- (c) That proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) That the annual accounts of the Company have been prepared on a going concern basis;
- (e) That the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively; and
- (f) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

For and on behalf of the Board

Place: Kolkata  
Dated: 22nd May, 2015

**S. K. Poddar**  
Chairman





# ANNEXURE - A

## Annual Report on Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of section 134 of the Act and Rule 9 of the Companies (Corporate Social Responsibility) Rules, 2014]

**1. A brief outline of the company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

Our projects and initiatives are guided by our CSR Policy, and reviewed closely by the CSR Committee institutionalized and adopted by the Board of Directors as per the Section 135 of Companies Act, 2013. The policy is available on the website of the Company [www.texmaco.in](http://www.texmaco.in)

Driven by passion to make a difference to society, the Company is committed to upholding the highest standards of corporate social responsibility. The Company has continued its progress on community initiatives with renewed vigour and devotion.

**2. The Composition of the CSR committee**

- |                          |          |
|--------------------------|----------|
| a) Mr. Ramesh Maheshwari | Chairman |
| b) Mr. Sunil Mitra       | Member   |
| c) Mr. D. H. Kela        | Member   |

**3. Average net Profits of the company for the last three financial years**

|                               |              |
|-------------------------------|--------------|
| Average profit (Rs. in lakhs) | Rs. 9,217.06 |
|-------------------------------|--------------|

**4. Prescribed CSR expenditure**

|                                     |            |
|-------------------------------------|------------|
| 2% of the net profit (Rs. in lakhs) | Rs. 184.34 |
|-------------------------------------|------------|



**5. Details of CSR spent during the year :**

| (1)     | (2)   | (3)   | (4)   | (5)  | (6)  |              | (7)   | (8) |
|---------|---|---|---|--|--|--------------|---|-----|
| Sr. No. | CSR project or activity identified  | Sector in which the Project is covered                                  | Projects or Programmes<br>(1) Local area or other<br>(2) Specify the State and district where projects or programs was undertaken | Amount outlay (budget) project or programs wise (Rs. In Lakhs) | Amount spent on the projects or programs                     |              | Amount spent: Direct or through implementing agency |     |
|         |   |   |   |  | 1) Direct expenditure on projects or Programs (Rs. In Lakhs) | 2) Overheads |   |     |
| 1       | Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water. | Health & Sanitation, Drinking Water, Contribution to Swachh Bharat Kosh | Local Area  | 0.58   | 0.58   | -            | Direct  |     |
| 2       | Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly, and the differently abled and livelihood enhancement projects   | Education Vocational Training Livestock Development Livelihood          | Local Area  | 7.37   | 7.37   | -            | Direct  |     |
| 3       | Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports  | Sports  | Local Area  | 0.57   | 0.57   | -            | Direct  |     |

**6. In case the Company has failed to spend the 2% of the average net profit of the last 3 years or any part thereof, the Company shall provide the reasons for not spending the amount in the Board's Report.**

The reason for not spending towards CSR activities have been provided in the Directors' Report.

**7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and the Policy of the Company.**

The CSR Committee confirms that the implementation and monitoring of CSR Policy is in line with the CSR objectives and Policy of the Company.

S. K. Poddar  
Chairman

Ramesh Maheshwari  
Chairman of the Committee

## ANNEXURE - B

Particulars of employees under Section 197(12) of the Act, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report

| Name  | Designation             | Age (Years) | Remuneration (Rs.) | Qualifications              | Experience (Years) | Date of Commencement of Employment | Previous Employment                                |
|---|-------------------------|-------------|--------------------|-----------------------------|--------------------|------------------------------------|--|
| 1   | 2                       | 3           | 4                  | 5                           | 6                  | 7                                  | 8  |
| Employed throughout the year and in receipt of remuneration aggregating Rs. 60,00,000/- or more |                         |             |                    |                             |                    |                                    |  |
| 1. Poddar Saroj Kumar   | Executive Chairman      | 70          | 3,69,82,296        | B.Com (Hons.)               | 46                 | 01-01-2006                         | M/s. Poddar Heritage Investments Limited           |
| 2. Maheshwari Ramesh  | Executive Vice Chairman | 82          | 1,39,93,783        | M.Com., L.L.B.              | 59                 | 01-02-1962                         | M/s. F & C Osler (India) Limited & Sister Concerns |
| 3. Kela Damodar Hazarimal   | Executive Director      | 74          | 90,17,953          | B.E. (Metallurgy)           | 50                 | 14-11-2000                         | M/s. Hindusthan Engineering & Industries Limited   |
| 4 Fuller Sandeep  | Executive Director      | 49          | 69,93,145          | B. Tech & PGD in Management | 29                 | 01-02-2014                         | M/s. L&T Limited                                   |

### Notes:

- Remuneration as shown above includes Salary, House Rent, LTA, Medical Benefits, Bonus, Contribution to Provident Fund, Superannuation Fund, etc. as per Company's rules.
- Mr. Saroj Kumar Poddar is related to Mr. Akshay Poddar, Director of the Company.
- Employees named above are whole-time / contractual employees of the Company.
- Other terms and conditions are as per Company's rules.

## ANNEXURE - C

Disclosure relating to remuneration 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

| a.      | The ratio of remuneration of the Executive Director to the median remuneration of the employees of the Company for the financial year ending March 31, 2015 is as below: |                                |   |  |
|---------|--|--------------------------------|---|--|
| Sl. No. | Name of Directors / KMP  | Designation                    | Ratio of Remuneration to Median Remuneration of all the employees | Increase in remuneration over previous Financial Year (in %) |
| (i)     | Mr. S. K. Poddar   | Executive Chairman             | 257:1   | -  |
| (ii)    | Mr. Ramesh Maheshwari  | Executive Vice Chairman        | 97:1  | 11%  |
| (iii)   | Mr. D. H. Kela   | Executive Director & CEO (SF)  | 63:1  | 17%  |
| (iv)    | Mr. Sandeep Fuller   | Executive Director & CEO (HED) | 49:1  | 38%  |
| (v)     | Mr. A. K. Vijay*   | Executive Director & CFO       | 32:1  | 26%  |
| (vi)    | Mr. S. Dhasarathy  | Independent Director           | 3: 1  | -  |



|        |                           |                      |       |   |
|--------|---------------------------|----------------------|-------|---|
| (vii)  | Mr. A.C. Chakrabortti     | Independent Director | 5:1   | - |
| (viii) | Mr. D. R. Kaarthikeyan    | Independent Director | 4:1   | - |
| (ix)   | Mr. Hemant Kanoria        | Independent Director | 2:1   | - |
| (x)    | Mr. Sunil Mitra           | Independent Director | 3:1   | - |
| (xi)   | Ms. Mridula Jhunjunwala** | Independent Director | 0.5:1 | - |

\*Appointed as an Executive Director w.e.f. 1<sup>st</sup> Jan' 2015.

\*\* Appointed as an Independent Director w.e.f. 20<sup>th</sup> March' 2015.

|    |   |           |
|----|---|-----------|
| b. | The percentage increase in the median remuneration of employees in the financial year ending March, 2015.   | 10%       |
| c. | The number of permanent employees on the of Company as at March 31, 2015:   | 1444 Nos. |
| d. | The explanation on the relationship between average increase in remuneration and Company's performance.   |           |
|    | <ul style="list-style-type: none"> <li>- Median Remuneration and Average Remuneration of all employees have increased by 10%.</li> <li>- Average remuneration of employees excluding Key Managerial Personnel has also increased by 10%, which is based on their performance. The increase in remuneration is in line with the market trends, internal parity and current salary of the employees. In order to ensure that remuneration reflects Company's performance, the variable pay is linked to organization and business unit's performance, apart from individual's performance.</li> <li>- Remuneration of Key Managerial Personnel has increased by 18%.</li> </ul> |           |
| e. | Remuneration to employees for the year 2014-15 has not exceeded the remuneration paid to any of the Directors.  |           |
| f. | The remuneration of the Directors, Key Managerial Personnel and other employees is in accordance with the Remuneration Policy of the Company as provided as Annexure to the Directors' Report which forms part of the Report and Accounts.  |           |
| g. | Comparison of each remuneration of the key managerial personnel against the performance of the Company.   |           |

| Particulars                           | Mr. S. K. Poddar   | Mr. Ramesh Maheshwari   | Mr. D. H. Kela                | Mr. Sandeep Fuller             | Mr. A.K. Vijay           |
|---------------------------------------|--------------------|-------------------------|-------------------------------|--------------------------------|--------------------------|
|                                       | Executive Chairman | Executive Vice Chairman | Executive Director & CEO (SF) | Executive Director & CEO (HED) | Executive Director & CFO |
| Remuneration in FY 2014-15            | Rs. 369.82 lakhs   | Rs. 139.94 lakhs        | Rs. 90.18 lakhs               | Rs. 69.93 lakhs                | Rs. 46.52 lakhs          |
| Revenue                               | Rs. 57032.21 lakhs | Rs. 57032.21 lakhs      | Rs. 57032.21 lakhs            | Rs. 57032.21 lakhs             | Rs. 57032.21 lakhs       |
| Remuneration of KMP (as % of revenue) | 0.65%              | 0.25%                   | 0.16%                         | 0.12%                          | 0.08%                    |
| Profit After Tax (PAT)                | Rs. 1373.55 lakhs  | Rs. 1373.55 lakhs       | Rs. 1373.55 lakhs             | Rs. 1373.55 lakhs              | Rs. 1373.55 lakhs        |
| Remuneration of KMP (as % of PAT)     | 26.92%             | 10.19%                  | 6.56%                         | 5.09%                          | 3.39%                    |

|    |  |                                |            |            |         |
|----|--|--------------------------------|------------|------------|---------|
| h. | Variation in the market capitalisation of the Company, price earning ratio as on the closing date of the current financial year and previous financial year: | Particulars                    | FY 2014-15 | FY 2013-14 | Changes |
|    |  | Market Capitalisation (In Cr.) | 3138.36    | 870.09     | 2268.27 |
|    |  | P/E Ratio                      | 207.50     | 51.40      | 156.10  |

|    |  |  |
|----|--|--|
| i. | The key parameters for any variable component of remuneration availed by the directors | The variable component of remuneration for the Executive Director is based on performance of the Company and is recommended by the Nomination and Remuneration Committee to the Board for consideration. |
|    |  | The Board of Directors consider the recommendation of the Nomination and Remuneration Committee and approve the variable component accordingly.  |



## ANNEXURE - D

Information as per Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014  
as part of the Directors' Report for the year ended 31st March, 2015

### (A) Conservation of energy-

- i. the steps taken or impact on conservation of energy;

By proper staggering the production activities and constant monitoring the electrical load, maximum demand has been kept under control. This is an ongoing exercise benefit of which is available in long term.

- ii. the steps taken by the company for utilising alternate sources of energy - Nil

- iii. the capital investment on energy conservation equipments:

Modification of Equipments & their drives is being done regularly to reduce energy consumption.

### (B) Technology absorption-

- i. the efforts made towards technology absorption and the benefits derived like product improvement, cost reduction, product development or import substitution;

The in-house R&D Centre of the Company has been recognised by Department of Scientific & Industrial Research, Ministry of Science & Technology, and Government of India. A number of projects on development of new products and improvement on the existing products have been successfully carried out during the year.

- ii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- N.A.

- (a) the details of technology imported;

- (b) the year of import;

- (c) whether the technology been fully absorbed;

- (d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and

- iii. the expenditure incurred on Research and Development (Rupees in lakhs) - 74.71

# ANNEXURE - E

## REMUNERATION POLICY

The policy on remuneration of Directors, Key Managerial Personnel and other employees has been formulated by the Nomination and Remuneration Committee (N&R Committee) and thereafter, has been approved by the Board of Directors of the Company.

### Definitions:

“Act” means Companies Act, 2013 and rules framed thereunder including any amendment or modification thereof.

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961;

“Key Managerial Personnel” means Key Managerial Personnel as defined under the Companies Act, 2013 and includes Executive Chairperson of the Company.

### Objectives:

This policy is framed with the following objectives:

- To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and other employees;
- To provide to Key Managerial Personnel & other employees reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations by way of ESOPs, increments etc.; and
- It also seeks to enable the Company to provide a well-balanced and performance-related compensation package, taking into account stakeholder's interests.

### Policy for remuneration to Directors, Key Managerial Personnel and other employees:

#### 1) Remuneration to Executive Directors / Key Managerial Personnel:

The Remuneration to be paid to Executive Directors is governed as per the provisions of the Companies Act, 2013 & rules made thereunder and the approvals obtained from the Members of the Company. If, in any financial year, the Company has no profits or inadequate profits, the Company shall pay minimum remuneration as per contractual provisions to its Managerial Personnel. In case the minimum remuneration exceeds the limits prescribed under the provisions of Schedule V of the Companies Act, 2013, the Company shall seek requisite approval as per the provisions of the Companies Act, 2013 including the approval of Central Government wherever required.

The Key Managerial Personnel shall be eligible for remuneration as may be approved by the Board on the recommendation of the N&R Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.

Executive Directors and Key Managerial Personnel based on their performance are also entitled for ESOPs.

#### 2) Remuneration to Non- Executive / Independent Directors:

The Non-Executive / Independent Directors receive sitting fees and Commission as permissible under the provisions of Companies Act, 2013. The amount of sitting fees shall be such as may be recommended by the N&R Committee and approved by the Board of Directors. The amount of commission shall be such as may be approved by the Members of the Company.

#### 3) Remuneration to other employees:

The remuneration of employees is determined according to their qualifications and work experience, competencies as well as their roles and responsibilities in the organisation. Individual remuneration is determined on various factors such as job profile, skill sets, seniority, experience and prevailing remuneration levels for equivalent jobs evaluated by HR department and approved by a Key Managerial Personnel.

### Amendment

The Company reserves its right to amend or modify this policy in whole or in part, at any time without assigning any reason whatsoever.



# ANNEXURE - F

Form No. MR-3

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2015

[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]


To  
The Members  
**TEXMACO RAIL & ENGINEERING LIMITED**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by TEXMACO RAIL & ENGINEERING LIMITED (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2015 complied with the statutory provisions listed hereunder and also that the Company has maintained proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined books, papers, minute books, forms and returns filed and other records maintained by TEXMACO RAIL & ENGINEERING LIMITED for the financial year ended on 31st March, 2015 according to the provisions of the following, in so far as they are applicable to the company:

1. The Companies Act, 2013 with Companies Act,1956 (to the extent applicable) and the rules made under that Act;
2. The Securities Contract (Regulation) Act,1956 (SCRA) and the rules made there under;
3. The Depositories Act, 1956 and the regulations and Bye-laws framed under that Act;
4. Foreign Exchange Management Act,1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External commercial Borrowing;
5. 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) Regulation,2009;
  - d) The Securities and Exchange Board of India (Employees Stock Option scheme and Employees 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 (Registrar to an Issue and Share Transfer Agents ) Regulations,1993 regarding the Companies Act and dealing with client;
  - g) The Securities and Exchange Board of India (Buyback of Securities) Regulations,1998

- 
6. Secretarial Standards issued by The Institute of Company Secretaries of India.
  7. The Listing Agreement entered into by the company.

**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 Agreement entered into by the company , as applicable

During the period under review the company has complied with the provision of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non – Executive Directors and Independent Directors. The Company is required to appoint two Independent Directors as required under Section 149(4) of Companies Act, 2013. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

Unanimously / Majority decision is carried through while the dissenting member's views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has raised capital by issuing 2,80,37,383 Equity Shares through Qualified institutional Placements (QIP), raising Rs. 300 Crores at a Premium of Rs. 106 per share, i.e., Equity Shares of face value of Re. 1/- each was issued at Rs. 107/- each.

We further report that the Company has filed before the Hon'ble High Court at Calcutta the scheme of Arrangement of Merger of Kalindee Rail Nirman (Engineers) Limited into and with the Company.

**For S R & Associates**  
*Company Secretaries*

**Geeta Roy Chowdhury**  
*Partner*

Membership No: FCS: 7040; C.P. No.: 7741

Place: Kolkata  
Dated: 22nd May, 2015

*Note: This report is to be read with its Annexure which forms an integral part of this report.*





## Annexure to the Secretarial Audit Report

To  
The Members  
TEXMACO RAIL & ENGINEERING LIMITED

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We 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. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations standards is the responsibility of management. Our 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.

**For S R & Associates**  
Company Secretaries

**Geeta Roy Chowdhury**  
*Partner*

Membership No: FCS: 7040; C.P. No.: 7741

Place: Kolkata  
Dated: 22nd May, 2015

# ANNEXURE - G

Form No. MGT-9  
EXTRACT OF ANNUAL RETURN  
as on the financial year ended on 31st March, 2015

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

## I. REGISTRATION AND OTHER DETAILS:

- i) CIN: L29261WB1998PLC087404
- ii) Registration Date: 25th June, 1998
- iii) Name of the Company: Texmaco Rail & Engineering Limited
- iv) Category: Public Company
- v) Sub-Category of the Company: Limited by Shares
- vi) Address of the Registered office and contact details: Belgharia, Kolkata – 700 056,  
Phone no. 033 2569 1500
- vii) Whether listed company: Yes
- viii) Name, Address and Contact details of Registrar and Transfer: M/s. Karvy Computershare Private Limited,  
Plot No. 17 -24,  
Vittal Rao Nagar, Madhapur, Hyderabad – 500 081,  
Phone No. 040-23420818

## 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:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product/service | % to total turnover of the company |
|---------|--|---------------------------------|------------------------------------|
| 1       | ROLLING STOCK                                    | 3020                            | 60%                                |
| 2       | STEEL CASTINGS                                   | 2431                            | 28%                                |

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

| Sl. No. | Name and Address of the Company   | CIN/GLN               | HOLDING / SUBSIDIARY / ASSOCIATE | % of shares held | Applicable Section |
|---------|---|-----------------------|----------------------------------|------------------|--------------------|
| 1       | Kalindee Rail Nirman (Engineers) Limited<br>F-5, Gautam Nagar, Gulmohar Park Road,<br>New Delhi – 110 049 | L64120DL1984PLC114336 | Associate                        | 41.59%           | 2 (6)              |
| 2       | Texmaco UGL Rail Private Limited<br>Belgharia,<br>Kolkata – 700 056                                       | U35201WB2009PTC133330 | Associate                        | 50.00%           | 2 (6)              |
| 3       | Touax Texmaco Railcar Leasing Private Limited<br>Belgharia,<br>Kolkata – 700 056                          | U74999WB2011PTC167754 | Associate                        | 50.00%           | 2 (6)              |

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

#### (i) Category-wise Share Holding

| Category of Shareholders | No. of Shares held at the beginning of the year |            |                  |                   | No. of Shares held at the end of the year |            |                  |                   | % Change during the year |
|--------------------------|---|------------|------------------|-------------------|---|------------|------------------|-------------------|--------------------------|
|                          | Demat   | Physical   | Total            | % of Total Shares | Demat                                     | Physical   | Total            | % of Total Shares |                          |
| <b>A. Promoters</b>      |   |            |                  |                   |   |            |                  |                   |                          |
| <b>(1) Indian</b>        |   |            |                  |                   |   |            |                  |                   |                          |
| a) Individual / HUF      | 3622900   | -          | 3622900          | 1.99              | 3608080                                   | -          | 3608080          | 1.72              | (0.27)                   |
| b) Central Govt          | -   | -          | -                | -                 | -   | -          | -                | -                 | -                        |
| c) State Govt(s)         | -   | -          | -                | -                 | -   | -          | -                | -                 | -                        |
| d) Bodies Corp.          | 111504110                                       | -          | 111504110        | 61.26             | 111504110                                 | -          | 111504110        | 53.08             | (8.18)                   |
| e) Banks / FI            | -   | -          | -                | -                 | -   | -          | -                | -                 | -                        |
| f) Any Other.....        | -   | -          | -                | -                 | -   | -          | -                | -                 | -                        |
| <b>Sub-total (A) (1)</b> | <b>115127010</b>                                | <b>Nil</b> | <b>115127010</b> | <b>63.25</b>      | <b>115112190</b>                          | <b>Nil</b> | <b>115112190</b> | <b>54.80</b>      | <b>(8.45)</b>            |



| Category of Shareholders   | No. of Shares held at the beginning of the year |                |                  |                   | No. of Shares held at the end of the year |                |                  |                   | % Change during the year |
|--|---|----------------|------------------|-------------------|---|----------------|------------------|-------------------|--------------------------|
|  | Demat   | Physical       | Total            | % of Total Shares | Demat                                     | Physical       | Total            | % of Total Shares |                          |
| <b>(2) Foreign</b>   |   |                |                  |                   |   |                |                  |                   |                          |
| a) NRIs- Individuals   | -   | -              | -                | -                 | 14820                                     | -              | 14820            | 0.01              | 0.01                     |
| b) Other – Individuals   | -   | -              | -                | -                 | -   | -              | -                | -                 | -                        |
| c) Bodies Corp.  | -   | -              | -                | -                 | -   | -              | -                | -                 | -                        |
| d) Banks / FI  | -   | -              | -                | -                 | -   | -              | -                | -                 | -                        |
| e) Any other...  | -   | -              | -                | -                 | -   | -              | -                | -                 | -                        |
| <b>Sub-total (A) (2)</b>   | -   | -              | -                | -                 | <b>14820</b>                              | -              | <b>14820</b>     | <b>0.01</b>       | <b>0.01</b>              |
| <b>Total shareholding of Promoter (A) = (A) (1) + (A) (2)</b>                    | <b>115127010</b>                                | -              | <b>115127010</b> | <b>63.25</b>      | <b>115127010</b>                          | -              | <b>115127010</b> | <b>54.81</b>      | <b>(8.44)</b>            |
| <b>B. Public Shareholding</b>  |   |                |                  |                   |   |                |                  |                   |                          |
| <b>1. Institutions</b>   |   |                |                  |                   |   |                |                  |                   |                          |
| a) Mutual Funds  | 40254419  | -              | 40254419         | 22.11             | 38900690                                  | -              | 38900690         | 18.52             | (3.59)                   |
| b) Banks / FI  | 3142180   | -              | 3142180          | 1.73              | 3829925                                   | -              | 3829925          | 1.82              | 0.09                     |
| c) Central Govt  | -   | -              | -                | -                 | -   | -              | -                | -                 | -                        |
| d) State Govt(s)   | -   | -              | -                | -                 | -   | -              | -                | -                 | -                        |
| e) Venture Capital Funds   | -   | -              | -                | -                 | -   | -              | -                | -                 | -                        |
| f) Insurance Companies   | -   | 10             | 10               | 0                 | 4930481                                   | 10             | 4930491          | 2.35              | 2.35                     |
| g) FII's   | 5496515   | -              | 5496515          | 3.02              | 24194087                                  | -              | 24194087         | 11.52             | 8.50                     |
| h) Foreign Venture Capital Funds   | -   | -              | -                | -                 | -   | -              | -                | -                 | -                        |
| i) Qualified Foreign Investors   | 250   | -              | 250              | 0                 | -   | -              | -                | -                 | -                        |
| j) Foreign Nationals   | -   | -              | -                | -                 | 180000                                    | -              | 180000           | 0.09              | 0.09                     |
| <b>Sub-total (B)(1)</b>  | <b>48893364</b>                                 | <b>10</b>      | <b>48893374</b>  | <b>26.86</b>      | <b>72035183</b>                           | <b>10</b>      | <b>72035193</b>  | <b>34.29</b>      | <b>7.43</b>              |
| <b>2. Non- Institutions</b>  |   |                |                  |                   |   |                |                  |                   |                          |
| a) Bodies Corp.  |   |                |                  |                   |   |                |                  |                   |                          |
| i) Indian  | 6288049   | 321890         | 6609939          | 3.63              | 5831593                                   | 321890         | 6153483          | 2.93              | (0.70)                   |
| ii) Overseas   | -   | -              | -                | -                 | -   | -              | -                | -                 | -                        |
| b) Individuals   |   |                |                  |                   |   |                |                  |                   |                          |
| i) Individual shareholders holding nominal share capital upto Rs. 1 lakh         | 8099853   | 818137         | 8917990          | 4.90              | 10473843                                  | 773471         | 11247314         | 5.35              | 0.45                     |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 665167  | -              | 665167           | 0.37              | 3546185                                   | -              | 3546185          | 1.69              | 1.32                     |
| c) Others (specify)  |   |                |                  |                   |   |                |                  |                   |                          |
| Trusts   | 5000  | -              | 5000             | 0                 | 7500                                      | -              | 7500             | 0.00              | 0.00                     |
| Non Resident Indians   | 624352  | 14840          | 639192           | 0.35              | 822850                                    | 14840          | 837690           | 0.40              | 0.05                     |
| HUF  | 718001  | -              | 718001           | 0.39              | 933492                                    | -              | 933492           | 0.44              | 0.05                     |
| Clearing Members   | 180967  | -              | 180967           | 0.10              | 135056                                    | -              | 135056           | 0.06              | (0.04)                   |
| Employees  | 146900  | 118500         | 265400           | 0.15              | Nil                                       | 36500          | 36500            | 0.02              | (0.13)                   |
| Enemy Individuals  | -   | 4550           | 4550             | 0.00              | Nil                                       | 4550           | 4550             | 0.00              |                          |
| <b>Sub-total (B)(2)</b>  | <b>16728289</b>                                 | <b>1277917</b> | <b>18006206</b>  | <b>9.89</b>       | <b>21750519</b>                           | <b>1151251</b> | <b>22901770</b>  | <b>10.89</b>      | <b>1.00</b>              |
| <b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>                              | <b>65621653</b>                                 | <b>1277927</b> | <b>66899580</b>  | <b>36.75</b>      | <b>93785702</b>                           | <b>1151261</b> | <b>94936963</b>  | <b>45.19</b>      | <b>8.44</b>              |
| <b>C. Shares held by Custodian for GDRs &amp; ADRs</b>                           | -   | -              | -                | -                 | -   | -              | -                | -                 | -                        |
| <b>Grand Total (A+B+C)</b>   | <b>180748663</b>                                | <b>1277927</b> | <b>182026590</b> | <b>100.00</b>     | <b>208912712</b>                          | <b>1151261</b> | <b>210063973</b> | <b>100</b>        | <b>-</b>                 |

\* Paid up Capital of the Company has been increased w.e.f. 26th November, 2014 from 18,20,26,590 at 31st March, 2014 to 21,00,63,973 on account of issue of Equity Shares under QIP.

## (ii) Shareholding of Promoters

| Sl No. | Shareholder's Name   | Shareholding at the beginning of the year |                                  |  | Shareholding at the end of the year* |                                  |  | % Change in shareholding 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      | Texmaco Infrastructure & Holdings limited  | 54600000                                  | 30.00                            | -  | 54600000                             | 25.99                            | -  | -  |
| 2      | Zuari Investments Limited  | 28963900                                  | 15.91                            | -  | 28963900                             | 13.79                            | -  | -  |
| 3      | Adventz Finance Private Limited<br>(Post merger of Adventz Investments and Holdings Limited and Adventz Securities Trading Private Limited into Adventz Finance Private Limited) | 710                                       | 0.00                             | -  | 8377400                              | 3.99                             | -  | 3.99                                     |
| 4      | Adventz Investments and Holdings Limited<br>(Merged with Adventz Finance Private Limited)  | 7948120                                   | 4.37                             | -  | -                                    | -                                | -  | (4.37)                                   |
| 5      | Adventz Securities Trading Private Limited<br>(Merged with Adventz Finance Private Limited)  | 428570                                    | 0.24                             | -  | -                                    | -                                | -  | (0.24)                                   |
| 4      | Duke Commerce Limited  | 7514000                                   | 4.13                             | -  | 7514000                              | 3.58                             | -  | -  |
| 5      | Zuari Global Limited   | 4035000                                   | 2.22                             | -  | 4035000                              | 1.92                             | -  | -  |
| 6      | Adventz Securities Enterprises Limited   | 3809140                                   | 2.09                             | -  | 3809140                              | 1.81                             | -  | -  |
| 7      | Adventz Investment Company Private Limited   | 3035710                                   | 1.67                             | -  | 3035710                              | 1.45                             | -  | -  |
| 8      | Saroj Kumar Poddar   | 2497020                                   | 1.37                             | -  | 2497020                              | 1.19                             | -  | -  |
| 9      | Puja Poddar  | 828570                                    | 0.46                             | -  | 828570                               | 0.39                             | -  | -  |
| 10     | New Eros Tradecom Limited  | 738800                                    | 0.41                             | 0.41   | 738800                               | 0.35                             | 0.35   | -  |
| 11     | Jyotsna Poddar   | 221790                                    | 0.12                             | -  | 221790                               | 0.11                             | -  | -  |
| 12     | Premium Exchange and Finance Limited   | 188090                                    | 0.10                             | -  | 188090                               | 0.09                             | -  | -  |
| 13     | Jeewan Jyoti Medical Society   | 160500                                    | 0.09                             | -  | 160500                               | 0.08                             | -  | -  |
| 14     | Greenland Trading Private Limited  | 35000                                     | 0.02                             | -  | 35000                                | 0.02                             | -  | -  |
| 15     | Kumari Anisha Agarwala   | 32140                                     | 0.02                             | -  | 32140                                | 0.02                             | -  | -  |
| 16     | Indrakashi Trading Company Private Limited   | 30000                                     | 0.02                             | -  | 30000                                | 0.01                             | -  | -  |
| 17     | Master Exchange & Finance Limited  | 15760                                     | 0.01                             | -  | 15760                                | 0.01                             | -  | -  |
| 18     | Akshay Poddar  | 14820                                     | 0.01                             | -  | 14820                                | 0.01                             | -  | -  |
| 19     | Kumari Aashti Agarwala   | 14280                                     | 0.01                             | -  | 14280                                | 0.01                             | -  | -  |
| 20     | Shradha Agarwala   | 14280                                     | 0.01                             | -  | 14280                                | 0.01                             | -  | -  |
| 21     | Eureka Traders Private Limited   | 530                                       | 0.00                             | -  | 530                                  | 0                                | -  | -  |
| 22     | Abhishek Holdings Private Limited  | 280                                       | 0.00                             | -  | 280                                  | 0                                | -  | -  |
|        | <b>Total</b>   | <b>115127010</b>                          | <b>63.25</b>                     | <b>0.41</b>                                      | <b>115127010</b>                     | <b>54.81</b>                     | <b>0.35</b>                                      | <b>8.44</b>                              |

\* Paid up Capital of the Company has been increased w.e.f. 26th November, 2014 from 18,20,26,590 at 31st March, 2014 to 21,00,63,973 on account of issue of Equity Shares under QIP.

## (iii) Change in Promoters' Shareholding ( please specify, if there is no change)

| 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 |
|         | At the beginning of the year   | 115127010                                 | 63.25                            | Nil                                     | Nil                              |
|         | 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): | Nil                                       | Nil                              | Nil                                     | Nil                              |
|         | At the End of the year*  |   |                                  | 115127010                               | 54.81                            |

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

| Sr No. | For each of the top Ten Shareholders                | 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      | <b>ICICI Prudential Tax Plan</b>                    |   |                                  |   |                                  |
|        | At the beginning of the year                        | 18154732                                  | 9.97                             |   |                                  |
|        | Increase / Decrease in shareholding during the year |   |                                  |   |                                  |
|        | 09.05.14  | (668285)                                  | (0.37)                           | 17486447                                | 9.61                             |
|        | 23.05.14  | (500000)                                  | (0.27)                           | 16986447                                | 9.33                             |
|        | 30.05.14  | 275578                                    | 0.15                             | 17262025                                | 9.48                             |
|        | 11.07.14  | (3005000)                                 | (1.65)                           | 14257025                                | 7.83                             |
|        | 18.07.14  | 3005000                                   | 1.65                             | 17262025                                | 9.48                             |
|        | 12.09.14  | (112556)                                  | (0.06)                           | 17149469                                | 9.42                             |
|        | 19.09.14  | (877963)                                  | (0.48)                           | 16271506                                | 8.94                             |
|        | 30.09.14  | (190593)                                  | (0.10)                           | 16080913                                | 8.83                             |
|        | 10.10.14  | (135879)                                  | (0.07)                           | 15945034                                | 8.76                             |
|        | 24.10.14  | (46065)                                   | (0.03)                           | 15898969                                | 8.73                             |
|        | 31.10.14  | (1127924)                                 | (0.62)                           | 14771045                                | 8.11                             |
|        | 07.11.14  | (475873)                                  | (0.26)                           | 14295172                                | 7.85                             |
|        | 14.11.14  | (5210830)                                 | (2.86)                           | 9084342                                 | 4.99                             |
|        | 21.11.14  | (3584342)                                 | (1.97)                           | 5500000                                 | 3.02                             |
|        | 12.12.14  | (500000)                                  | (0.00)                           | 5000000                                 | 2.38                             |
|        | 09.01.15  | (116644)                                  | (0.06)                           | 4883356                                 | 2.32                             |
|        | 16.01.15  | (383356)                                  | (0.18)                           | 4500000                                 | 2.14                             |
|        | 27.02.15  | (1000000)                                 | (0.48)                           | 3500000                                 | 1.67                             |
|        | 06.03.15  | (1230075)                                 | (0.59)                           | 2269925                                 | 1.08                             |
|        | 13.03.15  | (269925)                                  | (0.13)                           | 2000000                                 | 0.95                             |
|        | 20.03.15 <sup>#</sup>                               | (2000000)                                 | (0.95)                           | 0                                       | 0.00                             |
|        | At the end of the year*                             |   |                                  | 0                                       | 0.00                             |

<sup>#</sup> ceased to be among the top ten Shareholders of the Company w.e.f. 20th March, 2015.

|   |   |         |        |          |      |
|---|---|---------|--------|----------|------|
| 2 | <b>Reliance Capital Trustee Co. Ltd. A/C<br/>Reliance Close Ended Equity Fund II<br/>Series A</b> |         |        |          |      |
|   | At the beginning of the year  | 6730759 | 3.70   |          |      |
|   | Increase / Decrease in shareholding during the year   |         |        |          |      |
|   | 23.05.14  | 200000  | 0.11   | 6930759  | 3.81 |
|   | 11.07.14  | 100000  | 0.05   | 7030759  | 3.86 |
|   | 11.07.14  | (43056) | (0.02) | 6987703  | 3.84 |
|   | 18.07.14  | 150000  | 0.08   | 7137703  | 3.92 |
|   | 24.10.14  | 200000  | 0.11   | 7337703  | 4.03 |
|   | 31.10.14  | 100000  | 0.05   | 7437703  | 4.09 |
|   | 14.11.14  | 4472823 | 2.46   | 11910526 | 6.54 |

| Sr No. | For each of the top Ten Shareholders | 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 |
|        | 21.11.14                             | 2866767                                   | 1.57                             | 14777293                                | 8.12                             |
|        | 05.12.14                             | 3271028                                   | 1.56                             | 18048321                                | 8.59                             |
|        | 27.02.15                             | 590000                                    | 0.28                             | 18638321                                | 8.87                             |
|        | 06.03.15                             | 50000                                     | 0.02                             | 18688321                                | 8.9                              |
|        | 27.03.15                             | 165000                                    | 0.08                             | 18853321                                | 8.98                             |
|        | At the end of the year*              |   |                                  | 18853321                                | 8.98                             |

|   |   |           |        |         |      |
|---|---|-----------|--------|---------|------|
| 3 | <b>L &amp; T Mid Cap Fund</b>                       |           |        |         |      |
|   | At the beginning of the year                        | 6010762   | 3.30   |         |      |
|   | Increase / Decrease in shareholding during the year |           |        |         |      |
|   | 04.04.14  | (199990)  | (0.11) | 5810772 | 3.19 |
|   | 02.05.14  | (75822)   | (0.04) | 5734950 | 3.15 |
|   | 09.05.14  | (10500)   | (0.01) | 5724450 | 3.14 |
|   | 16.05.14  | (100000)  | (0.05) | 5624450 | 3.09 |
|   | 23.05.14  | (700042)  | (0.38) | 4924408 | 2.71 |
|   | 20.06.14  | (163437)  | (0.09) | 4760971 | 2.62 |
|   | 30.06.14  | (335858)  | (0.18) | 4425113 | 2.43 |
|   | 04.07.14  | (2257549) | (1.24) | 2167564 | 1.19 |
|   | 11.07.14  | (1096486) | (0.60) | 1071078 | 0.59 |
|   | 25.07.14  | (124844)  | (0.07) | 946234  | 0.52 |
|   | 01.08.14  | (300462)  | (0.17) | 645772  | 0.35 |
|   | 08.08.14  | (513772)  | (0.28) | 132000  | 0.07 |
|   | 29.08.14 <sup>#</sup>                               | (132000)  | (0.07) | 0       | 0.00 |
|   | At the end of the year*                             |           |        | 0       | 0.00 |

<sup>#</sup> ceased to be among the top ten shareholders of the Company w.e.f. 29th August, 2014.

|   |   |         |      |         |      |
|---|---|---------|------|---------|------|
| 4 | <b>Life Insurance Corporation of India</b>          |         |      |         |      |
|   | At the beginning of the year                        | 3029180 | 1.66 |         |      |
|   | Increase / Decrease in shareholding during the year | Nil     | Nil  |         |      |
|   | At the end of the year*                             |         |      | 3029180 | 1.66 |



| Sr No. | For each of the top Ten Shareholders                | 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 |
| 5      | <b>IDFC Sterling Equity Fund</b>                    |   |                                  |   |                                  |
|        | At the beginning of the year                        | 2359437                                   | 1.30                             |   |                                  |
|        | Increase / Decrease in shareholding during the year |   |                                  |   |                                  |
|        | 04.04.14  | 200000                                    | 0.11                             | 2559437                                 | 1.41                             |
|        | 30.05.14  | (10883)                                   | (0.01)                           | 2548554                                 | 1.40                             |
|        | 06.06.14  | (511819)                                  | (0.28)                           | 2036735                                 | 1.12                             |
|        | 13.06.14  | (600960)                                  | (0.33)                           | 1435775                                 | 0.79                             |
|        | 20.06.14  | (785017)                                  | (0.43)                           | 650758                                  | 0.36                             |
|        | 04.07.14 <sup>#</sup>                               | (650758)                                  | (0.36)                           | 0                                       | 0.00                             |
|        | At the end of the year*                             |   |                                  | 0                                       | 0.00                             |

<sup>#</sup> ceased to be among the top ten shareholders of the Company w.e.f. 4th July, 2014.

|   |   |          |        |         |      |
|---|---|----------|--------|---------|------|
| 6 | <b>Birla Sun Life Trustee Company Private Limited A/C</b> |          |        |         |      |
|   | At the beginning of the year                              | 2116925  | 1.16   |         |      |
|   | Increase / Decrease in shareholding during the year       |          |        |         |      |
|   | 04.04.14  | 37700    | 0.02   | 2154625 | 1.18 |
|   | 11.04.14  | 66801    | 0.04   | 2221426 | 1.22 |
|   | 09.05.14  | 50000    | 0.03   | 2271426 | 1.25 |
|   | 09.05.14  | (72000)  | (0.04) | 2199426 | 1.21 |
|   | 06.06.14  | (35000)  | (0.02) | 2164426 | 1.19 |
|   | 20.06.14  | 150000   | 0.08   | 2314426 | 1.27 |
|   | 18.07.14  | 109972   | 0.06   | 2424398 | 1.33 |
|   | 25.07.14  | (4200)   | (0.00) | 2420198 | 1.33 |
|   | 08.08.14  | (244170) | (0.13) | 2176028 | 1.20 |
|   | 15.08.15  | (74053)  | (0.04) | 2101975 | 1.15 |
|   | 05.09.14  | (22600)  | (0.01) | 2079375 | 1.14 |
|   | 19.09.14  | (11144)  | (0.01) | 2068231 | 1.14 |
|   | 14.11.14  | (103305) | (0.06) | 1964926 | 1.08 |
|   | 28.11.14  | (606400) | (0.29) | 1358526 | 0.65 |
|   | 19.12.14  | (29025)  | (0.01) | 1329501 | 0.63 |
|   | 30.01.15  | (362945) | (0.17) | 966556  | 0.46 |
|   | 06.02.15  | (337055) | (0.16) | 629501  | 0.30 |
|   | 13.02.15  | 130000   | 0.06   | 759501  | 0.36 |
|   | 06.03.15  | 150000   | 0.07   | 909501  | 0.43 |
|   | At the end of the year*                                   |          |        | 909501  | 0.43 |



| Sr No. | For each of the top Ten Shareholders                                      | 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 |
| 7      | <b>National Westminster Bank PLC as Trustee of the Jupiter Asian Fund</b> |   |                                  |   |                                  |
|        | At the beginning of the year  | 2031103                                   | 1.12                             |   |                                  |
|        | Increase / Decrease in shareholding during the year                       |   |                                  |   |                                  |
|        | 05.12.14  | 2018897                                   | 0.96                             | 4050000                                 | 1.93                             |
|        | At the end of the year*   |   |                                  | 4050000                                 | 1.93                             |
| 8      | <b>Canara Robeco Mutual Fund A/c Canara Robeco Equity</b>                 |   |                                  |   |                                  |
|        | At the beginning of the year  | 586238                                    | 0.32                             |   |                                  |
|        | Increase / Decrease in shareholding during the year                       |   |                                  |   |                                  |
|        | 25.04.2014  | (10000)                                   | (0.00)                           | 576238                                  | 0.32                             |
|        | 23.05.2014  | (14769)                                   | (0.01)                           | 561469                                  | 0.31                             |
|        | 06.06.2014  | (5000)                                    | (0.00)                           | 556469                                  | 0.31                             |
|        | 13.06.2014  | (24000)                                   | (0.01)                           | 532469                                  | 0.29                             |
|        | 11.07.2014  | (95931)                                   | (0.05)                           | 436538                                  | 0.24                             |
|        | 25.07.2014  | (35000)                                   | (0.02)                           | 401538                                  | 0.22                             |
|        | 07.11.2014  | 240000                                    | 0.13                             | 641538                                  | 0.35                             |
|        | 14.11.2014  | 300000                                    | 0.16                             | 941538                                  | 0.52                             |
|        | 21.11.2014  | 950000                                    | 0.52                             | 1891538                                 | 1.04                             |
|        | 28.11.2014  | 170000                                    | 0.08                             | 2061538                                 | 0.98                             |
|        | 05.12.2014  | 539384                                    | 0.26                             | 2600922                                 | 1.24                             |
|        | 12.12.2014  | 187000                                    | 0.09                             | 2787922                                 | 1.33                             |
|        | 19.12.2014  | 137000                                    | 0.07                             | 2924922                                 | 1.39                             |
|        | 09.01.2015  | 20000                                     | 0.01                             | 2944922                                 | 1.40                             |
|        | 16.01.2015  | 35000                                     | 0.02                             | 2979922                                 | 1.42                             |
|        | 23.01.2015  | 160000                                    | 0.08                             | 3139922                                 | 1.49                             |
|        | 30.01.2015  | 238971                                    | 0.11                             | 3378893                                 | 1.61                             |
|        | 27.02.2015  | (300000)                                  | (0.14)                           | 3078893                                 | 1.47                             |
|        | 20.03.2015  | 31069                                     | 0.01                             | 3109962                                 | 1.48                             |
|        | 27.03.2015  | 15000                                     | 0.01                             | 3124962                                 | 1.49                             |
|        | At the end of the year*   |   |                                  | 3124962                                 | 1.49                             |

| Sr No. | For each of the top Ten Shareholders                | 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 |
| 9      | <b>UTI Long Term Advantage Fund</b>                 |   |                                  |   |                                  |
|        | At the beginning of the year                        | 1258254                                   | 0.69                             |   |                                  |
|        | Increase / Decrease in shareholding during the year |   |                                  |   |                                  |
|        | 23.05.14  | (86450)                                   | (0.05)                           | 1171804                                 | 0.64                             |
|        | 30.05.14  | 1665                                      | 0.00                             | 1173469                                 | 0.64                             |
|        | 06.06.14  | (115000)                                  | (0.06)                           | 1058469                                 | 0.58                             |
|        | 13.06.14  | (75000)                                   | (0.04)                           | 983469                                  | 0.54                             |
|        | 04.07.14  | 222000                                    | 0.12                             | 1205469                                 | 0.66                             |
|        | 04.07.14  | (30000)                                   | (0.02)                           | 1175469                                 | 0.65                             |
|        | 11.07.14  | 127562                                    | 0.07                             | 1303031                                 | 0.72                             |
|        | 11.07.14  | (120000)                                  | (0.07)                           | 1183031                                 | 0.65                             |
|        | 23.08.14  | (69776)                                   | (0.04)                           | 1113255                                 | 0.61                             |
|        | 29.08.14  | (25000)                                   | (0.01)                           | 1088255                                 | 0.60                             |
|        | 05.09.14  | (428659)                                  | (0.24)                           | 659596                                  | 0.36                             |
|        | 05.12.14  | 934579                                    | 0.44                             | 1594175                                 | 0.76                             |
|        | 31.03.15  | (364)                                     | (0.00)                           | 1593811                                 | 0.76                             |
|        | At the end of the year*                             |   |                                  | 1593811                                 | 0.76                             |

|    |   |           |        |         |      |
|----|---|-----------|--------|---------|------|
| 10 | <b>Nordea 1 Sicav - Indian Equity Fund</b>          |           |        |         |      |
|    | At the beginning of the year                        | 1192562   | 0.66   |         |      |
|    | Increase / Decrease in shareholding during the year |           |        |         |      |
|    | 16.05.14  | 94873     | 0.05   | 1287435 | 0.71 |
|    | 18.07.14  | 664558    | 0.37   | 1951993 | 1.07 |
|    | 14.11.14  | (874468)  | (0.48) | 1077525 | 0.59 |
|    | 21.11.14 <sup>#</sup>                               | (1077525) | (0.59) | 0       | 0.00 |
|    | At the end of the year*                             |           |        | 0       | 0.00 |

<sup>#</sup> ceased to be among the top ten shareholders of the Company w.e.f. 21st November, 2014.

|    |   |         |      |         |      |
|----|---|---------|------|---------|------|
| 11 | <b>Jupiter South Asia Investment Company Limited - SO</b> |         |      |         |      |
|    | At the beginning of the year                              | 1160000 | 0.64 |         |      |
|    | Increase / Decrease in shareholding during the year       |         |      |         |      |
|    | 05.12.14  | 840000  | 0.40 | 2000000 | 0.95 |
|    | 30.01.15  | 100000  | 0.05 | 2100000 | 1.00 |
|    | At the end of the year*                                   |         |      | 2100000 | 1.00 |

| Sr No. | For each of the top Ten Shareholders                         | 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 |
| 12     | <b>HDFC Trustee Company Limited -<br/>HDFC Prudence Fund</b> |   |                                  |   |                                  |
|        | At the beginning of the year                                 | 0   | 0                                |   |                                  |
|        | Increase / Decrease in shareholding during the year          |   |                                  |   |                                  |
|        | 05.12.14   | 6261682                                   | 2.98                             | 6261682                                 | 2.98                             |
|        | 06.03.15   | 1909000                                   | 0.91                             | 8170682                                 | 3.89                             |
|        | 13.03.15   | 443000                                    | 0.21                             | 8613682                                 | 4.10                             |
|        | 20.03.15   | 1000000                                   | 0.48                             | 9613682                                 | 4.58                             |
|        | 20.03.15   | (1000000)                                 | (0.48)                           | 8613682                                 | 4.10                             |
|        | 27.03.15   | 43000                                     | 0.02                             | 8656682                                 | 4.12                             |
|        | 27.03.15   | (1000000)                                 | (0.48)                           | 7656682                                 | 3.64                             |
|        | At the end of the year*                                      |   |                                  | 7656682                                 | 3.64                             |
| 13     | <b>Goldman Sachs India Fund Limited</b>                      |   |                                  |   |                                  |
|        | At the beginning of the year                                 | 0   | 0                                |   |                                  |
|        | Increase / Decrease in shareholding during the year          |   |                                  |   |                                  |
|        | 23.05.14   | 85895                                     | 0.05                             | 85895                                   | 0.05                             |
|        | 30.05.14   | 396401                                    | 0.22                             | 482296                                  | 0.26                             |
|        | 20.06.14   | 334416                                    | 0.18                             | 816712                                  | 0.45                             |
|        | 04.07.14   | 448478                                    | 0.25                             | 1265190                                 | 0.70                             |
|        | 14.11.14   | 49628                                     | 0.03                             | 1314818                                 | 0.72                             |
|        | 21.11.14   | 78445                                     | 0.04                             | 1393263                                 | 0.77                             |
|        | 05.12.14   | 1402812                                   | 0.67                             | 2796075                                 | 1.33                             |
|        | 12.12.14   | 139696                                    | 0.07                             | 2935771                                 | 1.40                             |
|        | 30.01.15   | 281972                                    | 0.13                             | 3217743                                 | 1.53                             |
|        | 06.02.15   | 150000                                    | 0.07                             | 3367743                                 | 1.60                             |
|        | 13.02.15   | 273527                                    | 0.13                             | 3641270                                 | 1.73                             |
|        | 27.02.15   | 358990                                    | 0.17                             | 4000260                                 | 1.90                             |
|        | 06.03.15   | 512234                                    | 0.24                             | 4512494                                 | 2.15                             |
|        | 27.03.15   | 169601                                    | 0.08                             | 4682095                                 | 2.23                             |
|        | 31.03.15   | 105599                                    | 0.05                             | 4787694                                 | 2.28                             |
|        | At the end of the year*                                      |   |                                  | 4787694                                 | 2.28                             |



| Sr No. | For each of the top Ten Shareholders                | 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 |
| 14     | <b>Parvest Equity India</b>                         |   |                                  |   |                                  |
|        | At the beginning of the year                        | 0   | 0                                |   |                                  |
|        | Increase / Decrease in shareholding during the year |   |                                  |   |                                  |
|        | 20.03.15  | 1999748                                   | 0.95                             | 1999748                                 | 0.95                             |
|        | 27.03.15  | 2000252                                   | 0.95                             | 4000000                                 | 1.90                             |
|        | At the end of the year*                             |   |                                  | 4000000                                 | 1.90                             |

Note: These data are as on Benpos Date as provided by NSDL/CDSL.

(v) Shareholding of Directors and Key Managerial Personnel

| Mr. S. K. Poddar, Executive Chairman                 | 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 |
| At the beginning of the year                         | 2497020                                   | 1.37                             |   |                                  |
| Increase / Decrease in Share holding during the year | Nil                                       | Nil                              | Nil                                     | Nil                              |
| At the end of the year*                              |   |                                  | 2497020                                 | 1.19                             |

| Mr. Ramesh Maheshwari, Executive Vice Chairman       | 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 |
| At the beginning of the year                         | 60000                                     | 0.03                             |   |                                  |
| Increase / Decrease in Share holding during the year |   |                                  |   |                                  |
| 09.06.14   | (25000)                                   | (0.01)                           | 35000                                   | 0.02                             |
| 10.06.14   | (10000)                                   | (0.01)                           | 25000                                   | 0.01                             |
| 11.06.14   | (5000)                                    | (0.00)                           | 20000                                   | 0.01                             |
| 30.06.14   | (20000)                                   | (0.01)                           | 0                                       | 0.00                             |
| At the end of the year*                              |   |                                  | Nil                                     | Nil                              |

| Mr. A. C. Chakrabortti, Independent Director | 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 |
| At the beginning of the year                 | 1800                                      | 0.00                             |   |                                  |
| Increase / Decrease in                       |   |                                  |   |                                  |
| Share holding during the year                | Nil                                       | Nil                              | Nil                                     | Nil                              |
| At the end of the year*                      |   |                                  | 1800                                    | 0.00                             |

| Mr. Akshay Poddar, Non - Executive and Non Independent Director | 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 |
| At the beginning of the year                                    | 14820                                     | 0.01                             |   |                                  |
| Increase / Decrease in  |   |                                  |   |                                  |
| Share holding during the year                                   | Nil                                       | Nil                              | Nil                                     | Nil                              |
| At the end of the year*   |   |                                  | 14820                                   | 0.01                             |

| Mr. D. H. Kela, Executive Director | 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 |
| At the beginning of the year       | 30000                                     | 0.02                             |   |                                  |
| Increase / Decrease in             |   |                                  |   |                                  |
| Share holding during the year      |   |                                  |   |                                  |
| 21.11.14                           | (10000)                                   | (0.01)                           | 20000                                   | 0.01                             |
| 28.11.14                           | (4270)                                    | (0.00)                           | 15730                                   | 0.01                             |
| 31.12.14                           | (15730)                                   | (0.01)                           | 0                                       | 0.00                             |
| At the end of the year*            |   |                                  | Nil                                     | Nil                              |

| Mr. A. K. Vijay, Executive Director <sup>§</sup> | 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 |
| At the beginning of the year                     | 32530                                     | 0.02                             |   |                                  |
| Increase / Decrease in                           |   |                                  |   |                                  |
| Share holding during the year                    |   |                                  |   |                                  |
| 31.12.14   | 12000                                     | 0.01                             | 20530                                   | 0.01                             |
| 25.02.15   | 10000                                     | 0.00                             | 10530                                   | 0.01                             |
| 05.03.15   | 8000                                      | 0.00                             | 2530                                    | 0.00                             |
| At the end of the year*                          |   |                                  | 2530                                    | 0.00                             |

<sup>§</sup> Appointed as an Executive Director w.e.f. 1st January, 2015.

Mr. D. R. Kaarthikeyan, Mr. Sampath Dhasarathy, Mr. Hemant Kanoria, Mr. Sunil Mitra, Mr. Sandeep Fuller and Ms. Mridula Jhunjhunwala do not hold any shares in the Company.

\* Paid up Capital of the Company has been increased w.e.f. 26th November, 2014 from 18,20,26,590 at 31st March, 2014 to 21,00,63,973 on account of issue of Equity Shares under QIP.

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

*Rupees In Lakhs*

|  | Secured Loans<br>excluding deposits | Unsecured<br>Loans | Deposits     | Total<br>Indebtedness |
|--|-------------------------------------|--------------------|--------------|-----------------------|
| <b>Indebtedness at the beginning of the financial year</b> |                                     |                    |              |                       |
| i) Principal Amount  | 10153.82                            | -                  | 10.40        | 10164.22              |
| ii) Interest due but not paid                              | -                                   | -                  | -            | -                     |
| iii) Interest accrued but not due                          | 6.00                                | -                  | -            | 6.00                  |
| <b>Total (i+ii+iii)</b>                                    | <b>10159.82</b>                     | <b>-</b>           | <b>10.40</b> | <b>10170.22</b>       |
| <b>Change in Indebtedness during the financial year</b>    |                                     |                    |              |                       |
| · Addition   | 552.90                              | -                  | -            | 552.90                |
| · Reduction  | -                                   | -                  | (10.40)      | (10.40)               |
| Net Change   | 552.90                              | -                  | (10.40)      | 542.50                |
| <b>Indebtedness at the end of the financial year</b>       |                                     |                    |              |                       |
| i) Principal Amount  | 10706.72                            | -                  | -            | 10706.72              |
| ii) Interest due but not paid                              | -                                   | -                  | -            | -                     |
| iii) Interest accrued but not due                          | 6.00                                | -                  | -            | 6.00                  |
| <b>Total (i+ii+iii)</b>                                    | <b>10712.72</b>                     | <b>-</b>           | <b>-</b>     | <b>10712.72</b>       |

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager

Rupees In Lakhs

| Sl. no.   | Particulars of Remuneration   | Name of MD/WTD/ Manager |                       |                |                    |                   | Total Amount  |
|-----------|---|-------------------------|-----------------------|----------------|--------------------|-------------------|---------------|
|           |   | Mr. S.K. Poddar         | Mr. Ramesh Maheshwari | Mr. D. H. Kela | Mr. Sandeep Fuller | Mr. A. K. Vijay ^ |               |
| <b>1.</b> | <b>Gross Salary</b>   |                         |                       |                |                    |                   |               |
|           | (a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961 | 327.00                  | 97.29                 | 67.86          | 56.81              | 30.85             | 579.81        |
|           | (b) Value of perquisites u/s 17(2) Income-Tax Act, 1961                             | 6.82                    | 18.35                 | 5.31           | 9.16               | 8.07              | 47.71         |
|           | (c) Profits in lieu of salary under section 17(3) Income- Tax Act, 1961             | -                       | -                     | -              | -                  | -                 | -             |
| <b>2</b>  | <b>Stock Option</b>   |                         |                       |                |                    |                   |               |
| <b>3</b>  | <b>Sweat Equity</b>   |                         |                       |                |                    |                   |               |
| <b>4</b>  | <b>Commission</b>   |                         |                       |                |                    |                   |               |
|           | i) As % of profit   |                         |                       |                |                    |                   |               |
|           | ii) Others, specify   |                         |                       |                |                    |                   |               |
| <b>5</b>  | <b>Others :-</b>  |                         |                       |                |                    |                   |               |
|           | i) Co's Contribution to PF / Pension Fund   | 36.00                   | 10.80                 | 7.56           | 3.96               | 3.45              | 61.77         |
|           | ii) Value of Furniture  | -                       | -                     | -              | -                  | -                 | -             |
|           | iii) Superannuation   | -                       | 13.50                 | 9.45           | -                  | 4.15              | 27.10         |
|           | <b>Total</b>  | <b>369.82</b>           | <b>139.94</b>         | <b>90.18</b>   | <b>69.93</b>       | <b>46.52</b>      | <b>716.39</b> |
|           | Ceiling as per the Act  |                         |                       |                |                    |                   | 131.40        |

^ Mr. A. K. Vijay is the CFO & Company Secretary of the Company.

### B. Remuneration to other directors:

Rupees In Lakhs

| Sl. no.   | Particulars of Remuneration                    | Name of Directors     |                        |                 |                        |                    |                          | Total Amount |
|-----------|--|-----------------------|------------------------|-----------------|------------------------|--------------------|--------------------------|--------------|
|           |  | Mr. A.C. Chakrabortti | Mr. D. R. Kaarthikeyan | Mr. Sunil Mitra | Mr. Sampath Dhasarathy | Mr. Hemant Kanoria | Ms. Mridula Jhunjhunwala |              |
| <b>1.</b> | <b>Independent Directors</b>                   |                       |                        |                 |                        |                    |                          |              |
|           | · Fee for attending board / committee meetings | 4.90                  | 3.20                   | 2.10            | 2.50                   | 0.90               | -                        | 13.60        |
|           | Commission                                     | 2.00                  | 2.00                   | 2.00            | 2.00                   | 2.00               | 0.07                     | 10.07        |
|           | <b>Total (1)</b>                               | <b>6.90</b>           | <b>5.20</b>            | <b>4.10</b>     | <b>4.50</b>            | <b>2.90</b>        | <b>0.07</b>              | <b>23.67</b> |



| Sl. no. | Particulars of Remuneration                    | Name of Directors     |                        |                 |                        |                    |                         |                   | Total Amount |
|---------|--|-----------------------|------------------------|-----------------|------------------------|--------------------|-------------------------|-------------------|--------------|
|         |  | Mr. A.C. Chakrabortti | Mr. D. R. Kaarthikeyan | Mr. Sunil Mitra | Mr. Sampath Dhasarathy | Mr. Hemant Kanoria | Ms. Mridula Jhunhunwala | Mr. Akshay Poddar |              |
| 2.      | Other Non-Executive Directors                  |                       |                        |                 |                        |                    |                         |                   |              |
|         | · Fee for attending board / committee meetings |                       |                        |                 |                        |                    |                         | 1.20              | 1.20         |
|         | · Commission                                   |                       |                        |                 |                        |                    |                         | 2.00              | 2.00         |
|         | · Others, please specify                       |                       |                        |                 |                        |                    |                         |                   |              |
|         | Total (2)                                      |                       |                        |                 |                        |                    |                         |                   | 3.20         |
|         | Total (B)=(1 + 2)                              |                       |                        |                 |                        |                    |                         |                   | 26.87        |
|         | Total Managerial Remuneration                  |                       |                        |                 |                        |                    |                         |                   | 743.26       |
|         | Ceiling as per the Act                         |                       |                        |                 |                        |                    |                         |                   | 144.54       |

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

*The information are provided in Sl No. (A).*

VII. There were no penalties / Punishment / Compounding of Offences under the Companies Act, 1956 / 2013 for the year ended 31st March, 2015.





# Report on Corporate Governance

(Pursuant to Clause 49 of the Listing Agreement)

## 1. Company's philosophy on Code of Governance

The core values of the Company's Corporate Governance are transparency, professionalism, accountability, customer focus, teamwork, quality, fairness and social responsibility. Your Company is committed to fulfill these objectives and enhance the wealth generating capacity, keeping in mind long-term interest of the shareholders, employees and the society. The Company believes in adopting and adhering to the best Corporate Governance practices and continuously benchmarking itself against the best practices in the industry.

## 2. Board of Directors

The Company's Board comprises twelve Directors, represents the optimum mix of professionalism, knowledge and experience. Six Directors of the current strength of the Board are Independent Directors. The category of Directorship, number of meetings attended, attendance at the last Annual General Meeting ('AGM'), Directorships in other Companies, number of Committees in which such Director is a member, are mentioned below

| Name of the Director                   | Category of Directorship        | Director Identification Number (DIN) | No. of Board Meetings attended | Attendance at the last AGM | No. of Directorships in other Companies # | No. of Chairmanship/ Membership of Board/ Committees in Companies ^ |        |
|--|---------------------------------|--------------------------------------|--------------------------------|----------------------------|---|---|--------|
|  |                                 |                                      |                                |                            |   | Chairman  | Member |
| S. K. Poddar                           | Executive Chairman              | 00008654                             | 7                              | Yes                        | 15  | 1   | 0      |
| Ramesh Maheshwari                      | Executive Vice Chairman         | 00170811                             | 7                              | Yes                        | 4   | 0   | 2      |
| D. R. Kaarthikeyan                     | Independent                     | 00327907                             | 6                              | No                         | 13  | 0   | 0      |
| A. C. Chakrabortti                     | Independent                     | 00015622                             | 7                              | Yes                        | 8   | 2   | 2      |
| Sampath Dhasarathy                     | Independent                     | 01308724                             | 5                              | No                         | 0   | 0   | 0      |
| Hemant Kanoria                         | Independent                     | 00193015                             | 1                              | No                         | 7   | 1   | 1      |
| Sunil Mitra                            | Independent                     | 00113473                             | 6                              | No                         | 9   | 1   | 6      |
| Akshay Poddar <sup>+</sup>             | Non-executive & Non-independent | 00008686                             | 4                              | No                         | 16  | 1   | 3      |
| D. H. Kela                             | Executive                       | 01050842                             | 7                              | Yes                        | 1   | 0   | 1      |
| Sandeep Fuller                         | Executive                       | 06754262                             | 7                              | Yes                        | 3   | 0   | 0      |
| A. K. Vijay <sup>*</sup>               | Executive                       | 01103278                             | 1                              | N.A.                       | 4   | 0   | 0      |
| Ms. Mridula Jhunjhunwala <sup>\$</sup> | Independent                     | 05339373                             | N.A.                           | N.A.                       | 1   | 0   | 0      |

<sup>+</sup> Mr. Akshay Poddar is the son of Mr. S. K. Poddar.

<sup>\*</sup> Appointed w.e.f. 1st January, 2015.

<sup>\$</sup> Appointed w.e.f. 20th March, 2015.

<sup>#</sup> Excluding Foreign Companies.

<sup>^</sup> Membership / Chairmanship in Audit Committee and Stakeholders Relationship Committee, including those in the Company.

The Chairman does not have a separate office in Kolkata and the Corporate Office of the Company supports the Chairman for discharging his responsibilities. The Company however, maintains a separate office for the Chairman at New Delhi. No Director of the Company was a member of more than ten Committees or Chairman of more than five Committees across all the Companies in which he was a Director.

Seven Board Meetings were held during the year 2014-2015 on the following dates:

|                    |                     |
|--------------------|---------------------|
| 15th April, 2014   | 21st May, 2014      |
| 16th June, 2014    | 21st July, 2014     |
| 27th October, 2014 | 30th December, 2014 |
| 3rd February, 2015 |                     |

### 3. Audit Committee / Sub-Committee

#### (a) Audit Committee

##### Terms of Reference and Composition

The terms of reference of the Committee cover the matters specified for the Audit Committee under Clause 49 of the Listing Agreement as well as in Section 177 of the Companies Act, 2013.

The Audit Committee comprises the following four Directors, and their attendance in the Committee Meeting is given alongside.

| Name of the Director         | No. of Meetings attended |
|------------------------------|--------------------------|
| A. C. Chakrabortti, Chairman | 5                        |
| Ramesh Maheshwari, Member    | 5                        |
| Sampath Dhasarathy, Member   | 4                        |
| D. R. Kaarthikeyan, Member   | 5                        |

Five Audit Committee Meetings were held during the year 2014-2015 on the following dates:

|                     |
|---------------------|
| 21st May, 2014      |
| 21st July, 2014     |
| 27th October, 2014  |
| 30th December, 2014 |
| 3rd February, 2015  |

#### (b) Sub-Committee

The Sub-Committee comprises three Directors namely Mr. S. K. Poddar, Mr. A. C. Chakrabortti and Mr. Ramesh

Maheshwari. No Sub - Committee meeting was held during the year 2014-2015.

### 4. Nomination and Remuneration Committee

#### Terms of Reference and Composition

The terms of reference of the Committee cover the matters specified for the Nomination and Remuneration Committee under Clause 49 of the Listing Agreement and Section 178 of the Companies Act, 2013. This Committee also has the responsibility for administering the Employee Stock Option Scheme of the Company.

The Nomination and Remuneration Committee comprises the following four Directors, and their attendance in the Committee Meeting is given alongside.

| Name of the Director         | No. of Meetings attended |
|------------------------------|--------------------------|
| A. C. Chakrabortti, Chairman | 1                        |
| Akshay Poddar, Member        | 0                        |
| Sunil Mitra, Member          | 0                        |
| Hemant Kanoria, Member       | 1                        |

The Nomination and Remuneration Committee met once during the year on 30th December, 2014.

#### Remuneration of Directors

The Remuneration of Executive Directors is fixed by the Board of Directors upon recommendation by the Nomination and Remuneration Committee. Non-executive Directors are eligible for sitting fee and a commission not exceeding 1% of the net profit of the Company for each year, with a ceiling of Rs. 2,00,000/- per annum for each Director. The sitting fee for attending the Board Meeting and Audit Committee Meeting has been increased from Rs. 20,000/- and Rs. 10,000/- respectively to Rs. 30,000/- and the sitting fee for attending the other committee/sub-committee meetings has been increased from Rs. 10,000/- to Rs. 20,000/- as approved by the Board of Directors at its Meeting held on 21st May, 2014.

Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed as **Annexure E** to the Directors' Report.

The details of the payment made to the Directors during the year 2014-15 are as follows:

i) Non-executive Directors

| Name of the Director | Sitting Fee for the year (Rs.) | Commission for the year (Rs.) | Total (Rs.) | No. of Shares held in the Company |
|----------------------|--------------------------------|-------------------------------|-------------|-----------------------------------|
| A.C. Chakrabortti    | 4,90,000                       | 2,00,000                      | 6,90,000    | 1,800                             |
| Sampath Dhasarathy   | 2,50,000                       | 2,00,000                      | 4,50,000    | Nil                               |
| Akshay Poddar        | 1,20,000                       | 2,00,000                      | 3,20,000    | 14,820                            |
| D. R. Kaarthikeyan   | 3,20,000                       | 2,00,000                      | 5,20,000    | Nil                               |
| Hemant Kanoria       | 90,000                         | 2,00,000                      | 2,90,000    | Nil                               |
| Sunil Mitra          | 2,10,000                       | 2,00,000                      | 4,10,000    | Nil                               |
| Mridula Jhunjhunwala | Nil                            | 6,575                         | 6,575       | Nil                               |

**Note:** The Commission was paid to Directors proportionate to their tenure.

The details of the remuneration paid to the Executive Directors during the year 2014-2015 are given below:

ii) Executive Directors

| Name of the Director | Designation             | Salary (Rs.) | Perquisites and Allowances # (Rs.) | Sitting Fees (Rs.) | Retirement Benefits (Rs.) |
|----------------------|-------------------------|--------------|------------------------------------|--------------------|---------------------------|
| S. K. Poddar         | Executive Chairman      | 3,33,59,524  | 36,22,772                          | N.A.               | As per Company's Rules    |
| Ramesh Maheshwari    | Executive Vice Chairman | 1,05,96,429  | 33,97,354                          | N.A.               | - DO -                    |
| D. H. Kela           | Executive Director      | 72,80,652    | 17,37,301                          | N.A.               | - DO -                    |
| Sandeep Fuller       | Executive Director      | 59,97,145    | 9,96,000                           | N.A.               | -DO-                      |
| A. K. Vijay*         | Executive Director      | 9,95,087     | 4,45,627                           | N.A.               | -DO-                      |

# Perquisites and Allowances include House Rent Allowance, LTA, Medical Benefits, Contribution to P.F., Superannuation Fund, Ex-gratia etc.

\*Appointed as an Executive Director w.e.f. 1st January, 2015 and hence details are given for the period commencing from 1st January, 2015.

## 5. Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises the following four Directors and their attendance in the Committee Meeting is given alongside.

| Name of the Director      | No. of Meetings attended |
|---------------------------|--------------------------|
| Akshay Poddar, Chairman   | Nil                      |
| Ramesh Maheshwari, Member | 1                        |
| D. H. Kela, Member        | 1                        |
| Sunil Mitra, Member       | 1                        |

The grievances received are dealt by the Stakeholders Relationship Committee / Registrar & Share Transfer Agent of the Company / Compliance Officer.

In order to provide quick service to Investors, the Board has delegated certain powers to few Senior Executives to deal with various matters including transfer of Shares, transmission of Securities etc. The Company has no transfers pending at the close of the financial year. Committee met once during the year on 3rd February, 2015.

Mr. A. K. Vijay, Secretary is the Compliance Officer of the Company. During the year, 7 complaints were received from the Shareholders, which were resolved within a reasonable time period.

## 6. CSR Committee

### Terms of Reference and Composition

The terms of reference of the Committee cover the matters specified for the CSR Committee under Section 135 of the Companies Act, 2013 and Rules thereunder.

The CSR Committee comprises the following three Directors, and their attendance in the Committee Meeting is given alongside.

| Name of the Director        | No. of Meetings attended |
|-----------------------------|--------------------------|
| Ramesh Maheshwari, Chairman | 1                        |
| D. H. Kela, Member          | 1                        |
| Sunil Mitra, Member         | 0                        |

The CSR Committee met once during the year on 30th December, 2014.

## 7. Independent Directors Meeting

A meeting of the Independent Directors of the Company was held on 4th March, 2015 during the financial year 2014-15. All the Independent Directors except Mr. Hemant Kanoria attended the Meeting. The matters discussed at the Independent Directors Meeting, inter alia include the evaluation of the performance of Non-Independent Directors including Chairman of the Board.

## 8. Induction & Training of Board Members

To provide insights into the Company's operations, the Company periodically familiarize its Independent Directors through presentations, briefings, meetings etc.

## 11. General Body Meetings

Details of date, time and venue of the Annual General Meetings (AGMs) held in last three years are given below:

| Financial Year | Date and time of the AGMs            | Venue  | No. of Special Resolutions approved at the AGMs |
|----------------|--------------------------------------|--|---|
| 2013-2014      | 4th September, 2014<br>at 10.30 A.M. | K. K. Birla Kala Kendra, Texmaco Estate, Belgharia, Kolkata- 700 056       | 5   |
| 2012-2013      | 14th September, 2013<br>at 2.30 P.M. | K. K. Birla Kala Kendra, Texmaco Estate, Belgharia, Kolkata- 700 056       | 2   |
| 2011-2012      | 29th August, 2012<br>at 2.30 P.M.    | G. D. Birla Sabhagar,<br>29 Ashutosh Chowdhury Avenue,<br>Kolkata- 700 019 | -   |

The details of programmes for familiarisation of Independent Directors with the Company, including their duties in the Company and related matters are put up on the website of the Company at the link: <http://texmaco.in/texmaco/file/Familiarisation%20Programme%20for%20Independent%20Directors.pdf>

## 9. Whistle Blower Policy

The Company believes in promoting ethical behaviour and accordingly there is a mechanism for reporting unethical behaviour, actual or suspected fraud or violation against the Company's Code of Conduct. The objective of the policy is to provide adequate safeguard measures against victimization. The Company has a Whistle Blower Policy under which the employees are free to report any such grievances to the Nodal officer appointed for the purpose. In certain circumstances, employees may also report to the Chairman of the Audit Committee. The Policy is also placed on the website of the Company at the link: <http://texmaco.in/texmaco/file/Whistle%20Blower%20Policy.pdf>

## 10. Internal Control System

The Internal Control System of the Company is aimed at proper utilization and safeguarding of the Company's resources and to promote operational efficiency. The findings of the Internal Audit and consequent corrective actions initiated and implemented from time to time are placed before the Audit Committee. The Audit Committee reviews such audit findings and the adequacy of the Internal Control System.

#### Whether Special Resolutions-

- A Were put through Postal Ballot last year No
- B Are proposed to be conducted through postal ballot No

### 12. Disclosure

There were no materially significant related party transactions made by the Company with its Promoters, Directors or Management, Associates etc. that may have potential conflict with the interests of the Company at large. Transactions carried out with the related parties are disclosed in Note No. 2.30 of Audited Financial Statements.

During the last three years, there were no strictures or penalties imposed either by SEBI or the Stock Exchanges or any statutory authorities for non-compliance of any matter related to Capital Market.

### 13. Reconciliation of Share Capital Audit Report

A qualified practicing Chartered Accountant carried out Quarterly

Share Capital Audit to reconcile the total admitted Equity Share capital with National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL') and the total issued and listed capital. The audit confirms that the total issued / paid up Equity Share capital is in agreement with the total number of Equity Shares in physical form and total number of Equity Shares in dematerialised form held with NSDL and CDSL.

### 14. Means of Communication

The Quarterly Unaudited Financial Results and the Annual Audited Financial Results as taken on record and approved by the Board of Directors of the Company are published generally in local English and Vernacular newspapers namely The Financial Express and Aajkal. It is also sent immediately to all the Stock Exchanges with which the Shares of the Company are listed.

These results are also posted on Company's website [www.texmaco.in](http://www.texmaco.in). Management Discussion & Analysis Report forms part of the Annual Report.

### 15. General Shareholder Information

|                                |   |
|--------------------------------|---|
| AGM : Date, Time & Venue       | Monday, 28th September, 2015 at 2:15 P.M. at K. K. Birla Kala Kendra, Texmaco Estate, Belgharia, Kolkata-700 056  |
| Financial Calendar (Tentative) | 1st April, 2015 to 31st March, 2016<br>First Quarter Results - Last week of July.<br>Second Quarter Results - Second week of October.<br>Third Quarter Results - First week of February.<br>Results for the year<br>ending 31st March, 2016 - By Last week of May 2016. |
| Date of Book Closure           | Tuesday, 22nd September, 2015 to Sunday, 27th September, 2015.  |
| Listing on Stock Exchanges     | 1. National Stock Exchange of India Limited, Mumbai.<br>2. BSE Limited, Mumbai.<br>3. The Calcutta Stock Exchange Limited, Kolkata.<br>The Company has paid listing fee for the period 1st April, 2015 to 31st March, 2016.   |
| Dividend Payment Date          | Mid October, 2015   |
| CIN of Company                 | L29261WB1998PLC087404   |
| Stock Code                     |   |
| National Stock Exchange        | TEXRAIL   |
| BSE                            | 533326  |
| Calcutta Stock Exchange        | 30285   |
| Demat ISIN No. for CDSL/NSDL   | INE 621L01012   |



High / Low market prices of the Company's Equity Shares of Re.1/- each traded on National Stock Exchange of India Limited and BSE Limited during the period April 2014 to March 2015 are furnished here after:

| Period         | National Stock Exchange of India Limited |           | BSE Limited |           |
|----------------|--|-----------|-------------|-----------|
|                | High (Rs.)                               | Low (Rs.) | High (Rs.)  | Low (Rs.) |
| April 2014     | 68.45                                    | 47.60     | 68.40       | 47.35     |
| May 2014       | 120.20                                   | 62.00     | 119.10      | 62.00     |
| June 2014      | 131.40                                   | 99.00     | 131.70      | 99.00     |
| July 2014      | 150.00                                   | 85.00     | 149.80      | 85.05     |
| August 2014    | 105.85                                   | 75.05     | 105.70      | 75.50     |
| September 2014 | 98.60                                    | 75.80     | 98.60       | 75.95     |
| October 2014   | 96.70                                    | 82.15     | 96.70       | 82.40     |
| November 2014  | 127.40                                   | 94.10     | 127.25      | 94.70     |
| December 2014  | 141.70                                   | 107.85    | 141.75      | 108.00    |
| January 2015   | 161.30                                   | 124.20    | 161.15      | 124.00    |
| February 2015  | 171.00                                   | 127.20    | 170.75      | 127.30    |
| March 2015     | 157.40                                   | 138.10    | 157.45      | 138.20    |

Note: There was no trading during the year on The Calcutta Stock Exchange Limited, Kolkata.

|   |  |   |
|---|--|---|
| <b>Registrar &amp; Transfer Agent (RTA)</b> | M/s. Karvy Computershare Private Limited<br>Plot No: 17- 24,<br>Vittal Rao Nagar,<br>Madhapur,<br>Hyderabad - 500081 | Phone: 040-23420818<br>Fax No: 040-23420814<br>E Mail: einward.ris@karvy.com<br>Website: www.karvycomputershare.com |
|---|--|---|

#### Share Transfer System

Request for transfer of Equity Shares held in physical form may be lodged with Karvy Computershare Private Limited at Hyderabad or may be sent to Company Secretary at the Registered office of the Company at Kolkata. Share transfers are registered and returned within 15 days from the date of lodgment, provided documents are complete in all respects.

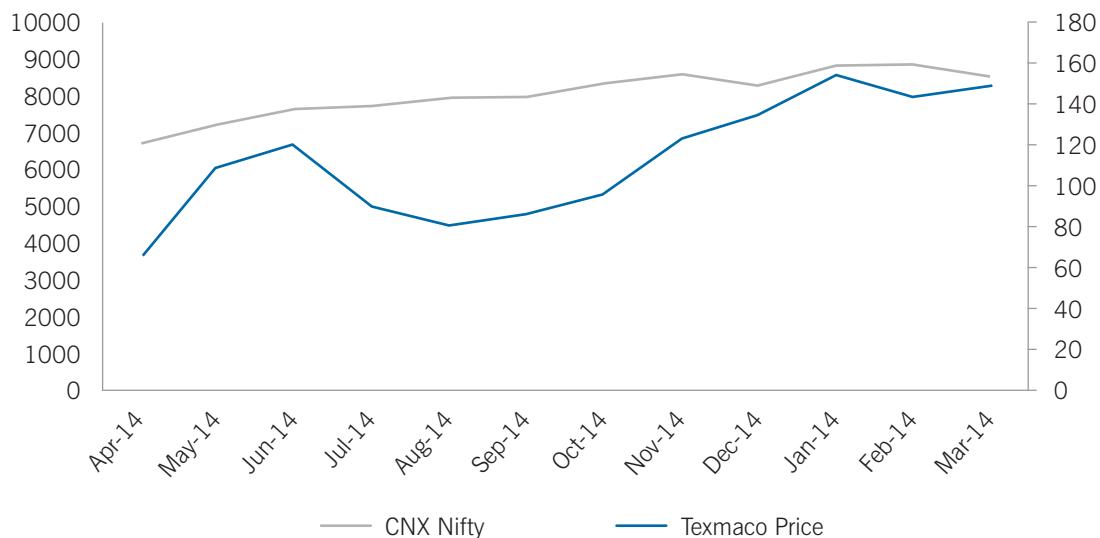
#### Distribution of Shareholding as on 31st March, 2015

| No. of Equity Shares held | No. of Folios | %             | No. of Shares    | %             |
|---------------------------|---------------|---------------|------------------|---------------|
| Upto 5000                 | 27750         | 98.06         | 8352550          | 3.98          |
| 5001 to 10000             | 214           | 0.76          | 1622810          | 0.77          |
| 10001 to 20000            | 113           | 0.40          | 1655303          | 0.79          |
| 20001 to 30000            | 42            | 0.15          | 1082656          | 0.52          |
| 30001 to 40000            | 25            | 0.09          | 868135           | 0.41          |
| 40001 to 50000            | 13            | 0.04          | 615666           | 0.29          |
| 50001 to 100000           | 34            | 0.12          | 2501934          | 1.19          |
| 100001 and above          | 108           | 0.38          | 193364919        | 92.05         |
| <b>Grand Total</b>        | <b>28299</b>  | <b>100.00</b> | <b>210063973</b> | <b>100.00</b> |

### Shareholding Pattern as on 31st March, 2015:-

| Category                       | No. of Shares       | %             |
|--------------------------------|---------------------|---------------|
| Promoters                      | 11,51,27,010        | 54.81         |
| Banks, Insurance Cos., and FIs | 87,60,416           | 4.17          |
| Mutual Funds and U.T.I.        | 3,89,00,690         | 18.51         |
| NRI / OCB/FIIs                 | 2,50,31,777         | 11.92         |
| Corporate Bodies               | 61,53,483           | 2.93          |
| Indian Public                  | 1,47,93,499         | 7.04          |
| Others                         | 12,97,098           | 0.62          |
| <b>Total</b>                   | <b>21,00,63,973</b> | <b>100.00</b> |

### Texmaco Share Price vis a vis Nifty



- Closing price of the Company's Shares and Nifty have been considered for this purpose.



### Dematerialization of Shares as on 31st March, 2015 and Liquidity

The Company's Equity Shares are compulsorily traded in dematerialised form and are available for trading on both the Depositories in India - National Securities Depository Limited and Central Depository Services (India) Limited. 20,89,12,712 Equity Shares of the Company representing 99.45% of the Company's Equity Share Capital are dematerialised as on 31st March, 2015.

### Code of Conduct & Ethics and Insider Trading:

The Company has adopted a Code of Conduct & Ethics (Code) for the members of Board of Directors and Senior Management Personnel of the Company. The essence of the code is to conduct the business of the Company in an honest, fair and ethical manner, in compliance with applicable laws and in a way that excludes considerations for personal advantage. All Directors and Senior Management Personnel have affirmed compliance with the code and a declaration to this effect, signed by the Executive Directors, is attached to this report.

The Company has also adopted the revised Codes as framed under the SEBI (Prohibition of Insider Trading) Regulations, 2015, preventing Insider Trading in the Equity Shares of the Company.

### Location of the Plants

|                            |   |
|----------------------------|---|
| Plant Locations            | The Company's Plants are located at Belgharia, Agarpara, Panihati and Sodepur in District. 24-Parganas (North), West Bengal   |
| Address for Correspondence | Shareholders may contact Mr. A. K. Vijay, CFO and Secretary at the Registered Office of the Company for any assistance.<br>Telephone No : (033) 2569-1500<br>E-mail : ak.vijay@texmaco.in<br>Shareholders holding Equity Shares in Electronic mode should address all their correspondence to their respective Depository Participants. |

### Investor Education and Protection Fund (IEPF)

Information U/s 205A (5) of the Companies, Act 1956, in respect of Unclaimed Dividend, when due for transfer to the said Fund, are given below:

| Financial year ended | Date of declaration of Dividend | Last date for claiming Un-paid Dividend | Due date for transfer to IEPF |
|----------------------|---------------------------------|---|-------------------------------|
| 31.03.2014           | 04.09.2014                      | 09.10.2021                              | 09.11.2021                    |
| 31.03.2013           | 14.09.2013                      | 19.10.2020                              | 19.11.2020                    |
| 31.03.2012           | 29.08.2012                      | 03.10.2019                              | 03.11.2019                    |
| 31.03.2011           | 01.09.2011                      | 06.10.2018                              | 06.11.2018                    |





## 16. ADOPTION OF MANDATORY AND NON-MANDATORY REQUIREMENTS OF CLAUSE 49

The Company has complied with applicable mandatory requirements under Clause 49 of the Listing Agreement with the Stock Exchange(s) and has adopted the following non-mandatory requirements:

**(i) The Board:**

The Chairman of the Company is the Executive Chairman.

**(ii) Shareholder Rights:**

The official news release and other related information, if any, are displayed on the website of the Company. These are not sent individually to the shareholders.

**(iii) Audit Qualifications:**

There are no audit qualifications on the Company's Financial Statements for the year ended 31st March, 2015.

**(iv) Separate posts of Chairman and CEO:**

The Company has appointed separate persons to the post of Chairman and CEOs.

**(v) Reporting of Internal Auditor:**

The internal auditor may report directly to the Audit Committee as and when required.

## 17. CEO and CFO Certification

The CEOs and the CFO of the Company have given a certificate on financial reporting and internal controls to the Board in terms of Clause 49 of the Listing Agreement, which is attached with this Report.

## 18. Retirement of Director by rotation and re-appointment

Mr. D. H. Kela due for retirement by rotation and is eligible for re-appointment in the ensuing Annual General Meeting. Brief particulars regarding Mr. Kela are given in the Notice.



# Certificate

To  
The Members of  
**Texmaco Rail & Engineering Limited**

We have examined the compliance of the conditions of Corporate Governance by Texmaco Rail & Engineering Limited for the year ended 31st March, 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with Stock Exchanges in India.

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

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

We state that in respect of investor grievances received during the year 31st March, 2015, no investor grievances are pending against the Company as on date, as per the records maintained by the Company and presented to the Stakeholders Relationship Committee.

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

For **K. N. Gutgutia & Co.**  
*Chartered Accountants*  
Firm Registration No. 304153E

**P. K. Gutgutia**  
*Partner*  
Membership No. 006994

Place: Kolkata  
Dated: 22nd May, 2015

---

# Declaration by the Executive Directors

To  
The Members of  
**Texmaco Rail & Engineering Limited**

In compliance with the requirements of Clause 49 of the Listing Agreement with Stock Exchanges relating to Corporate Governance, we confirm that, on the basis of confirmations / declarations received, all the Directors and Senior Management Personnel of the Company have complied with the Code of Conduct and Ethics as adopted by the Board of Directors of the Company.

For **Texmaco Rail & Engineering Limited**

Place: Kolkata  
Dated: 22nd May, 2015

**D. H. Kela**  
*Executive Director & CEO (SF)*

**S. Fuller**  
*Executive Director & CEO (HED)*



# CEO and CFO Certification

We, D. H. Kela, Executive Director & Chief Executive Officer (Steel Foundry), Sandeep Fuller, Executive Director & Chief Executive Officer (Heavy Engineering Division) and A. K. Vijay, Executive Director & Chief Financial Officer certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March, 2015 and to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) 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.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March, 2015 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware, have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
  - i) There has not been any significant change in internal control over financial reporting during the year under reference;
  - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

For **Texmaco Rail & Engineering Limited**

**D. H. Kela**  
*Executive Director*  
& CEO (SF)

**S. Fuller**  
*Executive Director*  
& CEO (HED)

**A. K. Vijay**  
*Executive Director*  
& CFO

Place: Kolkata

Dated: 22nd May, 2015



# Financial Statements



# Independent Auditors' Report

To  
The Members of  
Texmaco Rail & Engineering Limited

## Report on the Financial Statements

We have audited the accompanying financial statements of **TEXMACO RAIL & ENGINEERING LIMITED** ("the company"), which comprises the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss, the 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 financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditors' Responsibility

Our responsibility is to express an opinion on these 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 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 the disclosures in the financial statements. The procedures selected depend on the auditors' 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 Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## Opinion

In our opinion and to the best of our information and according to the

explanations given to us, the aforesaid 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 31st March, 2015 and its profit and its cash flows for the year ended on that date.

## Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the order") issued by the Central Government of India in terms of Sub-section (11) of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of written representations received from the directors as on 31 March, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2015, from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to our 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 2.26 (b) (d to f) to the financial statements.
  - ii. The Company did not have any long-term contracts including derivatives contracts for which there were any material foreseeable losses
  - iii. There was no amount, which required to be transferred, to the Investor Education and Protection Fund by the Company.

**For K.N. Gutgutia & Co.**  
Chartered Accountants  
Firm Registration No.304153E

Date : 22nd May, 2015  
Place : Kolkata

**P K Gutgutia**  
Partner  
Membership No. 006994

## Annexure to the Independent Auditors' Report

to the Members of TEXMACO RAIL & ENGINEERING LIMITED as referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements in our Report of even date

- i) a. The Company has maintained proper records showing full particulars including quantitative details and situation of Fixed Assets.
- b. As explained to us, the Company has a system of verifying all its major fixed assets over a period of three years. The fixed assets so scheduled for verification during this year have been physically verified. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.
- ii) a. As per information furnished, the inventories have been physically verified during the year by the management. In our opinion, having regard to the nature and location of stock, the frequency of the physical verification is reasonable.
- b. In our opinion and according to the information and explanations given to us, procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. The Company is maintaining proper records of inventory. In our opinion, the discrepancies noticed on physical verification of stocks were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account.
- iii) The Company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013 and as such the provisions of Clause 3(iii) (a) & (b) are not applicable.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls system.
- v) In the case of Fixed Deposits received from its employees/ ex-employees by the Company, the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed there under have been complied with. No order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal. However, at the end of the current financial year no public deposit is outstanding.
- vi) We have broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the Company pursuant to the Rules made by the Central Government for maintenance of cost records under Section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii) a. According to the information and explanations given to us and records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed statutory dues were in outstanding as at 31st March, 2015 for a period of more than six months from the date they became payable.

- b. According to the records of the Company, the dues of Income Tax, Sales Tax, Wealth Tax, Service Tax Customs Duty, Excise Duty, Value Added Tax and Cess which have not been deposited on account of any dispute and the forum where the dispute are pending, are as under:

|    | Name of the Statute                    | Nature of the dues                               | Amount<br>(Rs. Lakhs) | Period to which<br>amount relates | Forum where dispute is pending   |
|----|--|--|-----------------------|-----------------------------------|--|
| 1. | The Central Excise Act 1944            | Various issues of Central Excise and Service Tax | Rs. 4430.84           | 1986-2012                         | 1. Jurisdictional Commissioner of Central Excise.                                      |
| 2. | Service Tax under the Finance Act 1994 |  | Rs. 8.69              | 2004-2010                         | 2. CESTAT<br>3. Commissioner (Appeal)<br>4. Jurisdictional Commissioner of Service Tax |

- c. According to the information and explanations given to us there is no amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under.
- viii) There are no accumulated losses of the Company as on 31st March, 2015. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- ix) Based on our audit procedures and the information given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to any bank. There are no outstanding dues to a financial institution or debenture holders.
- x) According to the information and explanations given to us the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- xi) In our opinion and according to the information and explanations given to us, the term loans have been applied for the purposes for which such loans were obtained.
- xii) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

**For K.N. Gutgutia & Co.**  
*Chartered Accountants*  
Firm Registration No.304153E

Date : 22nd May, 2015  
Place : Kolkata

**P K Gutgutia**  
Partner  
Membership No. 006994

## Balance Sheet as at 31st March, 2015

| Particulars   | Note No. | 2014-15<br>(Rs in Lakhs) | 2013-14<br>(Rs in Lakhs) |
|---|----------|--------------------------|--------------------------|
| <b>I. EQUITY AND LIABILITIES</b>                    |          |                          |                          |
| <b>(1) Shareholders' Funds</b>                      |          |                          |                          |
| (A) Share Capital                                   | 2.1      | 2,100.64                 | 1,820.27                 |
| (b) Reserves and Surplus                            | 2.2      | 87,240.59                | 57,386.94                |
|   |          | 89,341.23                | 59,207.21                |
| <b>(2) Non-Current Liabilities</b>                  |          |                          |                          |
| (a) Long-term borrowings                            | 2.3      | 1,469.75                 | 772.59                   |
| (b) Deferred tax liabilities (Net)                  | 2.4      | 757.44                   | 420.94                   |
| (c) Other Long term liabilities                     | 2.5      | 574.54                   | 574.54                   |
| (d) Long-term provisions                            | 2.6      | 236.54                   | 416.58                   |
|   |          | 3,038.27                 | 2,184.65                 |
| <b>(3) Current Liabilities</b>                      |          |                          |                          |
| (a) Short-term borrowings                           | 2.7      | 8,912.44                 | 9,077.64                 |
| (b) Trade payables                                  | 2.8      | 18,411.20                | 20,365.65                |
| (c) Other current liabilities                       | 2.9      | 14,032.68                | 10,221.88                |
| (d) Short-term provisions                           | 2.10     | 1,087.83                 | 703.59                   |
|   |          | 42,444.15                | 40,368.76                |
| <b>Total</b>  |          | <b>1,34,823.65</b>       | <b>1,01,760.62</b>       |
| <b>II. ASSETS</b>                                   |          |                          |                          |
| <b>(1) Non-Current Assets</b>                       |          |                          |                          |
| (a) Fixed assets                                    | 2.11     |                          |                          |
| (i) Tangible assets                                 |          | 20,526.31                | 15,915.52                |
| (ii) Intangible assets                              |          | 109.89                   | 93.76                    |
| (iii) Capital work-in-progress                      |          | 482.01                   | 4,789.33                 |
|   |          | 21,118.21                | 20,798.61                |
| (b) Non-current investments                         | 2.12 (A) | 14,399.51                | 11,194.04                |
| (c) Long-term loans and advances                    | 2.13     | 1,446.79                 | 1,287.72                 |
|   |          | 36,964.51                | 33,280.37                |
| <b>(2) Current Assets</b>                           |          |                          |                          |
| (a) Current investments                             | 2.12 (B) | 46,564.73                | 20,518.66                |
| (b) Inventories                                     | 2.14     | 23,935.71                | 21,015.06                |
| (c) Trade receivables                               | 2.15     | 14,976.88                | 19,150.85                |
| (d) Cash and bank balances                          | 2.16     | 3,994.33                 | 1,372.02                 |
| (e) Short-term loans and advances                   | 2.17     | 8,200.43                 | 6,259.42                 |
| (f) Other current assets                            | 2.18     | 187.06                   | 164.24                   |
|   |          | 97,859.14                | 68,480.25                |
| <b>Total</b>  |          | <b>1,34,823.65</b>       | <b>1,01,760.62</b>       |
| Accounting Policies & Notes to Financial Statements | 1 & 2    | -                        | -                        |

Notes referred to above form an integral part of the Balance Sheet  
In terms of our Report of even date attached herewith.

For **K.N.Gutgia & Co.**  
Chartered Accountants  
Firm Registration No: 304153E

**P.K.Gutgia**  
Partner  
Membership No. 006994  
6C, Middleton Street,  
Kolkata – 700 071  
Dated: 22nd May, 2015

**A. K. Vijay**  
ED, CFO & Company Secretary

**S.K.Poddar**  
**Ramesh Maheshwari**  
**A.C.Chakrabortti**  
**Sandeep Fuller**  
**D. H. Kela** } *Directors*



## Statement of Profit and Loss for the Year Ended 31st March, 2015

| Particulars   | Note No. | 2014-15<br>(Rs in Lakhs) | 2013-14<br>(Rs in Lakhs) |
|---|----------|--------------------------|--------------------------|
| <b>I. Revenue from Operations</b>   | 2.19     |                          |                          |
| Sale of products  |          | 55,956.41                | 51,517.43                |
| Less: Inter Segment Revenue   |          | (10,022.41)              | (4,179.94)               |
| Less: Excise Duty   |          | (3,152.24)               | (2,878.32)               |
|   |          | 42,781.76                | 44,459.17                |
| Other operating revenues  | 2.19     | 1,075.80                 | 179.55                   |
| <b>Total</b>  |          | <b>43,857.56</b>         | <b>44,638.72</b>         |
| <b>II. Other Income</b>   | 2.20     | 2,369.38                 | 2,289.02                 |
| <b>III. Total Revenue (I + II)</b>  |          | <b>46,226.94</b>         | <b>46,927.74</b>         |
| <b>IV. Expenses:</b>  |          |                          |                          |
| Cost of materials consumed  | 2.21     | 27,203.33                | 27,486.19                |
| Changes in inventories of finished goods, Work in Progress and Stock in Trade | 2.22     | (630.10)                 | (433.90)                 |
| Employee benefit expense  | 2.23     | 4,532.26                 | 4,383.02                 |
| Finance costs   | 2.24     | 1,207.26                 | 998.67                   |
| Depreciation and amortization expenses  | 2.11     | 1,493.62                 | 1,173.78                 |
| Other expenses  | 2.25     | 10,798.26                | 11,444.04                |
| <b>Total expenses</b>   |          | <b>44,604.63</b>         | <b>45,051.80</b>         |
| <b>V. Profit Before Tax(III-IV)</b>   |          | <b>1,622.31</b>          | <b>1,875.94</b>          |
| <b>VI. Tax Expense:</b>   |          |                          |                          |
| (a) Current tax   |          | 180.00                   | 355.00                   |
| (b) MAT Credit Entitlement  |          | (45.00)                  | (355.00)                 |
| (c) Income Tax for earlier year   |          | (222.74)                 | 4.15                     |
| (d) Deferred tax  |          | 336.50                   | 174.57                   |
| <b>VII. Profit/(Loss) for the period from continuing operations (V-VI)</b>    |          | <b>1,373.55</b>          | <b>1,697.22</b>          |
| <b>VIII. Earnings per equity share: (face value of Re.1/- each)</b>           |          |                          |                          |
| (a) Basic   |          | 0.72                     | 0.93                     |
| (b) Diluted   |          | 0.72                     | 0.93                     |
| Accounting Policies & Notes to Financial Statements                           | 1 & 2    |                          |                          |

Notes referred to above form an integral part of the Statement of Profit & Loss in terms of our Report of even date attached herewith.

For **K.N.Gutgutia & Co.**  
Chartered Accountants  
Firm Registration No: 304153E

**P.K.Gutgutia**  
Partner  
Membership No. 006994  
6C, Middleton Street,  
Kolkata – 700 071  
Dated: 22nd May, 2015

**A. K. Vijay**  
ED, CFO & Company Secretary

**S.K.Poddar**  
**Ramesh Maheshwari**  
**A.C.Chakrabortti**  
**Sandeep Fuller**  
**D. H. Kela** } *Directors*

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

| Particulars  | 2014-15<br>(Rs in Lakhs) | 2013-14<br>(Rs in Lakhs) |
|--|--------------------------|--------------------------|
| <b>A) CASH FLOWS FROM OPERATING ACTIVITIES</b>   |                          |                          |
| Net Profit before Taxation & Exceptional Items   | 1,622.31                 | 1875.94                  |
| Adjustments for:   |                          |                          |
| Depreciation   | 1,493.62                 | 1173.78                  |
| Interest Paid  | 1,207.26                 | 998.67                   |
| Bad Debt Written off   | 106.16                   | 127.30                   |
| Fixed Assets Written off   | 3.68                     | 36.13                    |
| Provision & Excess Liabilities Written Back  | (29.71)                  | (7.96)                   |
| Provision for Diminution in value of Investments   | (10.76)                  | (2.60)                   |
| Interest Received  | (364.05)                 | (330.17)                 |
| Income From Investments  | (44.04)                  | (24.97)                  |
| Profit on Sale Of Investments-Current(Net)   | (1,003.43)               | (992.66)                 |
| Profit on Sale Of Fixed Assets(Net)  | (9.64)                   | (9.63)                   |
|  | 1,349.09                 | 967.89                   |
| <b>Operating Profit before Working Capital Changes &amp; Exceptional Items</b>   | 2,971.40                 | 2,843.83                 |
| (Increase)/Decrease in Inventories   | (2,920.65)               | 3650.01                  |
| (Increase)/Decrease in Trade & Other Receivables   | 2,400.62                 | 4398.10                  |
| Increase/(Decrease) in Trade Payables  | 1,978.45                 | (4656.86)                |
| Cash Generated from Operations   | 4,429.82                 | 6235.08                  |
| Direct Taxes Paid  | (345.15)                 | (859.06)                 |
| <b>Cash Flow before Exceptional Items</b>  | 4,084.67                 | 5376.02                  |
| Exceptional Items  | -                        | -                        |
| <b>Net Cash from Operating Activities</b>  | 4,084.67                 | 5376.02                  |
| <b>B) CASH FLOWS FROM INVESTING ACTIVITIES</b>   |                          |                          |
| Purchase of Fixed Assets   | (1830.75)                | (5251.44)                |
| Sale of Fixed Assets   | 19.82                    | 29.80                    |
| Purchase/Sale of Investments   | (28237.35)               | 1155.99                  |
| Bank Deposits(Includes deposit having maturity more than three months)   | (3510.27)                | (9.13)                   |
| Interest Received  | 341.23                   | 299.98                   |
| Income From Investments  | 44.04                    | 24.97                    |
| <b>Net Cash used in Investing Activities</b>   | (33173.28)               | (3749.83)                |
| <b>C) CASH FLOWS FROM FINANCING ACTIVITIES</b>   |                          |                          |
| Receipt/(Payment) of Long Term Borrowings  | 707.70                   | (115.13)                 |
| Receipt/(Payment) of Short Term Borrowings   | (165.20)                 | 101.94                   |
| Proceeds from issue of QIP (Net)   | 29,115.84                | -                        |
| Increase in Equity Share Capital   | 280.37                   | -                        |
| Dividend Paid  | (530.80)                 | (2,120.93)               |
| Interest Paid  | (1207.26)                | (1000.88)                |
| <b>Net Cash used in Financing Activities</b>   | 28200.65                 | (3135.00)                |
| <b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>  | (887.96)                 | (1508.81)                |
| Cash and Cash Equivalents at the beginning of the period   | 1344.56                  | 2853.37                  |
| Cash and Cash Equivalents at the end of the period   | 456.60                   | 1344.56                  |
| <b>Note:</b>   |                          |                          |
| (1) <b>Cash and cash equivalents</b>   |                          |                          |
| Balances with banks  |                          |                          |
| Current Accounts   | 429.49                   | 1336.36                  |
| Cash/ Cheques on hand  | 27.11                    | 8.20                     |
|  | 456.60                   | 1344.56                  |
| (2) The Above Cash and Cash Flow Statement has been prepared under the "Indirect Method" as set out in the Accounting Standard-3 on Cash Flow Statement issued by the Institute of Chartered Accountants of India. |                          |                          |
| (3) Previous year's figures are regrouped/rearranged wherever necessary.   |                          |                          |

Notes referred to above form an integral part of the Cash Flow Statement

In terms of our Report of even date attached herewith.

For **K.N.Gutgutia & Co.**  
Chartered Accountants  
Firm Registration No: 304153E

**P.K.Gutgutia**  
Partner  
Membership No. 006994  
6C, Middleton Street,  
Kolkata - 700 071  
Dated: 22nd May, 2015

**A. K. Vijay**  
ED, CFO & Company Secretary

**S.K.Poddar**  
**Ramesh Maheshwari**  
**A.C.Chakrabortti**  
**Sandeep Fuller**  
**D. H. Kela** } *Directors*



# Notes to Financial Statements

## 1. ACCOUNTING POLICIES

### General

The Financial Statements of Texmaco Rail & Engineering Limited (TexRail or the Company) have been prepared and presented under the historical cost convention and on the accrual basis except for certain Fixed Assets, which are revalued in accordance with Generally Accepted Accounting Principles (GAAP) in India. GAAP comprises Accounting Standards notified by the Central Government of India under section 133 of the Companies Act, 2013, other pronouncements of Institute of Chartered Accountants of India, the provisions of Companies Act, 2013 and guidelines issued by Securities and Exchange Board of India. The Financial Statements are rounded off to the nearest Rupees lakhs.

### Fixed Assets

Fixed Assets are carried at the cost of acquisition or construction less accumulated depreciation except certain Revalued Assets which are stated on the basis of their revalued costs less accumulated depreciation. Intangible Assets are recorded at the consideration paid for acquisition less accumulated amortization. The cost of Fixed Assets includes non-refundable taxes, duties, freight and other incidental expenses related to the acquisition and installation of the respective Assets. Borrowing costs directly attributable to acquisition or construction of those fixed Assets which necessarily take a substantial period of time to get ready for their intended use are capitalized.

The Company assesses at each balance sheet date whether there is any indication that an Asset may have been impaired. If any such indication exists, the Company estimates the recoverable amount of the Asset. If such recoverable amount of the Asset or the recoverable amount of the cash generating unit to which the Asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the Asset is reflected at the recoverable amount subject to a maximum of depreciated historical cost.

### Depreciation

#### Tangible Fixed Assets

Depreciation on revalued Assets is calculated on their respective revalued amounts and is computed on the basis of remaining useful life as estimated by the valuer on straight line method. On other Assets, depreciation has been provided on straight line method generally in accordance with the life of the respective assets as prescribed in Schedule II of the Companies Act, 2013 except certain assets for which useful life of assets has been ascertained based on report of technical experts. The difference between depreciation on revalued amount of fixed assets and its corresponding amount of original fixed assets is being transferred from Revaluation Reserve to General Reserve.

#### Intangible Fixed Assets

Intangible assets that are acquired by the company are measured initially at cost. After initial recognition, intangible assets are carried at its cost less any accumulated amortization and any accumulated impairment loss. Intangible assets are amortized on Straight Line Basis over a period of 6 years.

### Investments

Investments are either classified as current or non-current based on management's intention at the time of purchase. Current Investment are stated at lower of cost and fair value.

Non-current Investments are considered "at Cost" on individual investment basis, unless there is a decline other than temporary in value thereof, in which case adequate provision is made against such diminution in the value of investments. The reduction in the carrying amount is reversed when there is a rise in the value of the investment or if the reason for the reduction is no longer exist.

## Notes to Financial Statements

### Revenue Recognition

Sales revenue is recognized on transfer of the significant risks and rewards of ownership of the goods to the buyer and stated at net of Sales Tax, Service Tax, VAT, trade discounts, rebates but include excise duty. Income from services is recognized as the services are rendered based on agreement/arrangement with the concerned parties. Dividend income on investments is accounted for when the right to receive the payment is established. Interest income is recognized on time proportion basis. Export incentives, certain insurance, railway and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis. Capital Gain on investments are accounted at the time of encashment.

### Employee Benefits

(1) The company's contribution to provident fund, employees' state insurance scheme and super-annuation fund are charged on accrual basis to Statement of Profit & Loss

(2) **Leave :**

Leave liability is accounted for based on actuarial valuation at the end of year.

(3) **Gratuity:**

The Company has an approved Gratuity Fund for its Heavy Engineering Division and Steel Foundry Division which has taken a Group Gratuity Cash Accumulation Scheme Policy with Life Insurance Corporation of India (LIC) for future payment of gratuity to the employees. Year-end accrued liabilities on account of gratuity payable to employees are provided on the basis of actuarial valuation. The Company accounts for gratuity liability equivalent to the premium amount payable to LIC every year, which together with the annual contribution in subsequent years would be sufficient to cover the gratuity liability as and when it accrues for payment.

### Cenvat Duty, Custom Duty & Cenvat Credit

Cenvat Credit availed on Raw materials, Stores and Capital Goods are reduced from the cost of the Respective Goods. Cenvat Duty payable on finished goods lying in factory is provided for and included in Closing Stock of Inventory.

### Research and Development

Research and Development expenditures of revenue nature are charged to Profit & Loss Account, while capital expenditure is added to the cost of fixed assets in the year in which these are incurred.

### Valuation of Inventories

Inventories are valued at the lower of cost and net realizable value. In the case of manufactured goods, costs are calculated at direct material cost, conversion and other costs incurred to bring the goods to their respective present location and condition. For other inventory, cost is computed on weighted average basis.

### Foreign Currency Transactions

Foreign Currency transactions are recorded at the exchange rate prevailing on the date of transaction. Monetary Assets and Liabilities in foreign currency existing at balance sheet date translated at the exchange rate prevailing on that date. All exchange differences are recognized in Statement of Profit & Loss except in case of long term liabilities, where they relate to acquisition of Fixed Assets in which case they are adjusted to the carrying cost of such assets. Premium or discount on forward exchange contract is amortised as expense or income over the life of the contract.

### Contingent Liabilities

Liabilities which are material and whose future outcome cannot be ascertained with reasonable certainty are treated as contingent and disclosed by way of notes to the accounts.

### Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.



## Notes to Financial Statements

### Use of Estimates

The preparation of the Financial Statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of Assets and Liabilities and disclosure of contingent Liabilities on the date of the Financial Statements and reported amounts of revenues and expenses for the year. Actual results could differ from these estimates. Difference between the actual result and the estimates are recognized in the period in which the results are known/ materialized.

### Borrowing Cost

Interest on borrowings directly attributable to the acquisition, construction or production of qualifying assets is being capitalised till the date of commercial use of the qualifying assets. Other interests on borrowings are recognised as an expense in the period in which they are incurred.

### Segment Reporting

- a) Based on the organisational structures and its Financial Reporting System, the Company has classified its operation into two business segments namely Heavy Engineering Division and Steel Foundry Division
- b) Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses which are related to the enterprise as a whole and are not allocable to segments on a reasonable basis have been included under un-allocable expenses.
- c) Capital Employed to each segment is classified on the basis of allocable assets minus allocable liabilities identifiable to each segment on reasonable basis.

### Taxation

Current Income Tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act, 1961. Deferred tax is calculated at current statutory Income Tax Rate and is recognised on timing differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets, subject to consideration of prudence, are recognised and carried forward only to the extent that there is reasonable certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred Tax assets/ liabilities are reviewed as at each balance sheet date and written down or written up to reflect the amount that is reasonable/ virtually certain to be realized.

### Government Grant

Grants from the government are recognized when there is a reasonable assurance that the grant will be received and all attaching conditions will be complied with. Revenue grants/subsidies are recognized in the Statement of Profit & Loss. Capital grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets. Other Capital Grants are credited to Reserve & Surplus under the head Central/State Capital Subsidy of the Company.

### Earning Per Share

Earnings per share is calculated by dividing the net profit/ loss for the period attributable to equity shares holders by the weighted average number of equity shares outstanding during the period.

### Cash Flow Statement

Cash Flow are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flow from regular revenue generating, financing and investing activities of the company are segregated.

## Notes to Financial Statements

### 2. NOTES ON ACCOUNTS

|  | 2014-15<br>(Rs in Lakhs) | 2013-14<br>(Rs in Lakhs) |
|--|--------------------------|--------------------------|
| <b>2.1 SHARE CAPITAL</b>   |                          |                          |
| <b>Authorised Capital</b>  |                          |                          |
| 30,00,00,000(20,00,00,000) Equity shares at par value of Re. 1/- each            | 3,000.00                 | 2,000.00                 |
| <b>Issued, Subscribed and Paid Up Capital</b>                                    |                          |                          |
| 21,00,63,973(18,20,26,590) Equity shares at par value of Re. 1/- each fully paid | 2,100.64                 | 1,820.27                 |

#### Notes:

- (i) The Company has only one class of shares referred to as equity shares having a par value of Re.1/-.Each holder of equity shares is entitled to one vote per share.
- (ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts.However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (iii) Issued, Subscribed and Paid Up Capital includes 12,71,83,090 equity shares allotted on the basis of 1 equity shares in TexRail for Re. 1/- each credited as fully paid-up for every 1 equity shares held by each member of Texmaco Infrastructure & Holdings Limited (formerly Texmaco Limited) on record date without payment being received in cash.

#### (iv) Reconciliation of number of Issued,Subsribed and Paid-up Capital

| Particulars                                   | 31.03.2015             |                          | 31.03.2014             |                          |
|---|------------------------|--------------------------|------------------------|--------------------------|
|   | No. of<br>Equity Share | Amount<br>(Rs. in Lakhs) | No. of<br>Equity Share | Amount<br>(Rs. in Lakhs) |
| Number of Shares at the beginning of the year | 182026590              | 1,820.27                 | 182026590              | 1,820.27                 |
| Add: Allotment as per QIP                     | 28037383               | 280.37                   | -                      | -                        |
| Number of Shares at the end of the year       | 210063973              | 2,100.64                 | 182026590              | 1,820.27                 |

- (v) During the year the Company has raised Rs. 30,000 lakhs through QIP, by issuing 28037383 Equity Shares of Re. 1/- each at a premium of Rs. 106/-per Equity Shares as a result of which the Paid-up Capital has been increased by Rs. 280.37 lakhs and the security Premium by Rs. 29719.63 lakhs.
- (vi) The dividend proposed by the Board of Directors is subject to the approval of shareholders in Annual General meeting. The Company has proposed to pay dividend amounting to Rs.525.16 lakhs (including corporate dividend tax of Rs 106.91 lakhs). The rate of proposed dividend is Re. 0.25 per equity shares. (Previous Year Rs Rs.532.41 lakhs including Corporate dividend tax of Rs Rs 77.34 lakhs).

#### (vii) The name of Shareholders holding more than 5% of Equity shares

| Name of Shareholders   | % of<br>holding | No. of Equity<br>Shares held | % of<br>holding | No. of Equity<br>Shares held |
|--|-----------------|------------------------------|-----------------|------------------------------|
| Texmaco Infrastructure & Holdings Limited (formerly Texmaco Limited) | 25.99           | 54600000                     | 30.00           | 54600000                     |
| Zuari Investments Limited  | 13.79           | 28963900                     | 15.91           | 28963900                     |

## Notes to Financial Statements

|   | 2014-15<br>(Rs in Lakhs) | 2013-14<br>(Rs in Lakhs) |
|---|--------------------------|--------------------------|
| <b>2.2 RESERVES AND SURPLUS</b>                           |                          |                          |
| <b>Security Premium Reserve</b>                           |                          |                          |
| Balance as per last Account                               | 76.73                    | 76.73                    |
| Add: On issue of QIP                                      | 29,719.63                | -                        |
| Less: QIP Issue Expenses *                                | (603.79)                 | -                        |
|   | 29,192.57                | 76.73                    |
| <b>Revaluation Reserve</b>                                |                          |                          |
| Balance as per last Account                               | 1,086.90                 | 1,135.56                 |
| Less: On Assets sold/discarded during the year            | (3.67)                   | (4.45)                   |
|   | 1,083.23                 | 1,131.11                 |
| Less: Transferred to General Reserve (See Note)           | (274.78)                 | -                        |
| Less: Transferred to Statement of Profit and Loss         | -                        | (44.21)                  |
|   | 808.45                   | 1,086.90                 |
| <b>State Capital Investment Subsidy</b>                   |                          |                          |
| Balance as per last Account                               | 15.00                    | 15.00                    |
| <b>General Reserve</b>                                    |                          |                          |
| Balance as per last Account                               | 44,831.98                | 44,331.98                |
| Add: Transfer from Revaluation Reserve (See Note)         | 274.78                   | -                        |
| Add: Transferred from Statement of Profit and Loss        | 500.00                   | 500.00                   |
|   | 45,606.76                | 44,831.98                |
| <b>Surplus</b>  |                          |                          |
| Balance as per last Account                               | 11,376.33                | 10,711.52                |
| Add: Profit after Tax as per Statement of Profit and Loss | 1,373.55                 | 1,697.22                 |
|   | 12,749.88                | 12,408.74                |
| <b>Less: Appropriation</b>                                |                          |                          |
| <b>Proposed Dividend</b>                                  |                          |                          |
| On Equity Shares  | 525.16                   | 455.07                   |
| Tax on Dividend   | 106.91                   | 77.34                    |
| Transfer to General Reserve                               | 500.00                   | 500.00                   |
|   | 1,132.07                 | 1,032.41                 |
|   | 11,617.81                | 11,376.33                |
| <b>Total (2.2)</b>  | <b>87,240.59</b>         | <b>57,386.94</b>         |

### Note:

- Represents difference between Depreciation on Revalued cost of Fixed Assets & Original Cost of Fixed Assets
- \* - Including Rs 2.50 lakhs paid to Auditors

## 2.3 LONG TERM BORROWINGS

|  |                 |               |
|--|-----------------|---------------|
| <b>Secured</b>                                 |                 |               |
| <b>From Bank</b>                               |                 |               |
| Term Loan/Foreign Currency Term Loan (TL/FCTL) | 1,453.38        | 724.21        |
| Car Loan                                       | 16.37           | 38.63         |
| <b>Unsecured</b>                               |                 |               |
| <b>Deposits</b>                                |                 |               |
| Fixed deposit from employees/ex-employees      | -               | 9.75          |
| <b>Total (2.3)</b>                             | <b>1,469.75</b> | <b>772.59</b> |

Note: Term Loan from Bank is secured against the Fixed Assets created from such loan. The FCTL loan is payable in balance 5 half yearly instalments payable in June and December each year. Remaining TL from bank is repayable in 12 quarterly instalments. Car Loan is Secured against hypothecation of car.

## Notes to Financial Statements

|   | 2014-15<br>(Rs in Lakhs) | 2013-14<br>(Rs in Lakhs) |
|---|--------------------------|--------------------------|
| <b>2.4 DEFERRED TAX LIABILITIES (NET)</b>               |                          |                          |
| <b>Deferred Tax Assets</b>                              |                          |                          |
| Items u/s 43B and u/s 40(a)(i)(a) of I.T Act            | (1,288.19)               | (675.74)                 |
| <b>Deferred Tax Liabilities</b>                         |                          |                          |
| Depreciation  | 2,045.63                 | 1,096.68                 |
| <b>Net Deferred Tax Liability/ (Assets) Total (2.4)</b> | <b>757.44</b>            | <b>420.94</b>            |

Deferred Tax Assets/Liability is recognised as per AS-22 "Accounting for Taxes on Income" issued by the (Accounting Standard) Rules 2006. The Deferred Tax Assets and Liability comprises of Tax effect of above timing differences.

|  |               |               |
|--|---------------|---------------|
| <b>2.5 OTHER LONG TERM LIABILITIES</b> |               |               |
| Security Deposits                      | 574.54        | 574.54        |
| <b>Total (2.5)</b>                     | <b>574.54</b> | <b>574.54</b> |

|                                 |               |               |
|---------------------------------|---------------|---------------|
| <b>2.6 LONG TERM PROVISIONS</b> |               |               |
| Provision for employee benefits |               |               |
| For Leave                       | 114.56        | 105.31        |
| Others                          |               |               |
| For Contingency                 | 1.00          | 1.00          |
| For Warranty and others         | 120.98        | 310.27        |
| <b>Total (2.6)</b>              | <b>236.54</b> | <b>416.58</b> |

**Note:** The Company accounts for leave liability based on Actuary Valuation.

|                                  |                 |                 |
|----------------------------------|-----------------|-----------------|
| <b>2.7 SHORT TERM BORROWINGS</b> |                 |                 |
| <b>Secured</b>                   |                 |                 |
| <b>Loans repayable on demand</b> |                 |                 |
| <b>From banks</b>                |                 |                 |
| Cash Credit                      | 8,912.44        | 8,973.84        |
| Export Packing Credit            | -               | 103.80          |
| <b>Total (2.7)</b>               | <b>8,912.44</b> | <b>9,077.64</b> |

**Notes:**

- Cash Credit facilities is secured by hypothecation of 1st charge on stocks, book debts and other current assets and 2nd charge on Fixed Assets.
- Post demerger of Heavy Engineering and Steel Foundry businesses of Texmaco Limited (now known as Texmaco Infrastructure & Holdings Limited), the first charge created on immovable property and corporate guarantee of Texmaco Infrastructure & Holdings Limited continues.



## Notes to Financial Statements

|  | 2014-15<br>(Rs in Lakhs) | 2013-14<br>(Rs in Lakhs) |
|--|--------------------------|--------------------------|
| <b>2.8 TRADE PAYABLES</b>                  |                          |                          |
| Micro, Small and Medium Enterprises (MSME) | 170.74                   | 121.76                   |
| Others                                     | 18,240.46                | 20,243.89                |
| <b>Total (2.8)</b>                         | <b>18,411.20</b>         | <b>20,365.65</b>         |

### Notes:

Information in terms of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 is as follows:

|   |        |        |
|---|--------|--------|
| Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:   |        |        |
| (a) Principal amount due  | 170.74 | 121.76 |
| Interest due on the above.  | -      | -      |
| (b) Interest paid during the period beyond the appointed day  | -      | -      |
| (c) Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.   | -      | -      |
| (d) Amount of interest accrued and remaining unpaid at the end of the period.   | -      | -      |
| (e) 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 Act. | -      | -      |
| The above information regarding micro enterprise and small enterprises has been determined on the basis of information available with the Company. This has been relied upon by the auditors.   | -      | -      |

### 2.9 OTHER CURRENT LIABILITIES

|   |                  |                  |
|---|------------------|------------------|
| Current maturities of long-term debt          |                  |                  |
| Foreign Currency Term Loan                    | 302.26           | 289.68           |
| Fixed deposit from employees/ex-employees     | -                | 0.65             |
| Car Loan                                      | 22.27            | 23.66            |
| Interest accrued but no due on borrowings     | 6.00             | 6.00             |
| Unpaid dividends                              | 21.76            | 20.15            |
| <b>Other payable</b>                          |                  |                  |
| TDS and other taxes payable                   | 1,354.48         | 1,310.58         |
| Liabilities for Expenses                      | 1,689.65         | 1,415.60         |
| Amount Due to Employee                        | 312.02           | 331.29           |
| PF, ESI amount Payable                        | 54.37            | 87.08            |
| Others Misc. Payable                          | 68.62            | 112.95           |
| Misc. Security Deposit                        | 457.46           | 436.21           |
| Advance from Customer (Deposit against order) | 9,743.79         | 6,188.03         |
| <b>Total (2.9)</b>                            | <b>14,032.68</b> | <b>10,221.88</b> |

### Note:

There is no amount due and outstanding to be credited to the Investor Education and Protection Fund against unpaid dividend as at 31.03.2015

### 2.10 SHORT-TERM PROVISIONS

|                                 |                 |               |
|---------------------------------|-----------------|---------------|
| Provision for employee benefits |                 |               |
| For Leave                       | 68.67           | 47.03         |
| Provision for Expenses          | 387.09          | 124.15        |
| Others                          |                 |               |
| Proposed Dividend               | 525.16          | 455.07        |
| Tax on Dividend                 | 106.91          | 77.34         |
| <b>Total (2.10)</b>             | <b>1,087.83</b> | <b>703.59</b> |

**Note:** The Company accounts for leave liability based on Actuary Valuation.

## Notes to Financial Statements

### 2.11 FIXED ASSETS

| DESCRIPTION OF ASSETS           | GROSS BLOCK       |                                 |                       | DEPRECIATION      |                   |                    | NET BLOCK             |                   |                   |
|---------------------------------|-------------------|---------------------------------|-----------------------|-------------------|-------------------|--------------------|-----------------------|-------------------|-------------------|
|                                 | AS ON<br>01/04/14 | ADDITIONS<br>DURING<br>THE YEAR | SALES/<br>ADJUSTMENTS | AS ON<br>31/03/15 | AS ON<br>01/04/14 | DURING<br>THE YEAR | SALES/<br>ADJUSTMENTS | AS ON<br>31/03/15 | AS ON<br>31/03/14 |
| <b>TANGIBLE ASSETS</b>          |                   |                                 |                       |                   |                   |                    |                       |                   |                   |
| LAND                            | 1,375.01          | -                               | -                     | 1,375.01          | -                 | -                  | -                     | 1,375.01          | 1,375.01          |
| BUILDINGS                       | 9,692.16          | 840.74                          | -                     | 10,532.90         | 2,936.40          | 415.41             | -                     | 7,181.09          | 6,755.76          |
| ROADS                           | 156.85            | 9.33                            | -                     | 166.18            | 45.91             | 23.78              | -                     | 69.69             | 110.94            |
| RAILWAY SIDINGS                 | 335.02            | 29.70                           | -                     | 364.72            | 168.03            | 14.67              | -                     | 182.70            | 166.99            |
| PLANT & MACHINERY               | 14,817.45         | 5,047.92                        | 142.38                | 19,722.99         | 8,364.09          | 809.01             | 135.28                | 9,037.82          | 6,453.36          |
| ELECTRICAL MACHINERY            | 939.48            | 29.10                           | -                     | 968.58            | 460.41            | 40.90              | -                     | 501.31            | 479.07            |
| OFFICE EQUIPMENTS               | 344.89            | 14.42                           | 0.07                  | 359.24            | 232.19            | 70.92              | 0.07                  | 303.04            | 112.70            |
| FURNITURE & FITTINGS            | 268.44            | 32.70                           | -                     | 301.14            | 106.29            | 24.51              | -                     | 130.80            | 162.15            |
| VEHICLES                        | 519.57            | 80.28                           | 49.45                 | 550.40            | 220.03            | 56.67              | 39.02                 | 237.68            | 299.54            |
| <b>TOTAL</b>                    | <b>28,448.87</b>  | <b>6,084.19</b>                 | <b>191.90</b>         | <b>34,341.16</b>  | <b>12,533.35</b>  | <b>1,455.87</b>    | <b>174.37</b>         | <b>13,814.85</b>  | <b>15,915.52</b>  |
| CWIP (Capital Work in Progress) | 4,789.33          | 1,000.31                        | 5,307.63              | 482.01            | -                 | -                  | -                     | 482.01            | 4,789.33          |
| <b>INTANGIBLE ASSETS</b>        |                   |                                 |                       |                   |                   |                    |                       |                   |                   |
| SOFTWARE                        | 196.81            | 53.88                           | -                     | 250.69            | 103.05            | 37.75              | -                     | 140.80            | 93.76             |
| <b>TOTAL</b>                    | <b>196.81</b>     | <b>53.88</b>                    | <b>-</b>              | <b>250.69</b>     | <b>103.05</b>     | <b>37.75</b>       | <b>-</b>              | <b>140.80</b>     | <b>93.76</b>      |
| <b>GRAND TOTAL</b>              | <b>33,435.01</b>  | <b>7,138.38</b>                 | <b>5,499.53</b>       | <b>35,073.86</b>  | <b>12,636.40</b>  | <b>1,493.62</b>    | <b>174.37</b>         | <b>13,955.65</b>  | <b>20,798.61</b>  |
| <i>Previous Year</i>            | 28,511.30         | 9,941.88                        | 5,018.17              | 33,435.01         | 1,1685.39         | 1,217.99           | 266.98                | 12,636.40         | 20,798.61         |

**Note:** The company has changed its Accounting Policy of charging Depreciation in accordance with Schedule II of the Companies Act 2013, w.e.f 1st April 2014. Had the Company followed earlier method of charging depreciation as per Schedule XIV of the Companies Act 1956, the depreciation amount would have been higher by Rs. 1.20 crs.

## Notes to Financial Statements

|   | 2014-15<br>(Rs in Lakhs) | 2013-14<br>(Rs in Lakhs) |
|---|--------------------------|--------------------------|
| <b>2.12 A. NON-CURRENT INVESTMENTS (AT COST)</b>  |                          |                          |
| <b>OTHER THAN TRADE INVESTMENTS</b>   |                          |                          |
| <b>Fully paid-up</b>  |                          |                          |
| <b>Investments in Equity Instruments (Quoted)</b>   |                          |                          |
| Texmaco Infrastructure & Holdings Limited<br>23,49,809 (2014: 23,49,809) Shares of Re 1 each                        | 732.63                   | 732.63                   |
| Chambal Fertilisers & Chemicals Limited<br>10,00,000 (2014: 10,00,000) Shares of Rs 10 each                         | 532.39                   | 532.39                   |
| <b>Investments in Equity Instruments of Associate Company (Quoted)</b>  |                          |                          |
| Kalindee Rail Nirman (Engineers) Limited<br>68,65,898 (2014: 65,49,792) Shares of Rs 10 each                        | 4,768.25                 | 4,562.78                 |
| <b>Investments in Equity Instruments of Joint Ventures (Unquoted)</b>   |                          |                          |
| Texmaco UGL Rail Pvt. Limited<br>1,17,25,000 (2014: 1,17,25,000) Shares of Rs 10 each                               | 4,101.25                 | 4,101.25                 |
| Touax Texmaco Railcar Leasing Pvt Limited<br>1,26,49,999 (2014: 1,26,49,999) Shares of Rs 10 each                   | 1,264.99                 | 1,264.99                 |
| <b>Investments in Preference Shares of Joint Ventures (Unquoted)</b>  |                          |                          |
| Texmaco UGL Rail Pvt. Limited<br>30,00,000 (2014: Nil) 5.32% Cumulative Redeemable Preference shares of Rs 100 each | 3,000.00                 | -                        |
| <b>TOTAL NON CURRENT INVESTMENTS</b>  | <b>14,399.51</b>         | <b>11,194.04</b>         |
| i) Aggregate amount of quoted investments   | 6,033.27                 | 5,827.80                 |
| ii) Market Value of quoted investments  | 10,019.69                | 4,859.13                 |
| iii) Aggregate amount of unquoted investments   | 8,366.24                 | 5,366.24                 |
| iv) Aggregate Provision for diminution in value of Investments  | -                        | -                        |
| <b>2.12 B. CURRENT INVESTMENTS (At Lower of Cost and Fair Value)</b>  |                          |                          |
| <b>Fully paid-up</b>  |                          |                          |
| <b>a) Investments in Equity Instruments (Quoted)</b>  |                          |                          |
| Idea Cellular Limited<br>Nil (2014: 5,000) Shares of Rs 10 each   | -                        | 7.30                     |
| Powergrid Corporation of India Limited<br>11,000 (2014: 11,000) Shares of Rs 10 each                                | 16.78                    | 16.78                    |
| Tata Teleservices (Maharashtra) Limited<br>22666 (2014: 22,666) Units of Rs 10 each                                 | 9.79                     | 9.79                     |
| EIH Limited<br>10,000 (2014: 10,000) Shares of Rs 2 each  | 17.29                    | 17.29                    |
| SREI Infrastructure Finance Limited<br>1,800 (2014: 1,800) Shares of Rs 10 each                                     | 2.17                     | 2.17                     |
| Century Textiles Limited<br>500 (2014: 500) Shares of Rs 10 each  | 4.35                     | 4.35                     |
| NHPC Limited<br>1,01,471 (2014: 1,01,471) Shares of Rs 10 each  | 36.53                    | 36.53                    |
| <b>Sub-total</b>  | <b>86.91</b>             | <b>94.21</b>             |
| Less: Provision for Deminution  | (34.37)                  | (45.13)                  |
| <b>Sub-total-(a)</b>  | <b>52.54</b>             | <b>49.08</b>             |

## Notes to Financial Statements

|  | 2014-15<br>(Rs in Lakhs) | 2013-14<br>(Rs in Lakhs) |
|--|--------------------------|--------------------------|
| <b>2.12 B. CURRENT INVESTMENTS (At Lower of Cost and Fair Value)</b> |                          |                          |
| <b>b) Investments in Bonds (Unquoted)</b>                            |                          |                          |
| In NABARD  | 2,498.45                 | 2,498.45                 |
| 26,750 (2014: 26,750) Units of Rs 8500 each (FV Rs 20,000)           |                          |                          |
| In 6.70% IRFC (Tax Free)   | 540.00                   | 540.00                   |
| 540 (2014: 540) Units of Rs 1,00,000 each                            |                          |                          |
| In 8.10% IRFC (Tax Free)   | 217.51                   | 217.51                   |
| 21,751 (2014: 21,751) Units of Rs 1,000 each                         |                          |                          |
| In 8.30% GOI   | 462.50                   | 462.50                   |
| 5,00,000 (2014: 5,00,000) Units of Rs 100 each                       |                          |                          |
| In 8.30% NHAI (Tax Free)   | 494.48                   | 494.48                   |
| 49,448 (2014: 49,448) Units of Rs 1,000 each                         |                          |                          |
| In 8.20% HUDCO (Tax Free)  | 500.00                   | 500.00                   |
| 50,000 (2014: 50,000) Units of Rs 1,000 each                         |                          |                          |
| <b>Sub-total-(b)</b>   | <b>4,712.94</b>          | <b>4,712.94</b>          |
| <b>c) Investments in Mutual Funds (Unquoted)</b>                     |                          |                          |
| Axis Treasury Advantage Fund Growth                                  | 10.00                    | -                        |
| 645 (2014: Nil) Units of Rs 1000 each                                |                          |                          |
| Baroda Pioneer FMP Series B PLAN B (378 Days) Growth Plan            | -                        | 590.21                   |
| Nil (2014: 59,02,134) Units of Rs 10 each                            |                          |                          |
| Birla Sun Life Dynamic Bond fund -Retail -Growth -Regular Plan       | -                        | 1,216.67                 |
| Nil (2014: 61,32,581) Units of Rs 10 each                            |                          |                          |
| Birla Sun Life Income Plus Growth Regular Plan                       | 1,116.88                 | 1,116.88                 |
| 21,15,639 (2014: 21,15,639) Units of Rs 10 each                      |                          |                          |
| Birla Sun Life Saving Fund - Growth Regular Plan                     | 1,000.00                 | -                        |
| 3,83,175 (2014: Nil) Units of Rs 100 each                            |                          |                          |
| Birla Sun Life Treasury Optimiser Fund Growth                        | 500.00                   | -                        |
| 2,88,403 (2014: Nil) Units of Rs 100 each                            |                          |                          |
| Birla Sun Life Short Term Opportunitiers Fund Growth                 | 500.00                   | -                        |
| 21,90,494 (2014: Nil) Units of Rs 10 each                            |                          |                          |
| Birla Sun Life Dynamic Bond Fund Retail Growth -Regular plan         | 1,000.00                 | -                        |
| 42,04,472 (2014: Nil) Units of Rs 10 each                            |                          |                          |
| DSP Black Rock FMP Series 144 Growth                                 | 135.44                   | 135.44                   |
| 13,54,396 (2014: 13,54,396) Units of Rs 10 each                      |                          |                          |
| DSP Black Rock Money Manager Fund Regular Plan -Growth               | 92.09                    | -                        |
| 5003 (2014: Nil) Units of Rs 1000 each                               |                          |                          |
| Franklin India Short Term Income Fund Growth                         | 500.00                   | -                        |
| 17424 (2014: Nil) Units of Rs 1000 each                              |                          |                          |
| Franklin India Corporate Bond Opportunities Growth                   | 500.00                   | -                        |
| 35,54,721 (2014: Nil) Units of Rs 10 each                            |                          |                          |
| HDFC Income Fund - Growth  | 575.97                   | 575.97                   |
| 21,98,991 (2014: 21,98,991) Units of Rs 10 each                      |                          |                          |
| HDFC FMP 369 Days March 2014 (3) Series 29 Regular Growth            | 790.00                   | 790.00                   |
| 79,00,000 (2014: 79,00,000) Units of Rs 10 each                      |                          |                          |
| HDFC Short Term Plan Growth  | 1,000.00                 | -                        |
| 38,03,887 (2014: Nil) Units of Rs 10 each                            |                          |                          |
| HDFC FMP 370 Days February 2014 (1) Series 29 Regular Growth         | -                        | 1,068.73                 |
| Nil (2014: 1,06,87,319) Units of Rs 10 each                          |                          |                          |

## Notes to Financial Statements

|  | 2014-15<br>(Rs in Lakhs) | 2013-14<br>(Rs in Lakhs) |
|--|--------------------------|--------------------------|
| <b>2.12 B. CURRENT INVESTMENTS (At Lower of Cost and Fair Value)</b>   |                          |                          |
| HDFC High Interest Fund Short Term Plan Growth<br>18,61,206 (2014: Nil) Units of Rs 10 each  | 500.00                   | -                        |
| HDFC High Interest Fund Dynamic Plan Growth<br>42,87,521 (2014: Nil) Units of Rs 10 each   | 2,000.00                 | -                        |
| HDFC Corpoprte Debt Opportunity Fund -Growth<br>44,54,978 (2014: Nil) Units of Rs 10 each  | 500.00                   | -                        |
| HDFC Gilt Fund LTP -Growth<br>17,63,332 (2014: Nil) Units of Rs 10 each  | 500.00                   | -                        |
| IDFC Super Saver Income Fund - Investment Plan Growth (Regular Plan)<br>Nil (2014: 18,60,171) Units of Rs 10 each  | -                        | 506.60                   |
| IDFC Super Saver Income Fund Institutional Plan Growth Regular Plan<br>Nil (2014: 15,58,085) Units of Rs 10 each   | -                        | 445.00                   |
| IDFC Super Saver Income Fund Institutional Plan Growth Regular Plan<br>2,74,659 (2014: Nil) Units of Rs 10 each  | 78.44                    | -                        |
| IDFC SSIF Medium Term Plan Growth<br>2127651 (2014: Nil) Units of Rs 10 each   | 500.00                   | -                        |
| IDFC Dynamic Bond Fund (Growth) (Regular Plan)<br>1,27,03,369 (2014: Nil) Units of Rs 10 each  | 2,105.01                 | -                        |
| ICICI Prudential Short Term Plan Growth<br>35,86,916 (2014: Nil) Units of Rs 10 each   | 1,000.00                 | -                        |
| ICICI Prudential Regular Saving Fund Growth<br>1,40,45,832 (2014: Nil) Units of Rs 10 each   | 2,000.00                 | -                        |
| ICICI Prudential Saving Fund - Regular Plan -Growth<br>4,99,693 (2014: Nil) Units of Rs 100 each   | 1,010.44                 | -                        |
| JM Money Manager Fund - Super Plus Plan - Growth<br>25,95,650 (2014: Nil) Units of Rs 10 each  | 500.00                   | -                        |
| JM Income Fund -Growth Option<br>Nil (2014: 14,39,912) Units of Rs 10 each   | -                        | 503.47                   |
| Kotak Bond Scheme Plan A - Growth<br>16,81,145 (2014: 16,81,145) Units of Rs 10 each   | 551.97                   | 551.97                   |
| Kotak Income Opportunity Fund- Growth<br>6,30,282 (2014: 44,10,972) Units of Rs 10 each  | 79.11                    | 553.62                   |
| Kotak Medium Term Fund Growth<br>91,64,818 (2014: Nil) Units of Rs 10 each   | 1,008.11                 | -                        |
| L&T Liquid Fund Direct Plan Growth<br>Nil (2014: 30,928) Units of Rs 1000 each   | -                        | 543.52                   |
| Reliance Short Term Fund -Growth<br>19,10,833 (2014: Nil) Units of Rs 10 each  | 500.00                   | -                        |
| Reliance Income Fund- Growth Plan - Bonus Option<br>1,87,33,022 (2014: 1,82,76,119) Units of Rs 10 each<br>(Including Bonus units 4,56,903 received during the year) | 2,030.11                 | 2,030.11                 |
| Reliance Dynamic Bond Fund Direct Growth Plan<br>37,49,367 (2014: 37,49,367) Units of Rs 10 each   | 588.65                   | 588.65                   |
| Reliance Dynamic Bond Fund Growth Plan -Growth Option<br>1,16,09,718 (2014: Nil) Units of Rs 10 each   | 2,173.60                 | -                        |
| Reliance Regular Saving Fund Debt Plan- Growth Plan Growth Option<br>1,90,10,042 (2014: 1,23,13,482) Units of Rs 10 each   | 3,230.66                 | 1,953.89                 |

## Notes to Financial Statements

|   | 2014-15<br>(Rs in Lakhs) | 2013-14<br>(Rs in Lakhs) |
|---|--------------------------|--------------------------|
| <b>2.12 B. CURRENT INVESTMENTS (At Lower of Cost and Fair Value)</b>                                  |                          |                          |
| Reliance Arbitrage Advantage Fund - Monthly Dividend<br>1,48,36,437 (2014: Nil) Units of Rs 1000 each | 1,547.94                 | -                        |
| SBI Magnum Income Fund Regular Plan - Growth<br>38,52,150 (2014: 38,52,150) Units of Rs 10 each       | 1,079.01                 | 1,079.01                 |
| SBI Debt Fund Series -A8 - 30 Days -Direct-Growth<br>Nil (2014: 50,68,980) Units of Rs 10 each        | -                        | 506.90                   |
| SBI Magnum Gilt Fund -LTP Growth<br>16,55,673 (2014: Nil) Units of Rs 10 each                         | 500.00                   | -                        |
| SBI Treasury Advantage Fund Regular Plan Growth<br>1,88,674 (2014: Nil) Units of Rs 10 each           | 2,875.22                 | -                        |
| Sundram Ultra Short Term Fund Regular - Growth<br>55,78,354 (2014: Nil) Units of Rs 10 each           | 1,038.88                 | -                        |
| Tempelton India Short Term Income Retail - Plan Growth<br>93,704 (2014: 21,148) Units of Rs 1000 each | 2,603.97                 | 500.00                   |
| Tempelton India Income Opportunity Fund -Growth<br>Nil (2014: 37,59,709) Units of Rs 10 each          | -                        | 500.00                   |
| Tempelton India Low Duration Fund -Growth<br>1,02,87,803 (2014: Nil) Units of Rs 10 each              | 1,542.66                 | -                        |
| Tempelton India Income Opportunity Fund -Growth Option<br>37,59,709 (2014: Nil) Units of Rs 10 each   | 500.00                   | -                        |
| UTI Treasury Advantage Fund -Ins. Plan - Growth<br>56,128 (2014: Nil) Units of Rs 1000 each           | 1,035.09                 | -                        |
| UTI Short Term Income Fund Growth<br>29,79,383 (2014: Nil) Units of Rs 10 each                        | 500.00                   | -                        |
| <b>Sub-total-(c)</b>  | <b>41,799.25</b>         | <b>15,756.64</b>         |
| <b>TOTAL NON CURRENT INVESTMENTS</b>  | <b>14,399.51</b>         | <b>11,194.04</b>         |
| <b>TOTAL CURRENT INVESTMENTS</b>  | <b>46,564.73</b>         | <b>20,518.66</b>         |
| Aggregate amount of Quoted Current Investments  | 86.91                    | 94.21                    |
| Market Value of Quoted Investments  | 52.54                    | 49.08                    |
| Aggregate amount of Unquoted Investments  | 46,512.19                | 20,469.58                |
| Aggregate amount of written down on Current Investments   | 34.37                    | 45.13                    |
| Aggregate NAV value of unquoted Mutual Funds  | 44,297.11                | 22,149.39                |
| <b>2.13 LONG TERM LOANS AND ADVANCES</b>  |                          |                          |
| <b>Unsecured Considered Good</b>  |                          |                          |
| Capital Advances  | 349.91                   | 234.30                   |
| Security Deposits   | 88.41                    | 35.12                    |
| <b>Other loans and advances</b>   |                          |                          |
| Prepaid Expenses  | 8.47                     | 18.30                    |
| Other loans and advances  | 1,000.00                 | 1,000.00                 |
| <b>Total (2.13)</b>   | <b>1,446.79</b>          | <b>1,287.72</b>          |

## Notes to Financial Statements

|                            | 2014-15<br>(Rs in Lakhs) | 2013-14<br>(Rs in Lakhs) |
|----------------------------|--------------------------|--------------------------|
| <b>2.14 INVENTORIES</b>    |                          |                          |
| Raw Materials & Components | 11,951.45                | 11,126.58                |
| Work-in-Progress           | 8,595.10                 | 7,986.63                 |
| Finished Goods             | 749.97                   | 728.34                   |
| Stores and Spares          | 1,525.23                 | 1,079.67                 |
| Goods in Transit           | 1,113.96                 | 93.84                    |
| <b>Total (2.14)</b>        | <b>23,935.71</b>         | <b>21,015.06</b>         |

### Notes:

1 Stock as per inventories taken, valued and certified by the management.

### 2 Mode of valuation

Inventories are valued at the lower of cost or net realisable value. In the case of manufactured goods, costs are calculated at direct material cost, conversion and other costs incurred to bring the goods to their respective present location and condition. For other inventory, cost is computed on weighted average basis.

|  |                  |                  |
|--|------------------|------------------|
| <b>2.15 TRADE RECEIVABLES</b>          |                  |                  |
| More than six months from the due date |                  |                  |
| Unsecured, considered good             | 8,505.93         | 10,050.96        |
| Considered Doubtful                    | -                | 600.00           |
|  | 8,505.93         | 10,650.96        |
| Others-Unsecured, considered good      | 6,470.95         | 9,099.89         |
| Less: Provision for doubtful debt      | -                | 600.00           |
| <b>Total (2.15)</b>                    | <b>14,976.88</b> | <b>19,150.85</b> |

### Notes:

1 In the opinion of the management trade receivables have a value on realisation in the ordinary course of business unless otherwise stated, at least to the amount at which they are stated.

2 Trade Receivables includes amount due from Texmaco UGL Rail Private Limited amounting to Rs 724.81 lakhs (Previous Year Rs. 2,786.87 lakhs) a Joint Venture.

3 Trade Receivables includes Retention Money Rs. 4,146.61 lakhs (Previous Year Rs 4,640.81 lakhs)

|  |                 |                 |
|--|-----------------|-----------------|
| <b>2.16 CASH AND BANK BALANCES</b>                           |                 |                 |
| <b>Cash and Cash Equivalents</b>                             |                 |                 |
| Balances With Banks  |                 |                 |
| Current Accounts   | 429.49          | 1,336.36        |
| Cheques, drafts on hand                                      | 0.24            | -               |
| Cash on Hand   | 26.87           | 8.20            |
|  | 456.60          | 1,344.56        |
| <b>Other Bank Balances</b>                                   |                 |                 |
| Term Deposit of upto Twelve Months Maturity                  | 3,513.86        | 5.20            |
| Term Deposit of more Than Twelve Months Maturity (earmarked) | 2.11            | 2.11            |
| Unpaid Dividend Account                                      | 21.76           | 20.15           |
|  | 3,537.73        | 27.46           |
| <b>Total (2.16)</b>  | <b>3,994.33</b> | <b>1,372.02</b> |

## Notes to Financial Statements

|   | 2014-15<br>(Rs in Lakhs) | 2013-14<br>(Rs in Lakhs) |
|---|--------------------------|--------------------------|
| <b>2.17 SHORT TERM LOANS AND ADVANCES</b> |                          |                          |
| <b>Unsecured Considered Good</b>          |                          |                          |
| Other loans and advances-                 |                          |                          |
| Loan to Body Corporates                   | 275.00                   | 275.00                   |
| Advance to Parties                        | 2,012.97                 | 699.77                   |
| Advance to Employee                       | 22.23                    | 41.40                    |
| Other Advances                            | 473.56                   | 516.46                   |
| Prepaid Expenses                          | 268.52                   | 61.02                    |
| Balances with Governmnet Deptt            | 3,523.61                 | 3,474.12                 |
| Income Tax(Net of Provision)              | 1,224.54                 | 836.65                   |
| MAT Credit Entitlement                    | 400.00                   | 355.00                   |
| <b>Total (2.17)</b>                       | <b>8,200.43</b>          | <b>6,259.42</b>          |

|                                  |               |               |
|----------------------------------|---------------|---------------|
| <b>2.18 OTHER CURRENT ASSETS</b> |               |               |
| Interest accrued on Loans        | 187.06        | 164.24        |
| <b>Total (2.18)</b>              | <b>187.06</b> | <b>164.24</b> |

**Note:**

Interest on Loan given to a Body Corporate has not been provided for during the Financial Year as further recovery of the interest is uncertain. However, the management is hopeful of recovery of the outstanding amount.

|                                     |                  |                  |
|-------------------------------------|------------------|------------------|
| <b>2.19 REVENUE FROM OPERATIONS</b> |                  |                  |
| Sale of products                    | 55,956.41        | 51,517.43        |
| Less: Inter Segment Revenue         | (10,022.41)      | (4,179.94)       |
| Less: Excise Duty                   | (3,152.24)       | (2,878.32)       |
|                                     | <b>42,781.76</b> | <b>44,459.17</b> |
| Other operating revenues*           | 1,075.80         | 179.55           |
| <b>Total (2.19)</b>                 | <b>43,857.56</b> | <b>44,638.72</b> |

\* includes Rs.600 lakhs Provision for Doubtful Debts written back.

|   |                 |                 |
|---|-----------------|-----------------|
| <b>2.20 OTHER INCOME</b>                                    |                 |                 |
| Interest Income   |                 |                 |
| From Bank   | 57.56           | 28.74           |
| From Others   | 306.49          | 301.43          |
| Dividend - Income from Current Investments                  | 21.52           | 2.45            |
| Dividend - Income from Non-Current Investments              | 22.52           | 22.52           |
| Net gain on Sale of Current Investments                     | 1,003.43        | 992.66          |
| Miscellaneous Receipts and Income                           | 334.86          | 309.86          |
| Sundry Credit Balance Adjusted                              | 0.24            | 56.86           |
| Profit on sale of Fixed Assets (Net)                        | 9.64            | 9.63            |
| Rent Received   | 572.65          | 550.02          |
| Provision & Excess Liabilities Written Back                 | 29.71           | 7.96            |
| Provision for Diminution of Current Investment Written Back | 10.76           | 2.60            |
| Income related to previous year                             | -               | 4.29            |
| <b>Total (2.20)</b>   | <b>2,369.38</b> | <b>2,289.02</b> |



## Notes to Financial Statements

|   | 2014-15<br>(Rs in Lakhs) | 2013-14<br>(Rs in Lakhs) |
|---|--------------------------|--------------------------|
| <b>2.21 COST OF MATERIAL CONSUMED</b>   |                          |                          |
| Opening Stock of Raw Materials  | 3,982.18                 | 3,400.57                 |
| Add: Raw materials Purchased and Departmental Transfers etc.  | 12,481.26                | 9,033.96                 |
|   | 16,463.44                | 12,434.53                |
| Less: Returns, Sales and Departmental issues used in Works and In Block   | 1,085.68                 | 990.76                   |
| Less: Closing Stock of Raw Materials  | 5,184.08                 | 3,982.18                 |
|   | 6,269.76                 | 4,972.94                 |
|   | 10,193.68                | 7,461.59                 |
| Consumption of Components<br>(Incl job processing and contract labour charges Rs. 3079.25 lakhs, previous year Rs. 2482.47 lakhs) | 27,032.06                | 24,204.54                |
| Less Inter Segment Revenue  | (10,022.41)              | (4,179.94)               |
| <b>Total (2.21)</b>   | <b>27,203.33</b>         | <b>27,486.19</b>         |
| <b>2.22 CHANGES IN INVENTORIES</b>  |                          |                          |
| Opening Stock   |                          |                          |
| 1) Finished Goods   | 728.34                   | 205.32                   |
| 2) Work-in-Progress   | 7,986.63                 | 8,075.75                 |
|   | 8,714.97                 | 8,281.07                 |
| Less: Closing Stock   | -                        | -                        |
| 1) Finished Goods   | 749.97                   | 728.34                   |
| 2) Work-in-Progress   | 8,595.10                 | 7,986.63                 |
|   | 9,345.07                 | 8,714.97                 |
| <b>Total (2.22)</b>   | <b>(630.10)</b>          | <b>(433.90)</b>          |
| <b>2.23 EMPLOYEE BENEFITS EXPENSE</b>   |                          |                          |
| Salaries, Wages and Bonus   | 3,695.33                 | 3,538.50                 |
| Contribution to provident and other funds   |                          |                          |
| Provident Fund and Pension Fund   | 366.84                   | 344.34                   |
| Superannuation Fund   | 39.22                    | 36.64                    |
| Gratuity  | 60.00                    | 179.15                   |
| Provision for Leave Encashment  | 41.69                    | -                        |
| VRS Expenses  | 61.08                    | 42.46                    |
| Staff Welfare Expenses  | 268.10                   | 241.93                   |
| <b>Total (2.23)</b>   | <b>4,532.26</b>          | <b>4,383.02</b>          |
| <b>2.24 FINANCE COSTS</b>   |                          |                          |
| Interest Expenses   |                          |                          |
| Banks   | 944.64                   | 788.90                   |
| Fixed Deposit   | 0.89                     | 1.53                     |
| Others  | 10.31                    | 7.26                     |
|   | 955.84                   | 797.69                   |
| Other Borrowing Costs   | 251.42                   | 200.98                   |
| <b>Total (2.24)</b>   | <b>1,207.26</b>          | <b>998.67</b>            |
| <b>2.11 DEPRECIATION AND AMORTISATION EXPENSES</b>  |                          |                          |
| For the Year  | 1,493.62                 | 1,217.99                 |
| Less: Recouped from the Revaluation Reserve   | -                        | 44.21                    |
| <b>Total (2.11)</b>   | <b>1,493.62</b>          | <b>1,173.78</b>          |

## Notes to Financial Statements

|   | 2014-15<br>(Rs in Lakhs) | 2013-14<br>(Rs in Lakhs) |
|---|--------------------------|--------------------------|
| <b>2.25 OTHER EXPENSES</b>  |                          |                          |
| Consumption of stores and spares part                               | 3,785.81                 | 3,967.55                 |
| Power and Fuel  | 3,502.32                 | 3,077.23                 |
| Rent  | 84.38                    | 47.96                    |
| Repairs to buildings  | 400.74                   | 415.26                   |
| Repairs to machinery  | 460.83                   | 264.49                   |
| Repairs to others   | 220.75                   | 178.08                   |
| Insurance   | 18.20                    | 16.14                    |
| Rates and Taxes excluding taxes on Income                           | 66.02                    | 67.19                    |
| Freight,Packing and Transport(Net)                                  | 211.48                   | 465.98                   |
| Erection Expenses   | 181.66                   | 239.67                   |
| Drawings and Designs  | 2.41                     | 223.69                   |
| Royalty & Knowhow   | 7.34                     | 30.91                    |
| Research & Development  | 74.71                    | 144.17                   |
| Excise Duty Provided on Stock                                       | 1.14                     | 1.13                     |
| Selling Agents Commission   | 11.69                    | 307.49                   |
| Selling Expenses  | 221.22                   | 322.56                   |
| Director's Sitting Fees   | 14.80                    | 6.60                     |
| Director's Commission   | 12.07                    | 12.00                    |
| Payments to the Auditor   |                          |                          |
| As Auditor  | 8.55                     | 7.30                     |
| For Tax Audit   | 2.92                     | 2.92                     |
| For Quarterly Review  | 2.74                     | 2.74                     |
| For Fees for Other Services (incl for issuing various certificates) | 2.65                     | 2.85                     |
| As Cost Auditor   | 1.40                     | 1.40                     |
| For Reimbursement of out of pocket expenses                         | 0.51                     | 0.62                     |
| Donation  | 3.46                     | 2.16                     |
| CSR Expenses (Refer Note below)                                     | 8.52                     | -                        |
| Miscellaneous Expenses  | 1,256.26                 | 1,171.32                 |
| Sundry Debit Balance Adjusted                                       | 9.09                     | 10.66                    |
| Bad Debt Written off  | 106.16                   | 127.30                   |
| Fixed Assets Written off  | 3.68                     | 36.13                    |
| Expenses Related to Previous Year                                   | 1.41                     | 1.61                     |
| Net (Gain)/Loss on Foreign Currency Transaction                     | 113.34                   | 288.93                   |
| <b>Total (2.25)</b>   | <b>10,798.26</b>         | <b>11,444.04</b>         |

### Note on CSR Expenses

(i) Gross amount required to be spent by the company during the year: Rs 184.34 lakhs

(ii) Amount spent during the year on:

|   | In Cash     | Yet to be paid in cash | Total       |
|---|-------------|------------------------|-------------|
| (a) Construction/ acquisition of any assets | -           | -                      | -           |
| (b) On purpose other than (a) above         | 8.52        | -                      | 8.52        |
| <b>Total</b>                                | <b>8.52</b> | <b>-</b>               | <b>8.52</b> |

## Notes to Financial Statements

|   | 2014-15<br>(Rs in Lakhs) | 2013-14<br>(Rs in Lakhs) |
|---|--------------------------|--------------------------|
| <b>2.26 COMMITMENTS AND CONTINGENT LIABILITIES</b>  |                          |                          |
| <b>(a) Commitments</b>  |                          |                          |
| Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advance) | 183.31                   | 804.87                   |
| <b>(b) Contingent Liabilities (not provided for) in respect of :</b>  |                          |                          |
| (a) Guarantees given by Banks in the normal course of Business.   | 32,958.39                | 24,956.30                |
| (b) Letters of Credit opened by Banks in the normal course of Business.   | 13,565.16                | 6,475.81                 |
| (c) Bonds issued to Custom Department   | 92.20                    | 92.20                    |
| (d) Claims under dispute (Excise Duty, Service Tax & others)  | 4,439.53                 | 3,920.50                 |
| (e) Claims not acknowledged as debts (Amount unascertainable)   | -                        | -                        |
| (f) Income Tax assessment under appeal (Amount unascertainable)   | -                        | -                        |

### 2.27

Movement of Provisions during the year as required under AS 29 prescribed by the Companies (Accounting Standard) Rules 2006.

| Particulars                          | (Rs in Lakhs)                    |                          |                          |                           |                                    |
|--------------------------------------|----------------------------------|--------------------------|--------------------------|---------------------------|------------------------------------|
|                                      | Opening Provision as on 1.4.2014 | Utilized during the year | Reversed during the year | Provision during the year | Closing provision as on 31.03.2015 |
| (a) Site warranty period maintenance | 183.99                           | ----                     | ----                     | ----                      | 183.99                             |
| (b) Others                           | 250.43                           | 15.27                    | 73.84                    | 162.76                    | 324.08                             |
| <b>Total</b>                         | <b>434.42</b>                    | <b>15.27</b>             | <b>73.84</b>             | <b>162.76</b>             | <b>508.07</b>                      |
| Previous Year                        | 297.59                           | 1.16                     | ----                     | 137.99                    | 434.42                             |

In accordance with the requirement of AS 29 "Provisions, Contingent Liabilities and Contingent Assets" issued by the Companies (Accounting Standard) Rules 2006, the company has provided liability for other expenses amounting to Rs. 162.76 lakhs (Previous Year Rs. 137.99 lakhs).

Site warranty period maintenance: - The Company gives warranties and maintenance on certain products and services, undertaking to repair, replace and maintain the items for satisfactory working during the warranty period. Provision as at 31.03.2015 represents the amount of the expected cost of meeting such obligations of rectification/ replacement/ maintenance. The timing of the outflow is expected to be within a period of two years.

Provision for others: - It represents liabilities related to various site expenses including contractor service charges for sites, administrative charges etc, likely to materialize in the next financial year.

### 2.28

In the opinion of the management, current assets, loans and advances have a value on realisation in the ordinary course of business unless otherwise stated, at least to the amount at which they are stated and the provisions for all known and determined liabilities is adequately provided.

### 2.29

Balance of debtors and loans and advances are subject to confirmation from respective parties.

## Notes to Financial Statements

### 2.30 RELATED PARTY DISCLOSURE

#### (a) Name of the related parties and relationship as per Accounting Standard 18

| Relationship                               | Parties Where Control Exist<br>2014-15  | Parties Where Control Exist<br>2013-14  |
|--|---|---|
| A. Key Management Personnel                | Mr. S. K. Poddar<br>Executive Chairman  | Mr. S. K. Poddar<br>Executive Chairman  |
|  | Mr. Ramesh Maheshwari<br>Executive Vice Chairman  | Mr. Ramesh Maheshwari<br>Executive Vice Chairman  |
|  | Mr. D. H. Kela<br>Executive Director & CEO (SF)   | Mr. D. H. Kela<br>Executive Director & CEO (SF)   |
|  | Mr. Sandeep Fuller<br>Executive Director & CEO (HED)                                    | Mr. Sandeep Fuller<br>Executive Director & CEO (HED)                                    |
|  | Mr. A.K. Vijay<br>ED, CFO & Company Secretary   | -   |
| B. Relative of Key Management Personnel    | Mr. Akshay Poddar<br>(Son of Mr. S. K. Poddar)  | Mr. Akshay Poddar<br>(Son of Mr. S. K. Poddar)  |
| C. Associate Company                       | Kalindee Rail Nirman (Engineers) Limited<br>(41.59% of the capital held by the company) | Kalindee Rail Nirman (Engineers) Limited<br>(39.68% of the capital held by the company) |
| D. Joint Venture                           | Texmaco UGL Rail Pvt. Limited<br>(50% of the capital held by the company)               | Texmaco UGL Rail Pvt. Limited<br>(50% of the capital held by the company)               |
|  | Touax Texmaco Railcar Leasing Pvt. Limited<br>(50% of the capital held by the company)  | Touax Texmaco Railcar Leasing Pvt. Limited<br>(50% of the capital held by the company)  |
| E. Group Company where transaction exists. | Zuari Investments Limited   | Zuari Investments Limited   |
|  | Duke Commerce Limited   | Duke Commerce Limited   |
|  | Adventz Securities Enterprises Limited  | Adventz Securities Enterprises Limited  |
|  | Zuari Global Limited  | Zuari Global Limited  |
|  | Adventz Investments and Holdings Limited  | Adventz Investments and Holdings Limited  |
|  | New Eros Tradecom Limited   | New Eros Tradecom Limited   |
|  | Master Exchange & Finance Limited   | Master Exchange & Finance Limited   |
|  | Adventz Investments Co. Pvt. Limited  | Adventz Investments Co. Pvt. Limited  |
|  | Adventz Securities Trading Pvt. Limited   | Adventz Securities Trading Pvt. Limited   |
|  | Adventz Finance Pvt. Limited  | Adventz Finance Pvt. Limited  |
|  | Eureka Traders Pvt. Limited   | Eureka Traders Pvt. Limited   |
|  | Abhishek Holdings Pvt. Limited  | Abhishek Holdings Pvt. Limited  |
|  | Greenland Trading Pvt. Limited  | Greenland Trading Pvt. Limited  |
|  | Indrakshi Trading Company Pvt. Limited  | Indrakshi Trading Company Pvt. Limited  |
|  | Zuari Management Services Limited   | Zuari Management Services Limited   |
| High Quality Steels Limited                | High Quality Steels Limited   |   |
| Lionel India Limited                       | Lionel India Limited  |   |
| Macfarlane & Co. Limited (No Transaction)  | Macfarlane & Co. Limited (No Transaction)   |   |

## Notes to Financial Statements

### 2.30 RELATED PARTY DISCLOSURE (Contd...)

#### (b) Related Party Transactions

| Transactions   | (Rs in Lakhs)       |                 |                          |                     |                                      |
|--|---------------------|-----------------|--------------------------|---------------------|--------------------------------------|
|  | Other Related Party | Joint venture   | Key Management Personnel | Grand Total         | Balance outstanding as on 31/03/2015 |
| <b>Remuneration Paid</b>                                     |                     |                 |                          |                     |                                      |
| - Mr. S. K. Poddar   | --<br>(--)          | --<br>(--)      | 369.82<br>(366.35)       | 369.82<br>(366.35)  | --<br>(--)                           |
| - Mr. Ramesh Maheshwari                                      | --<br>(--)          | --<br>(--)      | 139.94<br>(122.80)       | 139.94<br>(122.80)  | --<br>(--)                           |
| - Mr. D. H. Kela   | --<br>(--)          | --<br>(--)      | 90.18<br>(79.25)         | 90.18<br>(79.25)    | --<br>(--)                           |
| - Mr. Sandeep Fuller   | --<br>(--)          | --<br>(--)      | 69.93<br>(42.40)         | 69.93<br>(42.40)    | --<br>(--)                           |
| - Mr. A.K. Vijay   | --<br>(--)          | --<br>(--)      | 46.52<br>(--)            | 46.52<br>(--)       | --<br>(--)                           |
| <b>Transaction with Relative of Key Management Personnel</b> |                     |                 |                          |                     |                                      |
| - Akshay Poddar<br>(Sitting Fees & Commission)               | 3.20<br>(3.10)      | --<br>(--)      | --<br>(--)               | 3.20<br>(3.10)      | --<br>(--)                           |
| <b>Investment</b>  |                     |                 |                          |                     |                                      |
| - Texmaco UGL Rail Pvt. Limited                              | --<br>(--)          | 3000.00<br>(--) | --<br>(--)               | 3000.00<br>(--)     | 7101.25<br>(4101.25)                 |
| - Touax Texmaco Railcar Leasing Pvt. Limited                 | --<br>(--)          | --<br>(--)      | --<br>(--)               | --<br>(--)          | 1264.99<br>(1264.99)                 |
| - Texmaco Infrastructure & Holdings Limited                  | --<br>(--)          | --<br>(--)      | --<br>(--)               | --<br>(--)          | 732.63<br>(732.63)                   |
| - Kalindee Rail Nirman (Engineers) Limited                   | 205.47<br>(4562.78) | --<br>(--)      | --<br>(--)               | 205.47<br>(4562.78) | 4768.25<br>(4562.78)                 |
| <b>Dividend Paid</b>   |                     |                 |                          |                     |                                      |
| - Abhishek Holdings Pvt. Limited                             | --<br>(--)          | --<br>(--)      | --<br>(--)               | --<br>(--)          | --<br>(--)                           |
| - Adventz Securities Enterprises Limited                     | 9.52<br>(38.09)     | --<br>(--)      | --<br>(--)               | 9.52<br>(38.09)     | --<br>(--)                           |
| - Adventz Investments and Holdings Limited                   | 19.87<br>(79.48)    | --<br>(--)      | --<br>(--)               | 19.87<br>(79.48)    | --<br>(--)                           |
| - Adventz Investments Co. Pvt. Limited                       | 7.59<br>(30.35)     | --<br>(--)      | --<br>(--)               | 7.59<br>(30.35)     | --<br>(--)                           |
| - Adventz Securities Trading Pvt. Limited                    | 1.07<br>(4.28)      | --<br>(--)      | --<br>(--)               | 1.07<br>(4.28)      | --<br>(--)                           |
| - Adventz Finance Pvt. Limited                               | --<br>(--)          | --<br>(--)      | --<br>(--)               | --<br>(--)          | --<br>(--)                           |
| - Duke Commerce Limited                                      | 18.79<br>(75.14)    | --<br>(--)      | --<br>(--)               | 18.79<br>(75.14)    | --<br>(--)                           |
| - Eureka Traders Pvt. Limited                                | --<br>(--)          | --<br>(--)      | --<br>(--)               | --<br>(--)          | --<br>(--)                           |
| - Greenland Trading Pvt. Limited                             | 0.09<br>(0.35)      | --<br>(--)      | --<br>(--)               | 0.09<br>(0.35)      | --<br>(--)                           |
| - Master Exchange & Finance Limited                          | 0.04<br>(0.16)      | --<br>(--)      | --<br>(--)               | 0.04<br>(0.16)      | --<br>(--)                           |
| - New Eros Tradecom Limited                                  | 1.85<br>(7.38)      | --<br>(--)      | --<br>(--)               | 1.85<br>(7.38)      | --<br>(--)                           |
| - Indrakshi Trading Company Pvt. Limited                     | 0.08<br>(0.30)      | --<br>(--)      | --<br>(--)               | 0.08<br>(0.30)      | --<br>(--)                           |
| - Texmaco Infrastructure & Holdings Limited                  | 136.50<br>(546.00)  | --<br>(--)      | --<br>(--)               | 136.50<br>(546.00)  | --<br>(--)                           |

## Notes to Financial Statements

### 2.30 RELATED PARTY DISCLOSURE (Contd...)

| (Rs in Lakhs)  |                     |                    |                          |                    |                                      |
|--|---------------------|--------------------|--------------------------|--------------------|--------------------------------------|
| Transactions   | Other Related Party | Joint venture      | Key Management Personnel | Grand Total        | Balance outstanding as on 31/03/2015 |
| - Zuari Investments Limited                                  | 72.41<br>(289.63)   | --<br>(--)         | --<br>(--)               | 72.41<br>(289.63)  | --<br>(--)                           |
| - Zuari Global Limited                                       | 10.09<br>(40.35)    | --<br>(--)         | --<br>(--)               | 10.09<br>(40.35)   | --<br>(--)                           |
| - Mr. S. K. Poddar   | --<br>(--)          | --<br>(--)         | 5.99<br>(23.97)          | 5.99<br>(23.97)    | --<br>(--)                           |
| - Mr. Ramesh Maheshwari                                      | --<br>(--)          | --<br>(--)         | --<br>(0.60)             | --<br>(0.60)       | --<br>(--)                           |
| - Mr. D. H. Kela   | --<br>(--)          | --<br>(--)         | 0.07<br>(0.30)           | 0.07<br>(0.30)     | --<br>(--)                           |
| - Mr. A. K. Vijay  | --<br>(--)          | --<br>(--)         | 0.08<br>(0.33)           | 0.08<br>(0.33)     | --<br>(--)                           |
| <b>Dividend Received</b>                                     |                     |                    |                          |                    |                                      |
| - Texmaco Infrastructure & Holdings Limited                  | 3.53<br>(3.53)      | --<br>(--)         | --<br>(--)               | 3.53<br>(3.53)     | --<br>(--)                           |
| <b>Others</b>  |                     |                    |                          |                    |                                      |
| - Adventz Investments & Holdings Limited (Rent Paid)         | 14.94<br>(21.03)    | --<br>(--)         | --<br>(--)               | 14.94<br>(21.03)   | --<br>(0.72)                         |
| - Adventz Finance Pvt. Limited (Rent Paid)                   | 4.08<br>(--)        | --<br>(--)         | --<br>(--)               | 4.08<br>(--)       | --<br>(--)                           |
| - High Quality Steels Limited (Services Received)            | 462.88<br>(425.67)  | --<br>(--)         | --<br>(--)               | 462.88<br>(425.67) | 199.91<br>(131.14)                   |
| - Lionel India Limited (Services Received)                   | 124.97<br>(157.26)  | --<br>(--)         | --<br>(--)               | 124.97<br>(157.26) | 8.60<br>(6.02)                       |
| -Texmaco Infrastructure & Holdings Limited (Rent Received)   | 0.81<br>(0.81)      | --<br>(--)         | --<br>(--)               | 0.81<br>(0.81)     | --<br>(--)                           |
| -Texmaco UGL Rail Pvt. Limited (Services Provided)           | --<br>(--)          | 724.26<br>(631.13) | --<br>(--)               | 724.26<br>(631.13) | 724.59<br>(2785.08)                  |
| -Texmaco UGL Rail Pvt. Limited (Purchase of Goods)           | --<br>(--)          | 37.08<br>(66.85)   | --<br>(--)               | 37.08<br>(66.85)   | 80.37<br>(28.85)                     |
| -Texmaco UGL Rail Pvt. Limited (Sale of Goods)               | --<br>(--)          | 0.22<br>(28.03)    | --<br>(--)               | 0.22<br>(28.03)    | 0.22<br>(1.79)                       |
| - Zuari Investments Limited (Depository Services)            | 0.02<br>(0.02)      | --<br>(--)         | --<br>(--)               | 0.02<br>(0.02)     | --<br>(--)                           |
| - Zuari Management Services Limited (Guest Welfare)          | --<br>(0.13)        | --<br>(--)         | --<br>(--)               | --<br>(0.13)       | --<br>(--)                           |
| - Touax Texmaco Railcar Leasing Pvt. Limited (Rent Received) | --<br>(--)          | 0.05<br>(--)       | --<br>(--)               | 0.05<br>(--)       | --<br>(--)                           |

#### Notes:

- Figures in brackets are for previous financial year.
- Due to inadequate profit during the year 2013-14, the minimum remuneration paid to Executive Directors as approved at the time of their appointment exceeded the limit under the Companies Act, 2013 for which approval of Central Government is awaited. For the current year also due to inadequate profit it has exceeded the limit for which necessary application to the Central Government shall be made, post approval of Shareholders in the ensuing Annual General Meeting.

## Notes to Financial Statements

### 2.31 EMPLOYEE BENEFITS OBLIGATION

The Company accounts for Gratuity, Leave and Provident Fund Liability at actuarial valuation at the end of the year i.e. 31st March. Accordingly these Liabilities have been computed by the actuary as at 31st March, 2015.

#### Employee Benefits

#### Defined benefits Plans – As per Actuarial valuation as on March 31, 2015

| Transactions   | (Rs in Lakhs)           |                         |                        |                        |
|--|-------------------------|-------------------------|------------------------|------------------------|
|  | Funded Gratuity 2014-15 | Funded Gratuity 2013-14 | Unfunded Leave 2014-15 | Unfunded Leave 2013-14 |
| <b>I Change of Benefit Organisation</b>                |                         |                         |                        |                        |
| Liability at the beginning of the year                 | 1,827.83                | 1,891.56                | 152.34                 | 176.59                 |
| Interest cost  | 164.50                  | 170.24                  | 13.71                  | 15.89                  |
| Current Service Cost                                   | 96.75                   | 95.13                   | 17.11                  | 1.26                   |
| Past Service Cost (Non Vested Funds)                   | -                       | -                       | -                      | -                      |
| Past Service Cost (Vested Funds)                       | -                       | -                       | -                      | -                      |
| Benefits Paid  | (217.73)                | (307.10)                | (10.80)                | (16.28)                |
| Actuarial (Gain)/Loss on obligation                    | 100.88                  | (22.00)                 | 10.87                  | (25.12)                |
| Curtailments and Settlements                           | -                       | -                       | -                      | -                      |
| Plan Amendment   | -                       | -                       | -                      | -                      |
| Liability at the end of the year                       | 1,972.23                | 1,827.83                | 183.23                 | 152.34                 |
| <b>II Fair Value of Plan Assets</b>                    |                         |                         |                        |                        |
| Fair value of Plan Assets at the beginning of the year | 2,126.24                | 2,068.40                | -                      | -                      |
| Expected Return on Plan Assets                         | 188.17                  | 173.74                  | -                      | -                      |
| Contributions  | 137.02                  | 195.01                  | 10.80                  | 16.28                  |
| Benefit Paid   | (217.73)                | (307.10)                | (10.80)                | (16.28)                |
| Actuarial Gain/(Loss) on Plan Assets                   | (3.51)                  | (3.81)                  | -                      | -                      |
| Fair Value of Plan Assets at the end of the year       | 2,230.19                | 2,126.24                | -                      | -                      |
| Total Actuarial (Gain)/Loss to be Recognised           | 104.39                  | (18.19)                 | -                      | -                      |
| <b>III Actual Return on Plan Assets</b>                |                         |                         |                        |                        |
| Expected Return on Plan Assets                         | (188.17)                | (173.74)                | -                      | -                      |
| Actuarial Gain/(Loss) on Plan Assets                   | 3.51                    | 3.81                    | -                      | -                      |
| Actual Return on Plan Assets                           | (184.66)                | (169.93)                | -                      | -                      |
| <b>IV Amount Recognised in the balance sheet</b>       |                         |                         |                        |                        |
| Liability at the end of the year                       | 1,972.23                | 1,827.83                | 183.23                 | 152.34                 |
| Fair Value of Plan Assets at the end of the year       | 2,230.19                | 2,126.24                | -                      | -                      |
| Difference   | (257.96)                | (298.41)                | 183.23                 | 152.34                 |
| Unrecognised Past Service Cost                         | -                       | -                       | -                      | -                      |
| Amount Recognised in the Balance Sheet                 | (257.96)                | (298.41)                | 183.23                 | 152.34                 |
| <b>V Expenses Recognised in the Income Statement</b>   |                         |                         |                        |                        |
| Current Service Cost                                   | 96.75                   | 95.13                   | 17.11                  | 1.26                   |
| Interest Cost  | 164.50                  | 170.24                  | 13.71                  | 15.89                  |
| Expected Return on Plan Assets                         | (188.17)                | (173.74)                | -                      | -                      |
| Net Actuarial (Gain)/Loss to be Recognised             | 104.39                  | (18.19)                 | 10.87                  | (25.12)                |
| Past Service Cost/(Non Vested Benefit) Recognised      | -                       | -                       | -                      | -                      |
| Past Service Cost/(Vested Benefit) Recognised          | -                       | -                       | -                      | -                      |
| Effect of Curtailment or settlement                    | -                       | -                       | -                      | -                      |
| Curtailments and Settlements                           | -                       | -                       | -                      | -                      |
| Expenses Recognized in the Profit and Loss Account     | 177.47                  | 73.44                   | 41.69                  | (7.97)                 |

## Notes to Financial Statements

### 2.31 EMPLOYEE BENEFITS OBLIGATION (CONTD...)

| Transactions                           | (Rs in Lakhs)                 |                               |                              |                              |
|--|-------------------------------|-------------------------------|------------------------------|------------------------------|
|  | Funded<br>Gratuity<br>2014-15 | Funded<br>Gratuity<br>2013-14 | Unfunded<br>Leave<br>2014-15 | Unfunded<br>Leave<br>2013-14 |
| <b>VI Balance Sheet Reconciliation</b> |                               |                               |                              |                              |
| Opening Net Liability                  | (298.41)                      | (176.84)                      | 152.34                       | 176.59                       |
| Expense as above                       | 177.47                        | 73.44                         | 41.69                        | (7.97)                       |
| Employers Contribution                 | (137.02)                      | (195.01)                      | -                            | -                            |
| Effect of Curtailment or settlement    | -                             | -                             | -                            | -                            |
| Benefits paid                          | -                             | -                             | (10.80)                      | (16.28)                      |
| Amount Recognised in the Balance Sheet | (257.96)                      | (298.41)                      | 183.23                       | 152.34                       |
| <b>VII Actuarial Assumption</b>        |                               |                               |                              |                              |
| Discount Rate Current                  | 7.75%                         | 9.00%                         | 7.75%                        | 9.00%                        |
| Rate of Return on Plan Assets          | 9.00%                         | 8.85%                         | -                            | -                            |
| Salary Escalation Current              | 5.00%                         | 5.00%                         | 5.00%                        | 5.00%                        |

### 2.32 AMOUNT REMITTED IN FOREIGN CURRENCY DURING THE YEAR ON ACCOUNT OF DIVIDEND (AS CERTIFIED BY THE MANAGEMENT)

|                                     | 2014-15<br>(Rs. in Lakhs) | 2013-14<br>(Rs. in Lakhs) |
|-------------------------------------|---------------------------|---------------------------|
| Number of Non-resident Shareholders | 17                        | 17                        |
| Number of Equity Shares held        | 14840                     | 14840                     |
| Dividend remitted (Rs. in Lakhs)    | 0.04                      | 0.15                      |
| Year of Dividend paid               | 2013-14                   | 2012-13                   |

### 2.33 EARNING PER SHARE – THE NUMBERATOR AND DENOMINATOR USED TO CALCULATE BASIC/ DILUTED EARNING PER SHARE

|   |             | 2014-15   | 2013-14   |
|---|-------------|-----------|-----------|
| Net Profit for the period from ordinary activities attributable to equity shareholders (Excluding Preference Share Dividend) – used as numerator. | Rs in Lakhs | 1,373.55  | 1,697.22  |
| Weighted average number of Equity share outstanding used as denominator for Basic earning per share.  | Number      | 191705248 | 182026590 |
| (A) Basic Earning per share ( face value of Re 1/- each)  | Rs.         | 0.72      | 0.93      |
| (B) Diluted Earning per share ( face value of Re 1/- each)  | Rs.         | 0.72      | 0.93      |

### 2.34 INTEREST IN JOINT VENTURE (JV)

Particulars of the Company's interest in Jointly Controlled Entity is as below:

|  | Percentage of<br>ownership | Country of<br>Incorporation |
|--|----------------------------|-----------------------------|
| Texmaco UGL Rail Pvt. Limited              | 50%                        | India                       |
| Touax Texmaco Railcar Leasing Pvt. Limited | 50%*                       | India                       |

\* Number of shares held by Texmaco Rail & Engineering Limited in Touax Texmaco Railcar Leasing Pvt. Limited is 12649999 equity shares, whereas number of equity shares held by Touax Rail Limited is 12650001.



## Notes to Financial Statements

### 2.34 INTEREST IN JOINT VENTURE (JV) (CONTD...)

The Company's share in assets, liabilities, income and expense in the above jointly controlled entities as at and for the year ended March 31, 2015 is as follows:

(Rs in Lakhs)

| Name of Joint Venture                      | Company's Share in   |                      |                     |                      |                          |
|--|----------------------|----------------------|---------------------|----------------------|--------------------------|
|  | Assets               | Liabilities          | Income              | Expenses             | Profit/ (Loss) after Tax |
| Texmaco UGL Rail Pvt. Limited              | 6368.08<br>(6322.85) | 1128.44<br>(3287.92) | 1081.03<br>(766.84) | 1877.23<br>(1673.23) | (795.29)<br>(919.26)     |
| Touax Texmaco Railcar Leasing Pvt. Limited | 1329.04<br>(1338.21) | 26.19<br>(33.40)     | 77.28<br>(71.46)    | 79.25<br>(62.97)     | (1.96)<br>(8.49)         |

Note: (i) Figures in bracket are audited previous year figure.

(ii) Figures for current year are un-audited

### 2.35

Escalation, insurance claims and other claims have been accounted for on accrual basis based on latest data available with the Company and where the realization of the amount is reasonably certain.

### 2.36 VALUE OF RAW MATERIALS AND STORES CONSUMED (INCLUDING COMPONENTS AND SPARE PARTS) SERVICES ETC

|                     | 2014-15          |               | 2013-14          |               |
|---------------------|------------------|---------------|------------------|---------------|
|                     | (Rs. in Lakhs)   | %             | (Rs. in Lakhs)   | %             |
| Imported            | 4,610.27         | 11.24         | 8,419.52         | 23.63         |
| Indigenous          | 36,401.28        | 88.76         | 27,214.16        | 76.37         |
| <b>Total (2.37)</b> | <b>41,011.55</b> | <b>100.00</b> | <b>35,633.68</b> | <b>100.00</b> |

### 2.37 VALUE OF IMPORTS ON C.I.F. BASIS

|                                    | 2014-15<br>(Rs in Lakhs) | 2013-14<br>(Rs in Lakhs) |
|------------------------------------|--------------------------|--------------------------|
| Raw Materials                      | 691.14                   | 1,277.03                 |
| Components, Spare Parts and Stores | 1,451.91                 | 7,041.04                 |
| Capital Goods                      | 5.40                     | 65.08                    |
| <b>Total (2.38)</b>                | <b>2,148.45</b>          | <b>8,383.15</b>          |

## Notes to Financial Statements

### 2.38 EXPENDITURE IN FOREIGN CURRENCY

| Particulars   | 2014-15<br>(Rs in Lakhs) | 2013-14<br>(Rs in Lakhs) |
|---|--------------------------|--------------------------|
| R & D Expenses                                      | 16.86                    | 48.47                    |
| Travelling and Others                               | 32.45                    | 55.65                    |
| Books & Periodicals                                 | 0.51                     | 0.05                     |
| Fees & Subscription                                 | 6.28                     | 1.18                     |
| General Charges (Charity & Donation, AAR Audit Fee) | 0.56                     | 0.89                     |
| Sales Commission                                    | -                        | 239.61                   |
| Design Drawing Charges                              | -                        | 221.18                   |
| Sales Expenses                                      | -                        | 92.16                    |
| <b>Total (2.39)</b>                                 | <b>56.66</b>             | <b>659.19</b>            |

### 2.39 INCOME IN FOREIGN EXCHANGE:

|                          |          |           |
|--------------------------|----------|-----------|
| Export of Goods (F.O.B.) | 4,098.71 | 12,945.42 |
|--------------------------|----------|-----------|

### 2.40

Consumption of raw materials, components, stores and spares parts includes profit/loss on sale thereof and exchange difference arising on Foreign Currency transactions on account of imported Raw Materials/ Stores has been accounted under respective Revenue heads.

### 2.41 ANALYSIS OF RAW MATERIALS CONSUMED

|                        |                  |                 |
|------------------------|------------------|-----------------|
| M.S. & C.I. Scrap      | 3,849.95         | 2,369.30        |
| Pig Iron               | 63.97            | 47.28           |
| Tundish                | --               | 30.74           |
| Plates & Sheets        | 4,876.43         | 4,165.61        |
| Rounds, Bars and Flats | 136.44           | 116.03          |
| Structural             | 1,266.89         | 732.63          |
| <b>Total (2.42)</b>    | <b>10,193.68</b> | <b>7,461.59</b> |

### 2.42 DETAILS OF INVENTORY OF WORK IN PROGRESS

| Work-in- Process             |                 |                 |
|------------------------------|-----------------|-----------------|
| - Heavy Engineering Division | 5,250.11        | 3,972.64        |
| - Steel Foundry Division     | 3,344.99        | 4,013.99        |
|                              | <b>8,595.10</b> | <b>7,986.63</b> |

## Notes to Financial Statements

### 2.43

As a part of company's risk management policy, the financial risks mainly relating to changes in the exchange rates are hedged by using a combination of forward contracts, besides the natural hedges.

| Particulars  | 2014-15<br>(Rs in Lakhs) | 2013-14<br>(Rs in Lakhs) |
|--|--------------------------|--------------------------|
| (1) The particulars of derivative contracts entered into for hedging purpose, outstanding as at 31st March are as under :  |                          |                          |
| (a) - Un-hedged foreign currency exposure as at 31st March 15 – Payables. Euro: 92,516 & USD: 40,09,945 (Previous Year: Euro: 5,12,223 & USD: 98,06,966)   | 2,568.36                 | 6,297.01                 |
| (b) - Un-hedged foreign currency exposure as at 31st March 15 – Receivable. AUD: 4,80,915, USD: 11,34,515 Euro: 15,06,566 and NRS: 10,47,88,461<br>- (Previous Year: AUD: 3,57,017 & USD: 13,81,011 Euro: 10,07,363) | 2,634.93                 | 1,857.26                 |

### 2.44 DETAILS OF EXPENSES/(INCOME) RELATED TO PREVIOUS YEAR

|                            |               |             |
|----------------------------|---------------|-------------|
| <b>Expenses</b>            |               |             |
| (i) Miscellaneous Expenses | 1.41          | 1.61        |
| (ii) Income Tax            | -             | 4.15        |
|                            | <b>1.41</b>   | <b>5.76</b> |
| <b>Income</b>              |               |             |
| (i) Income Tax             | 222.74        | -           |
| (ii) Interest              | -             | 4.29        |
|                            | <b>222.74</b> | <b>4.29</b> |

### 2.45 DETAILS OF INCOME/ EXPENSES DISCLOSED ON NET BASIS

|   |                 |               |
|---|-----------------|---------------|
| <b>Freight, Packing and Transport</b>       |                 |               |
| Paid  | 757.78          | 1,236.75      |
| Received                                    | 546.30          | 770.77        |
| <b>Net</b>                                  | <b>211.48</b>   | <b>465.98</b> |
| <b>Profit on sale of Fixed Assets</b>       |                 |               |
| Profit                                      | 13.89           | 19.25         |
| Loss  | 4.25            | 9.62          |
| <b>Net</b>                                  | <b>9.64</b>     | <b>9.63</b>   |
| <b>Profit on sale of current investment</b> |                 |               |
| Mutual Funds & Others                       |                 |               |
| Profit                                      | 1,003.43        | 998.16        |
| Loss  | -               | 5.50          |
| <b>Net</b>                                  | <b>1,003.43</b> | <b>992.66</b> |

## Notes to Financial Statements

### 2.46 INFORMATION ABOUT SEGMENT WORKING IS GIVEN BELOW

|   | (Rs. in Lakhs)       |                  |                    |                      |                  |                  |
|---|----------------------|------------------|--------------------|----------------------|------------------|------------------|
|   | 2014-15              |                  |                    | 2013-14              |                  |                  |
|   | Heavy Engg. Division | Steel Foundry    | Total              | Heavy Engg. Division | Steel Foundry    | Total            |
|   | 1                    | 2                | 3 (1+2)            | 1                    | 2                | 3 (1+2)          |
| <b>Revenue (Net of Excise Duty and Cess)</b>  |                      |                  |                    |                      |                  |                  |
| External Sales                                | 37,762.38            | 5,019.38         | 42,781.76          | 35,029.68            | 9,429.49         | 44,459.17        |
| Internal-Segment Sales                        | 666.35               | 9,356.06         | 10,022.41          | 924.95               | 3,254.99         | 4,179.94         |
| Other Operating Revenue                       | 1,049.64             | 26.16            | 1,075.80           | 167.18               | 12.37            | 179.55           |
| <b>Total Revenue</b>                          | <b>39,478.37</b>     | <b>14,401.60</b> | <b>53,879.97</b>   | <b>36,121.81</b>     | <b>12,696.85</b> | <b>48,818.66</b> |
| <b>Result</b>                                 |                      |                  |                    |                      |                  |                  |
| Segment Result                                | 2,871.53             | (657.43)         | 2,214.10           | 2,331.50             | 11.96            | 2,343.46         |
| Unallocated Corporate Expenses                |                      |                  | -                  |                      |                  | -                |
| <b>Operating Profit/(Loss)</b>                |                      |                  | <b>2,214.10</b>    |                      |                  | <b>2,343.46</b>  |
| Interest Expense                              |                      |                  | (955.84)           |                      |                  | (797.69)         |
| Interest Income                               |                      |                  | 364.05             |                      |                  | 330.17           |
| <b>Total Profit/(Loss) before Tax</b>         |                      |                  | <b>1,622.31</b>    |                      |                  | <b>1,875.94</b>  |
| Provision for Current Tax                     |                      |                  | 135.00             |                      |                  | -                |
| Provision for Deferred Tax                    |                      |                  | 336.50             |                      |                  | 174.57           |
| Income Tax For Earlier Years                  |                      |                  | (222.74)           |                      |                  | 4.15             |
| <b>Profit/(Loss) from ordinary activities</b> |                      |                  | <b>1,373.55</b>    |                      |                  | <b>1,697.22</b>  |
| Extra ordinary items                          |                      |                  | -                  |                      |                  | -                |
| <b>Net Profit/(Loss)</b>                      |                      |                  | <b>1,373.55</b>    |                      |                  | <b>1,697.22</b>  |
| <b>Other Information</b>                      |                      |                  |                    |                      |                  |                  |
| Segment assets                                | 58,675.46            | 15,183.95        | 73,859.41          | 53,817.52            | 11,441.06        | 65,258.58        |
| Unallocated Corporate assets                  |                      |                  | 60,964.24          |                      |                  | 31,712.70        |
| <b>Total assets</b>                           |                      |                  | <b>1,34,823.65</b> |                      |                  | <b>96,971.28</b> |
| Segment liabilities                           | 38,508.72            | 6,216.03         | 44,724.75          | 35,980.70            | 5,619.36         | 41,600.06        |
| Unallocated corporate liabilities             |                      |                  | -                  |                      |                  | -                |
| <b>Total Liabilities</b>                      |                      |                  | <b>44,724.75</b>   |                      |                  | <b>41,600.06</b> |
| Capital expenditure                           | 975.00               | 855.75           | 1,830.75           | 4,013.42             | 1,238.02         | 5,251.44         |
| Depreciation                                  | 872.56               | 621.06           | 1,493.62           | 616.03               | 557.75           | 1,173.78         |
| Non-cash expenses other than depreciation     |                      |                  | 69.37              |                      |                  | 152.87           |

**Note :** The Company operates predominantly within the geographical limits of India and accordingly secondary segments have not been considered.

## Notes to Financial Statements

### 2.47 PARTICULARS IN RESPECT OF GOODS MANUFACTURED

(Rs in Lakhs)

| Class of Goods  | Sales   |                  | Opening Stock | Closing Stock |
|---|---------|------------------|---------------|---------------|
|   | 2014-15 | 2013-14          |               |               |
| Wagons  | 2014-15 | 33580.27         | -             | -             |
|   | 2013-14 | 33234.69         | -             | -             |
| Structurals   | 2014-15 | 5295.60          | 672.73        | 682.05        |
|   | 2013-14 | 1719.30          | 165.95        | 672.73        |
| Pressure Vessels, Heat Exchangers and Chemicals Machineries | 2014-15 | -                | -             | -             |
|   | 2013-14 | 11.20            | -             | -             |
| Site Fabrication and Erection                               | 2014-15 | 225.70           | -             | -             |
|   | 2013-14 | 1203.76          | -             | -             |
| Steel Castings & Ingots (Including Draft Gear 4000 Sets)    | 2014-15 | 15968.73         | -             | -             |
|   | 2013-14 | 13995.00         | -             | -             |
| Power Tiller/Reaper   | 2014-15 | 172.92           | 54.61         | 66.92         |
|   | 2013-14 | 304.95           | 38.37         | 54.61         |
| Ring Frames, Doublers and Worsted Ring Frames               | 2014-15 | -                | 0.61          | 0.61          |
|   | 2013-14 | -                | 0.61          | 0.61          |
| Speed Frames  | 2014-15 | -                | 0.39          | 0.39          |
|   | 2013-14 | -                | 0.39          | 0.39          |
| Others  | 2014-15 | 713.19           | -             | -             |
|   | 2013-14 | 1048.53          | -             | -             |
| <b>TOTAL</b>  | 2014-15 | <b>55,956.41</b> | <b>728.34</b> | <b>749.97</b> |
|   | 2013-14 | 51,517.43        | 205.32        | 728.34        |

### 2.48

Previous year figure have been regrouped/ rearranged/ restated/ recast wherever necessary to conform this year classification.

### 2.49

Figures below Rs. 500/- have been omitted for rounding off and above Rs. 500/- have been rounded off to the next Rs.1000/-.

In terms of our Report of even date attached herewith.

For **K.N.Gutgutia & Co.**  
Chartered Accountants  
Firm Registration No: 304153E

**P.K.Gutgutia**  
Partner  
Membership No. 006994  
6C, Middleton Street,  
Kolkata – 700 071  
Dated: 22nd May, 2015

**A. K. Vijay**  
ED, CFO & Company Secretary

**S.K.Poddar**  
**Ramesh Maheshwari**  
**A.C.Chakrabortti**  
**Sandeep Fuller**  
**D. H. Kela** } *Directors*



# In the service of National Defence



Defence Wagons (MBWTB) getting ready



**TEXMACO RAIL & ENGINEERING LTD.**

Belgharia, Kolkata 700 056





## **TEXMACO RAIL & ENGINEERING LTD.**

CIN NO.: L29261WB1998PLC087404

Registered Office: Belgharia, Kolkata 700 056

Phone: (033) 2569 1500 • Fax : (033) 2541 2448 • Website: www.texmaco.in

### **Notice to the Shareholders**

Notice is hereby given that the 17th Annual General Meeting of TEXMACO RAIL & ENGINEERING LIMITED will be held on Monday, 28th September, 2015 at 2:15 P. M. at K. K. Birla Kala Kendra, Texmaco Estate, Belgharia, Kolkata – 700 056 to transact the following businesses:

#### **AS ORDINARY BUSINESS**

1. To consider and adopt the Audited Financial Statements of the Company, the Directors' and Auditors' Report thereon for the year ended 31st March, 2015.
2. To declare Dividend on Equity Shares for the year ended 31st March, 2015.
3. To appoint Director in place of Mr. D. H. Kela, Executive Director (DIN: 01050842), who retires by rotation and is eligible for re-election.
4. To ratify the appointment of Statutory Auditors and to fix their remuneration.

In this regard to consider and if thought fit, to pass, the following Resolution as an Ordinary Resolution:-

“RESOLVED that appointment of Messrs. K. N. Gutgutia & Co. Chartered Accountants (Registration No. 304153E), as the Statutory Auditors of the Company, to conduct the audit at a remuneration as may be decided by the Board of Directors of the Company from the conclusion of this Annual General Meeting till the conclusion of the 18th Annual General Meeting be and is hereby ratified.”

#### **AS SPECIAL BUSINESS**

**To consider and if thought fit, to pass the following Resolution as Ordinary Resolution:-**

##### **Item No. 5**

“RESOLVED that pursuant to the provisions of Section 148 and all other applicable provisions of the

Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 including any statutory modification(s) or re-enactment thereof, the Cost Auditors Messrs. DGM & Associates, Cost Accountants, Kolkata (ICAI Registration No. 000038) appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016, be paid the remuneration as decided by the Board of Directors of the Company and stated in the Explanatory Statement.”

**To consider and if thought fit, to pass the following Resolution as a Special Resolution:-**

##### **Item No. 6**

“RESOLVED that pursuant to the provisions of Sections 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the Company hereby approves the re-appointment of Mr. S. K. Poddar (DIN: 00008654) as the Executive Director and Chairman of the Company for a period of 5 (five) years with effect from 25th September, 2015, not liable to retire by rotation and on such terms and conditions as approved by the Board of Directors and as stated in the Explanatory Statement.”

**To consider and if thought fit, to pass the following Resolution as a Special Resolution:-**

##### **Item No. 7**

“RESOLVED that pursuant to the provisions of Sections 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013, Mr. A. K. Vijay (DIN: 01103278), who was appointed as an Additional Executive Director of the Company w.e.f. 1st January, 2015 by the Board of Directors and who holds office as per Section 161 of the Companies Act, 2013 ('Act') up to the date of this Annual General Meeting and in respect

of whom, the Company has, pursuant to Section 160 of the Act, received a notice in writing proposing his candidature for the office of Director, be and is hereby appointed as a Director, liable to retire by rotation, and also as an Executive Director of the Company, for a period of 3 (three) years w.e.f. 1st January, 2015 as stated in the Explanatory Statement.”

**To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:-**

**Item No. 8**

“RESOLVED that pursuant to the provisions of Sections 149,152 and other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Ms. Mridula Jhunjhunwala (DIN:05339373) appointed by the Board as an Additional Independent Director of the Company, has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 3 (three) consecutive years commencing from 20th March, 2015.”

**To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution:-**

**Item No. 9**

“RESOLVED that pursuant to the provisions of Sections 149,152 and other applicable provisions, if any, of the Companies Act, 2013 (‘Act’) and the Rules framed thereunder, read with Schedule IV to the Act, as amended from time to time, Mr. Sabyasachi Hajara (DIN:00004485) in respect of whom, the Company has, pursuant to Section 160 of the Act, received a notice in writing proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and being eligible for appointment, be and is hereby appointed as an Independent Director of the Company to hold office for a term up to 3 (three) consecutive years commencing from 28th September, 2015.”

**To consider and if thought fit, to pass the following Resolutions as Special Resolutions:-**

**Item No. 10**

“RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 read with applicable Rules under Companies (Meetings of Board and its Powers) Rules, 2014 and in terms of

applicable provisions of Listing Agreement executed with the Stock Exchanges (including any amendment, modification or re-enactment thereof), consent of the Members of the Company be and is hereby accorded for entering into the Related Party Transactions with Kalindee Rail Nirman (Engineers) Limited for Job Works, sale, purchase of goods including capital goods or other transactions of whatsoever nature on such terms and conditions as may be agreed by the Board of Directors in the best interest of the Company.”

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

**To consider and if thought fit, to pass the following Resolution as a Special Resolution:-**

**Item No. 11**

“RESOLVED that pursuant to the provisions of Section 197 and the Rules framed thereunder, read together with Schedule V and other applicable provisions, if any of the Companies Act, 2013 and subject to the approval of the Central Government, the Members of the Company do hereby approve the remuneration paid in excess of the limits prescribed under the provisions of Sections 198 and 309 read together with Schedule XIII of the Companies Act, 1956 to the Executive Directors for the financial year ended 31st March, 2015, being the remuneration agreed to be paid to them in normal course.”

**To consider and if thought fit, to pass the following Resolution as a Special Resolution:-**

**Item No. 12**

“RESOLVED that pursuant to the provisions of Section 14 of the Companies Act, 2013, and all other applicable provisions of the Companies Act, 2013 or any amendment thereto or modification thereof, the Articles of Association of the Company be amended by replacing the following Article in place of the existing Article 75 –

‘75. Subject to the provision of the Companies Act, 2013, the Company in general meeting or the Board of Directors may at any time appoint Directors not more than fifteen.”

Belgharia  
Kolkata – 700 056  
Dated: 22nd July, 2015

By the order of the Board  
A. K. Vijay  
Executive Director  
DIN: 01103278

## NOTES:

- (i) **A Member entitled to attend and vote at the Annual General Meeting ('AGM') may appoint a Proxy to attend and vote on a poll on his / her behalf, and the Proxy need not be a member of the Company.**

**The instrument appointing Proxy, in order to be effective, duly signed and completed, must be deposited at the Registered Office of the Company located at Belgharia, Kolkata - 700 056 not less than FORTY-EIGHT HOURS before the commencement of the AGM i.e. by Saturday, 26th September, 2015. Proxies submitted on behalf of Limited Companies, Societies etc. must be supported by appropriate Resolution(s) / Authority as may be 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 paid up Share Capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total paid up Share Capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other Member(s).**

**Proxy shall carry his/her identity proof (any one of PAN Card, Voter ID Card, AADHAR card, Driving license, Passport) at the venue of AGM.**

- (ii) The Register of Members of the Company will remain closed from Tuesday, 22nd September, 2015 to Monday, 28th September, 2015 both days inclusive.
- (iii) Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 setting out the material facts relating to the business at Item no. 5 to Item no. 12 of the Notice as set out above, is annexed hereto.
- (iv) In terms of Section 152 of the Companies Act, 2013, Mr. D.H. Kela retires by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer himself for re-appointment. The Board recommends his appointment. Additional information in respect of his appointment, pursuant to Clause 49 of the Listing Agreement with Stock Exchanges forms part of this Notice.
- (v) The Statement of Profit and Loss for the financial year ended 31st March, 2015, the Balance Sheet as at that date, the Auditors' Report, the Directors' Report, all other documents annexed or attached to the Balance Sheet and the Memorandum and the Articles of Association are available for inspection by the Members at the Registered Office as well as Corporate Office of the Company between 11.00 A.M. and 1.00 P.M. on all working days from the date hereof up to this Annual General Meeting.
- (vi) To support the 'Green Initiative', Members who have not registered their e-mail address so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.

- (vii) In line with the SEBI Circular dated 21st March, 2013 emphasizing electronic funds transfer, Members are requested to provide their Bank details to the Company / RTA in order to avail the electronic payment facility.

- (viii) Voting through electronic means

1. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Resolutions proposed at this AGM will be transacted through remote e-voting (facility to cast vote from a place other than the venue of the AGM) and also by way of e-voting ('Insta Poll') at the AGM, for which purpose the Company has engaged the services of Karvy Computershare Pvt. Limited ('Karvy'). The Board of Directors of the Company has appointed Ms. Sudhanya Roy Choudhary, Practising Company Secretary, as the Scrutinizer for this purpose.

The instructions for remote e-voting are as under:

- (a) Open your web browser during the remote e-voting period and navigate to <https://evoting.karvy.com>.
- (b) Enter the login credentials [i.e., user ID and password mentioned in the Attendance Slip of the Notice of this AGM or as mentioned in the e-mail sent to those Shareholders, who have registered their e-mail IDs].  
Your Folio No. / DP ID Client ID will be your user ID.
- (c) Put user ID and password as initial password/PIN noted in step (a) above. Click Login.
- (d) You will reach the 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 any contact details like mobile no., email etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (e) You need to login again with the new credentials.
- (f) On successful login, the system will prompt you to select the 'EVENT' i.e., Texmaco Rail & Engineering Limited.
- (g) On the voting page, you will see Resolution Description and against the same the option 'FOR/AGAINST' for voting. Enter the number of Shares (which represents number of votes) as on the cut off date under 'FOR/AGAINST' or alternately you may partially enter any number in 'FOR' and partially

in 'AGAINST', but the total number in 'FOR/AGAINST' taken together should not exceed the total shareholding. You may also choose the option 'ABSTAIN'.

- (h) Cast your vote by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.
- (i) Once you 'CONFIRM', you will not be allowed to modify your vote. During the voting period, Shareholders can login any number of times till they have voted on the Resolution.
- (j) Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail [sudhanya.roychoudhury@gmail.com](mailto:sudhanya.roychoudhury@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com).
- (k) Any person who becomes Member of the Company after dispatch of Notice and holding shares as on the cut-off date i.e. Monday, 21st September, 2015 may approach the Company / Karvy for issuance of the User ID and Password for exercising their right to vote by electronic means using the following procedure:
  - a. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD <space> Event number+Folio No. or DP ID Client ID to 9212993399.  
  
Example for NSDL : MYEPWD <SPACE>  
IN12345612345678  
  
Example for CDSL : MYEPWD <SPACE>  
1402345612345678  
  
Example for Physical : MYEPWD <SPACE>  
XXX1234567
  - b. If e-mail or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the member may click "forgot password" and enter Folio No. or DP ID Client ID and PAN to generate a password.
  - c. Member may call Karvy's toll free number 1-800-3454-001.

d. Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com).

- 2. Voting rights will be reckoned on the paid-up value of shares registered in the name of the Members as on Monday, 21st September, 2015 (cut-off date). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or e-voting at the AGM.
- 3. The remote e-voting period commences at 09.00 A.M. on Thursday, 24th September, 2015 and ends at 05.00 P.M. on Sunday, 27th September, 2015. During this period Shareholders of the Company, holding Shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Monday, 21st September, 2015 may cast their vote electronically. The e-voting module shall be blocked for voting thereafter. Once the Vote on a resolution is cast by the Shareholder, the Shareholder will not be allowed to change it subsequently.
- 4. The Members who have already casted their vote through remote e-voting cannot vote again at the e-voting (Insta Poll) at the AGM. However, such Member shall be entitled to attend the Meeting.
- 5. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting User Manual for Shareholders available at the download section of <http://evoting.karvy.com> or contact Karvy Computershare Pvt. Ltd. at Tel No. 1800 345 4001 (toll free) or any grievances may please be sent to the e-mail ID [evoting@karvy.com](mailto:evoting@karvy.com) or may be addressed to the Secretary of the Company at the email ID [evoting\\_texrail@texmaco.in](mailto:evoting_texrail@texmaco.in)
- 6. The Results of the e-voting will be declared on or after the date of the AGM i.e. Monday, 28th September, 2015. The declared Results, along with the Scrutiniser's Report will be available on the Company's website [www.texmaco.in](http://www.texmaco.in) and on the website of Karvy; such Results will also be forwarded to the Stock Exchanges where the Equity Shares of the Company are listed.
- 7. Shareholders who are not the Members of the Company as on the record date shall treat this Notice for information purpose only.

## Explanatory Statement as required u/s 102 of the Companies Act, 2013

### AS SPECIAL BUSINESS

#### Item No. 5

The Board on recommendation of the Audit Committee, at its meeting held on 22nd May, 2015 has approved the appointment of M/s. DGM & Associates, Cost Accountants, Kolkata as Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending 31st March, 2016 in accordance with the provisions of Section 148 of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules, 2014 at a remuneration of Rs. 1,25,000. A certificate issued by the above firm regarding their eligibility for appointment as Cost Auditors is available for inspection at the Registered Office of the Company between 11:00 A.M. to 1:00 P.M. on all working days from the date hereof up to this Annual General Meeting.

None of the Directors or Key Managerial Personnel including their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed Resolution except to their Shareholding interest, if any, in the Company.

#### Item No. 6

The Board of Directors of your Company at its Meeting held on 22nd May, 2015 approved the re-appointment of Mr. S. K. Poddar as the Executive

Director and Chairman of the Company for a further period of five years with effect from 25th September, 2015 on the recommendations of the Nomination and Remuneration Committee. The terms and conditions of his employment have been approved by the Board as per the statement appearing herein:

#### I. General Information:

##### (i) Nature of Industry:

The Company is, inter alia, involved in the business of manufacturing of Rolling Stock, Hydro Mechanical Equipments, Steel Castings, Agricultural and other equipments.

##### (ii) Date or expected date of commencement of commercial production:

The Company was incorporated on 25th June, 1998. The operations of the plants were started in 1939 under the then formed Company namely, Texmaco Limited.

##### (iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable.

#### (iv) Financial performance based on given indicators – (as per audited financial results for the year ended 31st March, 2015):

| Particulars  | (Rupees in Crores) |
|--|--------------------|
| Gross Turnover   | 559.56             |
| Other Income   | 23.69              |
| Net profit as per Statement of Profit & Loss (After Tax) | 13.74              |

#### (v) Foreign investments or collaborators, if any:

Not Applicable.

#### II. Information about the appointee:

##### (i) Background details:

Mr. Saroj Kumar Poddar aged 69 years, a leading Indian industrialist of international repute, is Chairman of the Adventz group. The group, with a total turnover in excess of US \$3 billion, comprises 23 leading companies in various verticals, constituting key drivers of the Indian economy and was repositioned under the Adventz banner by Mr. Poddar, to leverage its exemplary equity in terms of knowledge, best practices and technical excellence. Under the leadership of Mr. Poddar, the group has promoted various seminal projects including joint ventures with leading international corporations. The most notable of these ventures are Hettich India Private Ltd. - a joint venture with the Hettich Group of Germany, Texmaco UGL Rail Private Ltd – a joint venture with the United Group of Australia, Touax Texmaco Railcar Leasing Private Ltd – a joint venture with Touax group of France and MCA Phosphates Pte Ltd.- a joint venture with Mitsubishi Corporation, Japan. Mr. Poddar was also instrumental in promoting Gillette India Ltd., a

venture with the renowned 'The Gillette Company,' USA and was its Founder Chairman since 1984, before relinquishing the position in December 2013.

Mr. Poddar is also the Chairman of Zuari Agro Chemicals Limited, Zuari Global Limited, Chambal Fertilisers & Chemicals Limited, Paradeep Phosphates Limited, Simon India Limited, Texmaco Infrastructure & Holdings Limited, Zuari Cement Limited (a unit of Ciments Francais) and Zuari Fertilisers & Chemicals Limited.

A gold medalist in Commerce from Calcutta University, Mr. Poddar is an aficionado of art, culture and sports and is involved in their promotion and development. Poddars also promote young cricketers to go abroad for training and practice. He is also a recipient of the Rashtriya Samman award from the Central Board of Direct Taxes. A keen collector of contemporary Indian art, Mr. Poddar has a superb collection of modern Indian masters. His family is currently involved in setting up a museum in Delhi with the theme 'India through the ages'. The museum, to be named after Mr. Poddar's father in law, the late Dr. K. K. Birla as 'K. K. Birla Academy', will be fully funded by the family and is to be commissioned in the coming years.

Mr. Poddar has served as President of FICCI and International Chamber of Commerce in India, and has been appointed by Govt of India on the Board of Trade - the highest body on trade – as well as on the Board of the Indian Institute of Science, Bangalore. Mr. Poddar has also served as a member of the Board of Governors of the Indian Institute of Technology, Kharagpur for over 10 years and

on the local Board of the Reserve Bank of India for a similar period. He was also on the Advisory Board of one of the most reputed investment brokers, Messrs N M Rothschild & Sons (India) Pvt Limited.

Mr. Poddar is the Chairman of India-Saudi Arabia Joint Business Council and is a Member of the Indo-French CEO Forum.

**(ii) Past remuneration during the financial year ended 31st March, 2015:**

| Name of the Executive Director | Amount (Rs. in Crores) |
|--------------------------------|------------------------|
| Mr. S. K. Poddar               | 3.70                   |

**(iii) Recognition or awards:**

Stated under background details above.

**(iv) Job Profile and his suitability:**

Stated under background details above.

**(v) Remuneration proposed:**

Pursuant to the provisions of Sections 196, 197 and 203 and any other applicable provisions read with Schedule V of the Companies Act, 2013 together with the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof. Mr. S K. Poddar be re-appointed on the following terms and conditions.

|   |   |   |  |
|---|---|---|--|
| 1 | Salary  | : | Rs. 25,00,000/- per month with increments, as may be decided by the Board of Directors from time to time.  |
| 2 | Perquisites<br>CATEGORY – A   | : |  |
|   | a) Medical Reimbursement  | : | Reimbursement of actual expenses incurred by the Executive Chairman for self and his family subject to the ceiling of one's month Salary in a year or three month's Salary over a period of three years. |
|   | b) Bonus / Exgratia   | : | As per the Rules of the Company.   |
|   | c) Leave  | : | As per the Rules of the Company.   |
|   | CATEGORY – B  | : |  |
|   | a) Contribution to Provident Fund   | : | As per the Rules of the Company.   |
|   | CATEGORY – C  | : | Provision of car for use on Company's business and telephone at residence.   |
| 3 | In the event of the loss or inadequacy of profit in any financial year during his tenure as Executive Director, the aforesaid remuneration shall be treated as minimum remuneration.  |   |  |
| 4 | The annual variation and increase in the remuneration of Executive Director shall not exceed 5% of the profits of the Company as calculated under Section 198 of the Companies Act, 2013, the limits specified in Schedule V. |   |  |

**(vi) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

Taking into consideration the size of the Company, the profile of Mr. S. K. Poddar, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.

**(vii) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

Besides the remuneration proposed to be paid to him, the Executive Director is the promoter of the Company and is related to Mr. Akshay Poddar.

**III. Other Information:**

**(i) Reasons of loss or inadequate profits:**

The working results were impacted by inefficient resource

utilization owing to inadequate Railway wagon orders, worsened by uneconomic wagon prices in unhealthy competition in the Industry and the overall economic downturn in the economy during the relevant financial year.

**(ii) Steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:**

With expected release of orders for wagons by the Railways, resurgence in demands for wagons from other end users and a stable Government at the Centre, the general gloom in the Industry is gradually lifting. The focused approach of the new Government for growth of the Rail sector is opening vistas of new opportunities.

**IV. Disclosures:**

The information and Disclosures of the remuneration package of the Executive Directors have been mentioned in the Annual Report under the Corporate Governance Report.

This also forms a part of disclosure under Clause 49 of Listing Agreement.

Except Mr. Akshay Poddar and Mr. S. K. Poddar, no other Director or Key Managerial personnel including their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed Resolution except to their Shareholding, if any, in the Company.

The Company has received valid notice and requisite deposit from a Member of the Company under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Poddar for the office of the Executive Director and Chairman.

In view of the above and subject to passing of the Resolution as set out in the Notice, it will be in the interest of the Company that Mr. Poddar continues as the Executive Director and Chairman of the Company.

#### Item No. 7

Mr. A. K. Vijay, on the recommendation of Nomination and Remuneration Committee was appointed as an Additional Director on the Board of Directors of the Company w.e.f. 1st January, 2015 and has been designated as an Executive Director of the Company.

As per the provisions of Section 161 of the Companies Act, 2013, Mr. Vijay shall hold office up to the date of the ensuing Annual General Meeting of the Company.

The following additional information as required under Schedule V to the Companies Act, 2013 is given below:

#### I. General Information:

##### (i) Nature of Industry:

The Company is, inter alia, involved in the business of manufacturing of rolling stock, hydro mechanical equipments, steel castings, agricultural and other equipments.

##### (ii) Date or expected date of commencement of commercial production:

The Company was incorporated on 25th June, 1998. The operations of the plants were started in 1939 under the then formed Company namely, Texmaco Limited.

##### (iii) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable.

#### (iv) Financial performance based on given indicators – (as per audited financial results for the year ended 31st March, 2015):

| Particulars  | (Rupees in Crores) |
|--|--------------------|
| Gross Turnover   | 559.56             |
| Other Income   | 23.69              |
| Net profit as per Statement of Profit & Loss (After Tax) | 13.74              |

#### (v) Foreign investments or collaborators, if any:

Not Applicable.

#### II. Information about the appointee:

#### (i) Background details:

Mr. Vijay is associated with Company since last 14 years and is a qualified Chartered Accountant and a Company Secretary. The terms and conditions of his employment have been approved by the Board as per the statement appearing herein:

#### (ii) Past remuneration during the financial year ended 31st March, 2015:

| Name of the Executive Director | Amount (Rs. in Crores) |
|--------------------------------|------------------------|
| Mr. A.K. Vijay                 | 0.14*                  |

\* Appointed as Executive Director w.e.f. 1st January, 2015

#### (iii) Recognition or awards:

Stated under background details above.

#### (iv) Job Profile and his suitability:

Stated under background details above.

#### (v) Remuneration proposed:

Pursuant to the provisions of Sections 196, 197 and 203 and any other applicable provisions read with Schedule V of the Companies Act, 2013 together with the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof. Mr. A.K. Vijay be appointed on the following terms and conditions.

|   |   |   |   |
|---|---|---|---|
| 1 | Salary  | : | Rs. 2,40,000/- per month with increments as may be decided by the Board of Directors from time to time within the ceiling as prescribed under the provisions of applicable laws, if any.                                      |
| 2 | Perquisites<br>CATEGORY – A   |   |   |
|   | a) Housing  | : | i) Free furnished accommodation or HRA up to 30% of the salary.<br>ii) The expenditure incurred on gas, electricity, water and furnishing shall be valued as per Income-tax Rules, 1962.                                      |
|   | b) Medical Reimbursement  | : | Reimbursement of actual expenses incurred for self and his family subject to the ceiling of one month's Salary in a year or three month's Salary over a period of three years   |
|   | c) Leave Travel Concession  | : | For self and his family once in a year in accordance with the Rules of the Company.   |
|   | d) Bonus / Exgratia   | : | As per the Rules of the Company.  |
|   | e) Leave  | : | As per the Rules of the Company.  |
|   | f) Club Fees  | : | Membership fee for two clubs. No admission or life membership fee will be paid by the Company.  |
|   | CATEGORY – B  |   |   |
|   | a) Contribution to Provident Fund and Superannuation Fund   | : | As per the Rules of the Company.  |
|   | b) Gratuity   | : | As per the Rules of the Company.  |
|   | CATEGORY – C  | : | Provision of car for use on Company's business and telephone at residence will not be considered as perquisites. However, long distance calls on telephone and use of Car for private purpose shall be billed by the Company. |
| 3 | In the event of the loss or inadequacy of profit in any financial year during his tenure as Executive Director, the aforesaid remuneration shall be treated as minimum remuneration.  |   |   |
| 4 | The annual variation and increase in the remuneration of Executive Director shall not exceed 5% of the profits of the Company as calculated under Section 198 of the Companies Act, 2013, the limits specified in Schedule V. |   |   |

(vi) **Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person:**

Taking into consideration the size of the Company, the profile of Mr. A.K. Vijay, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level counterpart(s) in other companies.

(vii) **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

Besides the remuneration proposed to be paid to him, the Executive Director does not have any other pecuniary relationship with the Company or relationship with the managerial personnel.

**III. Other Information:**

(i) **Reasons of loss or inadequate profits:**

The working results were impacted by inefficient resource utilization owing to inadequate Railway wagon orders, worsened by uneconomic wagon prices in unhealthy competition in the Industry and the overall economic downturn in the economy during the relevant financial year.

(ii) **Steps taken or proposed to be taken for improvement and Expected increase in productivity and profits in measurable terms:**

With expected release of orders for wagons by the Railways, resurgence in demands for wagons from other end users and a stable Government at the Centre, the general gloom in the Industry is gradually lifting. The focused approach of the new Government for growth of the Rail sector is opening vistas of new opportunities.

**IV. Disclosures:**

The information and Disclosures of the remuneration package of the Whole-time Directors have been mentioned in the Annual Report under the Corporate Governance Report.

This also forms a part of disclosure under Clause 49 of Listing Agreement.

Except Mr. Vijay, no other Director or Key Managerial Personnel including their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed Resolution except to their Shareholding interest, if any, in the Company.



The Company has received valid notice and requisite deposit from a Member of the Company under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Vijay for appointment as an Executive Director.

In view of the above and subject to passing of the Resolution as set out in the Notice, it will be in the interest of the Company that Mr. Vijay be appointed as an Executive Director of the Company.

#### **Item No. 8**

Ms. Mridula Jhunjhunwala was appointed as an Additional Director of the Board of Directors of the Company w.e.f. 20th March, 2015. As per the provisions of Section 160 of the Companies Act, 2013, Ms. Jhunjhunwala shall hold office up to the date of the Annual General Meeting of the Company.

Ms. Jhunjhunwala is a fellow Chartered Accountant with 20 years of professional experience in assurance and advisory services with exposure of various industries including Tea, Information Technology, Ceramics, Investment Companies etc. Ms. Jhunjhunwala is a partner of Doshi, Chatterjee, Bagri & Co., a firm of Chartered Accountants.

Ms. Jhunjhunwala had also been associated with Ernst & Young in the past. Ms. Jhunjhunwala is also a member of The Institute of Internal Auditors (IIA Inc.) and Internal Complaints Committee of Orga Systems India Private Limited constituted under The Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013.

The Company has received valid notice and requisite deposit from a member of the company under Section 160 of the Companies Act, 2013, proposing the candidature of Ms. Jhunjhunwala for the office of the Director.

The Board of Directors is of the opinion that her vast knowledge and varied experience will be of great value to the Company and hence recommends the Resolution at Item No. 8 of this Notice for your approval.

In view of the background and valuable experience of Ms. Jhunjhunwala, it will be in the interest of the Company that she continues as a Director of the Company.

Except Ms. Jhunjhunwala, no other Director or Key Managerial personnel including their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed Resolution except to their Shareholding, if any, in the Company.

#### **Item No. 9**

The Company has received valid notice and requisite deposit from a member of the company under Section 160 of the Companies Act, 2013, proposing the candidature of Mr. Sabyasachi Hajara for the office of the Director.

Mr. Hajara immediately on passing out from IIM Calcutta, joined The Shipping Corporation of India Ltd. (SCI) in 1973. Since then he worked in SCI in various key positions. His last stint at SCI was the Chairman & Managing Director. He is the only person in independent India in the Indian shipping industry to have held the most important post of the President of Indian National Shipowners Association (INSA) for 5 years in a row. As the President of INSA, he pursued many critical issues of

Indian shipowners with the Government of India and other organizations for their amicable settlement from time to time. He was the Chairman of CII National Committee on Shipping for eight years. The 'Institute of Chartered Shipbrokers', UK has elected him as an Emeritus member - the only person from India to have been thus elected. He was also a Director and Vice President of the International Shipping Federation – the most important shipowners' forum in the world, which represents the shipowning fraternity in ILO, IMO and other UN bodies. He is the only Indian to have featured in the top 100 list of both TradeWinds and Lloyds List.

He has made presentations in various national and international seminars / conferences on various maritime related issues including bulk shipping, container shipping, LNG shipping, manning and training subjects, HRD topics etc and published many papers in various shipping and non shipping journals. The National dailies like the Hindu and The Economic Times have also published his articles.

Mr. Hajara has been awarded by the "Innovator of The Year" award, "Business Leader of the Year Award – for Shipping" by The SHIPPING & MARINE 2008, supported by CHEMTECH Foundation, "Seatrade Outstanding Achievement Award" at Middle East & Indian Subcontinent Awards 2011 held in October, 2011 in Dubai, 'Distinguished Alumnus Award' of his Alma Mater, Indian Institute of Management Calcutta in November, 2011, "Life-Time Achievement award" at the Sailors Today Award ceremony on 21.04.12, "Global Indian & Maritime Personality of the Year" at the 3rd All India Maritime and Logistics Awards (MALA) 2012, "Life time Achievement Award' by Lloyd's list.

The Board of Directors is of the opinion that his vast knowledge and varied experience will be of great value to the Company and hence recommends the Resolution at Item No. 9 of this Notice for your approval.

In view of the background and valuable experience of Mr. Hajara, it will be in the interest of the Company that he continues as a Director of the Company.

Except Mr. Hajara, no other Director or Key Managerial personnel including their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed Resolution except to their Shareholding, if any, in the Company.

#### **Item No. 10**

Pursuant to provisions of Section 188(1) of the Companies Act, 2013, the Companies (Meeting of Board and its Powers) Rules, 2014, the Related Party Transactions as mentioned in clause (a) to (g) of the said Section require a Company to obtain prior approval of the Board of Directors and subsequently the Shareholders of the Company by way of Special Resolution in case the value of the Related Party Transactions exceeds the stipulated thresholds prescribed in Rule 15(3) of the said Rules. Further as required under Clause 49 of the Equity Listing Agreement, certain material related party transactions shall require approval of the shareholders through Special Resolution. Accordingly, the approval of the shareholders by way of Special Resolution is sought under Section 188 of the Companies Act, 2013, the Companies (Meeting of Board and its Powers) Rules, 2014 and Clause 49 of the Equity Listing Agreement, to enable the Company to enter into related Party Transactions in one or more

tranches for over 10% of consolidated turnover and upto a maximum of Rs. 500 crore. The particulars of the Related Party Transactions, which are required to be stated in the Explanatory Statement, as per Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 are as follows:

a) Name of the related party: Kalindee Rail Nirman (Engineers) Limited ('Kalindee')

b) Name of the director or key managerial personnel who is related, if any and Nature of Relationship:

Mr. Sandeep Fuller, Executive Director of the Company is also the Managing Director of Kalindee

c) Nature, material terms, monetary value and particulars of the contract or arrangement;

The approval is being sought for proposed sub-contracting of large value Rail Infrastructure work at arm's length spanning 3-4 years for which the Company has participated in certain tenders of Dedicated Freight Corridor Corporation of India Limited (DFCCIL).

d) Any other information relevant or important for the members to take a decision on the proposed resolution.

The jobs proposed to be sub-contracted to its associate Company, subject to the Company winning the contracts, will lead to optimal utilization of the Company's resources in the related field and add value to its business potentials, benefiting both the Companies. All factors relevant to the respective contracts are being duly considered by the Board.

The Board therefore, recommends to the Members for approval of Item no. 10 by way of Special Resolution.

None of the Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed Resolution except to their Shareholding interest, if any, in the Company.

#### **Item No. 11**

The Company had recorded Profit before Tax and Profit after Tax for the year ended 31st March, 2015 at Rs. 16.22 Cr. and Rs. 13.73 Cr. respectively. The working results were impacted by inefficient resource utilization owing to inadequate Railway wagon orders, worsened by uneconomic wagon prices in unhealthy competition in the Industry. In light of the general gloominess in the industry, the earnings of the Company are inadequate for payment of remuneration to the Executive Directors in terms of approval by the Members of the Company, under the provisions of the Companies Act, 1956 and Companies Act, 2013.

Pursuant to the provisions of Section 197 read together with Schedule V of the Act, in respect of the payment of managerial remuneration in case of no profits or inadequacy of profits as calculated under Section 198 of

the Companies Act, 2013, the Company may pay such remuneration exceeding such limits as minimum remuneration with the Members' approval by way of a special resolution and subject to the approval of Central Government.

The Board therefore, recommends to the Members for approval of remuneration paid in excess of the limit as prescribed under the provisions of Companies Act, 1956 and Companies Act, 2013 subject to the approval of the Central Government.

The Executive Directors are concerned or interested in the Resolutions to the extent of their respective remuneration and shareholding interest in the Company.

The relatives of the Executive Directors may be deemed to be concerned or interested in the Resolutions to the extent of their Shareholding, if any, in the Company.

Save and except the above, no other Director or Key Managerial Personnel including their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed Resolution except to their Shareholding interest, if any, in the Company.

#### **Item No. 12**

As per the existing provision under the Article 75 of the Articles of Association of the Company, the number of Directors of the Company would not be more than twelve. Currently, the Company has eleven Directors and one more director is proposed to be appointed against the vacancy caused by the resignation of Mr. S. Dhasarathy on 31st May, 2015. Considering the prospect of new businesses and size of operations of the Company, it may need to induct few additional directors in future to strengthen the Board. It is therefore, proposed to increase the upper limit of number of directors to fifteen in accordance with the Companies Act, 2013.

The Board of Directors recommends amendment to the Articles of Association of the Company by deleting the existing Article 75 and substituting it with new Article 75, to increase the maximum number of Directors of the Company from twelve to fifteen, subject to provisions of the Companies Act, 2013.

The Resolution at Item No. 12 of the Notice is set out as a Special Resolution for approval by the Members in terms of Section 14 of the Companies Act, 2013.

A copy of the Articles of Association of the Company together with the proposed alterations is available for inspection by the Members at the Registered office of the Company between 11.00 A.M. and 1.00 P.M. on all working days from the date hereof up to this Annual General Meeting.

None of the Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed Resolution except to their Shareholding interest, if any, in the Company.

Details of Directors seeking appointment and re-appointment at the forthcoming Annual General Meeting (in pursuance of Clause 49 of the Listing Agreement).

| Name of the Director                   | Mr. S. K. Poddar   | Mr. A.K. Vijay   | Ms. Mridula Jhunjunwala                                      | Mr. Sabyasachi Hajara   | Mr. D. H. Kela  |
|--|--|--|--|---|---|
| Age (in years)                         | 69   | 61   | 44   | 62  | 74  |
| Qualification                          | B.Com (Hons.)  | F.C.A., F.C.S.   | F.C.A.   | B.Sc. (Chemistry-Hons.)<br>PGDM<br>L.L.B.<br>Post Graduate Diploma in Shipping and International Maritime Law and Marine Insurance  | Graduate in Metallurgical Engineering   |
| Date of first Appointment on the Board | 25th September, 2010   | 1st January, 2015  | 20th March, 2015   | N. A.   | 1st January, 2010   |
| Expertise in specific functional areas | <ul style="list-style-type: none"> <li>Chairman of the Adventz Group</li> <li>Chairman of India – Saudi Arabia Joint Business Council and is a member of Indo – French CEO Forum</li> <li>Was Founder Chairman of Gillette India Ltd. since 1984</li> <li>Recipient of Rashtriya Samman award from CBDT</li> <li>Has served as President of FICCI and International Chamber of Commerce in India</li> <li>Has also served as member of the Board of Governors of the IIT, Kharagpur</li> <li>Was also on Advisory Board of Messrs N M Rothschild &amp; Sons (India) Pvt. Ltd.</li> </ul> | Qualified Chartered Accountant and Company Secretary with an overall experience of 38 years. | Qualified Chartered Accountant with a experience of 20 years | <ul style="list-style-type: none"> <li>Remained Chairman &amp; Managing Director of SCI for more than 7 years.</li> <li>Was only person in India to be President of Indian National Shipowners Association (INSA) for 5 years in a row.</li> <li>Was Chairman of CII National Committee.</li> <li>Appointed as Emeritus member of Institute of Chartered Shipbrokers.</li> <li>Featured in top 100 lists of both TradeWinds and Lloyds List.</li> </ul> | <ul style="list-style-type: none"> <li>Vast experience of more than 47 years in the industry</li> <li>Holding senior positions in engineering and metallurgical companies</li> <li>Architect for setting up 2 most modern &amp; automated Steel Foundry units equipped with High Pressure moulding lines for the Company</li> </ul> |
| Remuneration last drawn (In Crores)    | 3.70   | 0.14*  | Nil  | N.A.  | 0.90  |
| Shareholding in the Company            | 2497020  | 2530   | Nil  | Nil   | Nil   |

| Name of the Director  | Mr. S. K. Poddar                                      | Mr. A.K. Vijay                                | Ms. Mridula Jhunjhunwala           | Mr. Sabyasachi Hajara  | Mr. D. H. Kela                                      |
|---|---|---|------------------------------------|--|---|
| Relationship with other Director in the Company                                     | Father of Mr. Akshay Poddar                           | Nil   | Nil                                | Nil  | Nil   |
| Directorship held in other Companies  | Chambal Fertilisers and Chemicals Limited             | Macfarlane & Co. Limited                      | Proficient Moulder Private Limited | Dolphin Offshore Enterprises (India) Limited   | High Quality Steels Limited                         |
|   |   | High Quality Steels Limited                   |                                    | Dolphin Offshore Shipping Limited  |   |
|   | Zuari Global Ltd.                                     | Texmaco UGL Rail Private Limited              |                                    | TM International Logistics Limited   |   |
|   | Zuari Cement Limited                                  | Touax Texmaco Railcar Leasing Private Limited |                                    | TRF Limited  |   |
|   | Lionel India Limited                                  |   |                                    | Dharti Dredging and Infrastructure Limited   |   |
|   | Paradeep Phosphates Limited                           |   |                                    | Apeejay Shipping Limited   |   |
|   | Simon India Limited                                   |   |                                    | TM Harbour Services Private Limited  |   |
|   | Texmaco Infrastructure & Holdings Limited             |   |                                    | Adani Petronet (Dahej) Port Private Limited  |   |
|   | Zuari Fertilisers & Chemicals Limited                 |   |                                    |  |   |
|   | Zuari Agro Chemicals Limited                          |   |                                    |  |   |
|   | Adventz Finance Private Limited                       |   |                                    |  |   |
|   | Ethan Allen India Private Limited                     |   |                                    |  |   |
|   | Hettich India Private Limited                         |   |                                    |  |   |
|   | Texmaco UGL Rail Private Limited                      |   |                                    |  |   |
|   | Adventz Homecare Private Limited                      |   |                                    |  |   |
|   | Federation of Indian Chamber of Commerce and Industry |   |                                    |  |   |
| Chairmanship / Membership of Committees in Companies including those in the Company | Zuari Cement Limited<br>Chairman of Audit Committee   | Nil   | Nil                                | Dolphin Offshore Enterprises (India) Limited – Chairman of Audit Committee and Stakeholders Relationship Committee.<br><br>Dolphin Offshore Shipping Limited– Member of Audit Committee<br><br>TM International Logistics Ltd - Member of Audit Committee.<br><br>Dharti Dredging and Infrastructure Limited - Chairman of Audit Committee.<br><br>Apeejay Shipping Limited - Chairman of Audit Committee. | Stakeholders Relationship Committee of the Company. |

\* Appointed as Executive Director w.e.f. 1st January, 2015