

Cimmco Limited



REGISTERED OFFICE
756, ANANDAPUR
E M BYPASS,
KOLKATA- 700 107
CIN: L28910WB1943PLC168801

TEL : (033) 4019 0800
FAX : (033) 40190823
WEBSITE: www.cimmco.in
E-MAIL: corp@cimmco.in

30th May, 2019

- 1. National Stock Exchange of India Limited**
Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai 400051
Scrip Code: CIMMCO
- 2. BSE Limited**
Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001
Scrip Code: 505230

Dear Sirs,

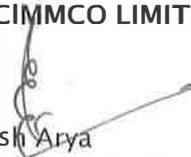
Sub: Audited Financial Results – FYE 2018-19

Pursuant to the Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, we enclose herewith Audited Financial Results of the Company for the quarter and year ended 31st March, 2019 along with Auditors' Report thereon. The Statement of Impact on Audit Qualifications on the Audited Financial Results is also attached herewith.

Please take this on record.

Thanking you,

Yours faithfully,
For CIMMCO LIMITED


Dinesh Arya
Group Company Secretary

Enclosed: As stated above

Price Waterhouse & Co Chartered Accountants LLP

The Board of Directors
Cimmco Limited
756, Anandapur
E M Bypass
Kolkata 700 107

Independent Auditor's Report on the Statement of financial results

1. We have audited the accompanying Statement containing the annual financial results of Cimmco Limited (the "Company") for the year ended March 31, 2019 together with the notes thereon (hereinafter referred to as the "Statement"), which we have signed under reference to this report.

Management's Responsibility for the financial results

2. Management is responsible for the preparation of the accompanying Statement. The Management is also responsible for the preparation of the annual statutory financial statements in accordance with the Accounting Standards specified under Section 133 of the Companies Act, 2013 (the "accounting principles generally accepted in India"), basis which the above Statement containing the annual financial results has been prepared. The responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the Statement that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Statement based on our audit. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 ("the Act") and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Statement. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the Statement 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 accounting estimates made by Management, as well as evaluating the overall presentation of the Statement.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

6. We draw your attention to Note 8 to the Statements regarding public shareholding in the Company being 20.512% as at March 31, 2019, which is below the minimum requirement of 25% under Rule 19A(2) of the Securities Contracts (Regulation) Rules, 1957. The consequential impact of the aforesaid non-compliance, if any, is presently not ascertainable.

Price Waterhouse & Co Chartered Accountants LLP, 56 & 57, Block DN, Ground Floor, A Young Sector I, Salt Lake, Kolkata - 700091, India
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Registered office and Head office: Plot No. Y-14, Block EP, Sector V, Salt Lake Electronic Complex, Bidhan Nagar, Kolkata 700 091

Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E-300009 (ICAI registration number before conversion was 304026E)



Price Waterhouse & Co Chartered Accountants LLP

Qualified Opinion

7. In our opinion and to the best of our information and according to the explanations given to us:
- (i) the Statement, together with the notes thereon are presented in the format prescribed under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
 - (ii) except for the indeterminate impact of the matter referred in the Basis for Qualified Opinion paragraph above, the Annual financial results for the year ended March 31, 2019 as set out in the Statement give a true and fair view of the total comprehensive income (comprising of profit and other comprehensive income), and other financial information of the Company for the year ended March 31, 2019 in accordance with the accounting principles generally accepted in India.

Emphasis of Matter

8. We draw your attention to the following:
- (a) Note 9 of the Statement regarding the figures for the quarter ended March 31, 2019, which are the balancing figures between audited figures in respect of the full financial year and the published year-to-date figures upto the third quarter of the current financial year.
 - (b) Note 7 to the Statement regarding the Company's claim of Rs. 2,361.23 lacs towards lease rental and interest thereon receivable from the Indian Railways, which is recognised based on the order from the Hon'ble High Court of Delhi dated March 15, 2019 reaffirming the Arbitration Award dated February 3, 2016 and based on the legal advice obtained by the Company in this regard.

Our opinion is not modified in respect of these matters.

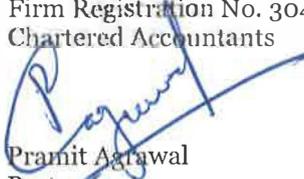
Other Matter

10. The Statement dealt with by this report has been prepared for the express purpose of filing with Stock Exchanges. This Statement is based on and should be read with the audited financial statements of the company for the year ended March 31, 2019 on which we have issued a modified audit opinion vide our report dated May 30, 2019.

Restriction on Use

11. This report is addressed to the Board of Directors of the Company and has been prepared for and only for the purposes set out in paragraph 10 above. This report should not be otherwise used by any other party for any other purpose.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration No. 304026E/E-300009
Chartered Accountants


Prमित Agrawal
Partner
Membership No. 099903

Place: Kolkata
Date: May 30, 2019

CIMMCO LIMITED
CIN NO:- L28910WB1943PLC168801
REGISTERED OFFICE - 756, ANANDAPUR, E M BYPASS, KOLKATA - 700107
STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019

		(Rs. in lacs)				
SL NO.	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		MARCH 31, 2019	December 31, 2018	MARCH 31, 2018	March 31, 2019	March 31, 2018
		Audited (Refer note 9)	Unaudited	Audited	Audited	Audited
	Income					
1	Revenue from Operations	8,739.01	9,186.27	3,188.27	25,718.56	13,462.01
2	Other Income	1,603.64	25.59	171.07	1,673.36	200.32
3	Total Income	10,342.65	9,211.86	3,359.34	27,391.92	13,662.33
4	Expenses					
a)	Cost of Raw Materials & Components Consumed	7,913.82	6,962.91	2,885.49	22,590.51	9,534.77
b)	Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap	(1,693.00)	725.67	(431.62)	(2,142.11)	381.74
c)	Purchases of Stock-in-trade	-	-	-	-	2.38
d)	Excise Duty Expense	-	-	-	-	69.03
e)	Employee Benefits Expense	114.08	111.81	151.19	487.05	578.87
f)	Finance Costs	732.42	480.37	406.33	2,174.50	1,434.54
g)	Depreciation and Amortisation Expense	68.59	100.90	154.11	374.22	615.79
h)	Other Expenses	1,717.50	775.63	1,172.04	3,803.77	2,801.26
	Total Expenses (a to h)	8,853.41	9,157.29	4,337.54	27,287.94	15,418.38
5	Profit/(Loss) before Exceptional Items and Tax (3-4)	1,489.24	54.57	(978.20)	103.98	(1,756.05)
6	Exceptional Items (Refer Note 4)	-	-	614.12	-	614.12
7	Profit/(Loss) before Tax (5-6)	1,489.24	54.57	(1,592.32)	103.98	(2,370.17)
8	Income Tax Expense					
a)	Current Tax	-	-	-	-	-
b)	Deferred Tax Charge/(Credit)	(2,572.36)	(8.36)	(8.36)	(2,676.70)	(38.35)
9	Profit/(Loss) for the Period (7-8)	4,061.60	62.93	(1,583.96)	2,780.68	(2,331.82)
10	Other Comprehensive Income					
	Item that will not be reclassified to profit or loss:					
	Remeasurement Gains/(Losses) on Defined Benefit Plans	9.90	(0.16)	5.01	9.59	(0.62)
	Income Tax on above	(3.35)	-	-	(3.35)	-
11	Total Comprehensive Income/(Loss) for the Period (9 + 10)	4,068.15	62.77	(1,578.95)	2,786.92	(2,332.44)
12	Equity Share Capital (Face value Rs. 10/- each)	2,734.85	2,734.85	2,734.85	2,734.85	2,734.85
13	Other Equity	-	-	-	16,283.39	13,423.98
14	Earning Per Equity Share (of Rs 10/- each) (Not Annualised) - Basic and Diluted (Rs.)	14.85	0.23	(5.79)	10.16	(8.53)



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CIMMCO LIMITED
CIN NO:- L28910WB1943PLC168801
REGISTERED OFFICE - 756, ANANDAPUR, E M BYPASS, KOLKATA - 700107
SEGMENTWISE REVENUE, RESULTS, ASSETS AND LIABILITIES

		(Rs. in lacs)				
SL NO.	PARTICULARS	QUARTER ENDED			YEAR ENDED	
		MARCH 31, 2019	December 31, 2018	MARCH 31, 2018	March 31, 2019	March 31, 2018
		Audited (Refer note 9)	Unaudited	Audited	Audited	Audited
1	Segment Revenue					
	a) Wagons & Engineering Products	8,739.01	9,186.24	3,120.46	25,691.35	13,197.51
	b) Tractors	-	0.03	67.81	27.21	264.50
	Revenue/ Income from Operations	8,739.01	9,186.27	3,188.27	25,718.56	13,462.01
2	Segment Results [Profit / (Loss) before tax and interest]					
	a) Wagons & Engineering Products	2,301.15	677.24	(397.83)	2,707.66	243.75
	b) Tractors	(18.24)	(102.25)	(714.67)	(243.54)	(991.99)
	Total	2,282.91	574.99	(1,112.50)	2,464.12	(748.24)
	(Add) / Less :					
	i Interest expense - Net	(724.19)	(473.35)	(401.78)	(2,147.75)	(1,418.40)
	ii Unallocable expenditure net of income	(69.48)	(47.07)	(78.04)	(212.39)	(203.53)
	Profit/(Loss) before Tax	1,489.24	54.57	(1,592.32)	103.98	(2,370.17)
	Less: Tax Expenses	(2,572.36)	(8.36)	(8.36)	(2,676.70)	(38.35)
	Profit/(Loss) after Tax	4,061.60	62.93	(1,583.96)	2,780.68	(2,331.82)
3	Segment Assets					
	a) Wagons & Engineering Products	46,247.82	44,339.72	35,642.70	46,247.82	35,642.70
	b) Tractors	350.67	230.41	548.69	350.67	548.69
	c) Unallocable	1,682.47	250.24	101.56	1,682.47	101.56
	Total	48,280.96	44,820.37	36,292.95	48,280.96	36,292.95
4	Segment Liabilities					
	a) Wagons & Engineering Products	12,340.68	9,409.19	4,431.50	12,340.68	4,431.50
	b) Tractors	69.10	109.87	135.11	69.10	135.11
	c) Unallocable	16,852.94	20,351.36	15,567.51	16,852.94	15,567.51
	Total	29,262.72	29,870.42	20,134.12	29,262.72	20,134.12



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CIMMCO LIMITED
BALANCE SHEET

SL No	PARTICULARS	March 31, 2019	March 31, 2018
		Audited	Audited
	ASSETS		
1	Non-current Assets		
	a) Property, Plant and Equipment	26,369.40	26,240.00
	b) Capital Work-in-progress	74.34	112.30
	c) Other Investment Property	821.24	821.24
	d) Intangible Assets	3.04	4.25
	e) Financial Assets		
	i) Investments	0.25	0.25
	ii) Trade Receivables	103.03	83.57
	iii) Loans and Deposits	49.54	50.61
	iv) Other Financial Assets	-	854.81
	f) Deferred tax assets (Net)	260.90	-
	g) Other non-current tax assets	10.53	14.51
	h) Other non-current assets	4.69	50.00
	Total - Non-current Assets	27,696.96	28,231.54
2	Current Assets		
	a) Inventories	10,335.68	4,232.80
	b) Financial Assets		
	i) Trade Receivables	3,430.67	1,775.86
	ii) Cash and Cash Equivalents	26.71	74.66
	iii) Other Bank Balances	429.90	286.97
	iv) Other Financial Assets	2,872.33	660.28
	c) Other Current Assets	3,488.71	1,030.84
	Total - Current Assets	20,584.00	8,061.41
	TOTAL - ASSETS	48,280.96	36,292.95
	EQUITY AND LIABILITIES		
	EQUITY		
	a) Equity share capital	2,734.85	2,734.85
	b) Other Equity	16,283.39	13,423.98
	Total - Equity	19,018.24	16,158.83
	LIABILITIES		
1	Non-current Liabilities		
	a) Financial Liabilities		
	Borrowings	12,570.81	9,552.92
	b) Provisions	21.85	22.83
	c) Deferred Tax Liabilities (Net)	-	2,412.44
	Total - Non-current Liabilities	12,592.66	11,988.19
2	Current Liabilities		
	a) Financial Liabilities		
	i) Borrowings	3,443.00	1,449.43
	ii) Trade Payables		
	a) Total Outstanding Dues of Micro Enterprises and Small Enterprises	-	-
	b) Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises	11,344.23	2,336.74
	iii) Other Financial Liabilities	1,037.60	2,355.74
	b) Other Current Liabilities	659.57	1,682.16
	c) Provisions	185.66	321.86
	Total - Current Liabilities	16,670.06	8,145.93
	TOTAL - LIABILITIES	29,262.72	20,134.12
	TOTAL - EQUITY AND LIABILITIES	48,280.96	36,292.95



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CIMMCO LIMITED

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2019

- 1 Operating segments based on the Company's products have been identified by the management as Wagon & Engineering Products and Tractors.
- 2 Post applicability of Goods and Service Tax (GST) w.e.f July 1, 2017, revenue from operations is disclosed net of GST. However, revenue for the period April 1, 2017 to June 30, 2017 is inclusive of excise duty. Accordingly, revenue from operations and total expenses for year ended March 31, 2019 are not comparable with the corresponding year and period presented in the results.
- 3 Effective April 1, 2018, the Company has adopted IND AS 115 "Revenue from Contracts with Customers" using the modified retrospective approach which is applied to contracts that were not completed as of April 1, 2018. The comparatives for the quarter and year ended March 31, 2019 and year ended March 31, 2018 have not been restated and accordingly the results for the quarter and year ended March 31, 2019 are not comparable with the above periods reported. As a result of adoption of the new standard, an amount of Rs 72.49 lacs (net of tax), has been adjusted against retained earnings as on April 1, 2018. Further, the change in the timing of revenue recognition for certain contracts has following impact on the above results:

Particulars	Quarter Ended March 31, 2019	Quarter Ended December 31, 2018	Year Ended March 31, 2019
	Rs. In lacs	Rs. In lacs	Rs. In lacs
Increase/(Decrease) in Revenue from Operations	(1,620.08)	1,986.93	(374.15)
Decrease/(Increase) in Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap.	1,475.32	(1,834.52)	335.66
(Increase) / Decrease in Loss before tax	(144.76)	152.41	(38.49)
(Increase) / Decrease in Tax expense	50.58	(53.26)	13.45
(Increase) / Decrease in Loss for the period and Total comprehensive income	(94.18)	99.15	(25.04)
(Increase) / Decrease in Loss Per Equity Share (of Rs 10/- each) (Not Annualised) - Basic and Diluted (Rs.)	(0.34)	0.36	(0.09)

- 4 Exceptional items of Rs. 614.12 Lacs for the year ended March 31, 2018 represents impairment loss on plant and machinery and intangible assets relating to Tractors segment.
- 5 Other Expenses for the year ended March 31, 2019 includes Rs. 854.82 Lacs being claims receivable written off pursuant to an unfavorable order of the Hon'ble Delhi High Court dated March 15, 2019 against the Company. The Auditors in their audit report for the year ended March 31, 2018 and in their Limited Review report for the quarters ended June 30, 2018, September 30, 2018 and December 31, 2018 had qualified the recoverability of the above amount.
- 6 During the year the, Company has recognised deferred tax assets including those on unabsorbed depreciation and business losses pertaining to earlier assessment years as it is now probable that future taxable amounts will be available to utilise the deferred tax amount. The balance of such deferred tax assets as at March 31, 2019 was Rs. 2,563.99 Lacs, which is included in the balance sheet under deferred tax assets (net) amounting to Rs. 260.90 Lacs.
- 7 The Company had taken on lease 1,200 wagons from four lessors and given the same on sub-lease for a period of ten years to Indian Railways under four separate Sub-Lease Agreements, one dated May 28, 1997 and the other three dated October 20, 1997. During the subsistence of the sub-lease, the Company had initiated arbitration proceedings against Indian Railways in respect of disputes relating to the amount of sub-lease rentals for the first seven years of primary lease, considering the terms and conditions of the agreement. The Arbitrator, vide its award dated February 3, 2016 had rejected the claim of the Company for the aforesaid period, however had noted that the amount of sub-lease rental paid by the Indian Railways for balance three years of the primary sub-lease period was not justified keeping in view the terms of the agreement. The award also states the basis of interest to be charged. Accordingly, considering the arbitration award which is reaffirmed by the High Court of Delhi vide its order dated March 15, 2019, and based on legal advice obtained, the Company has recognized an income of Rs. 2,361.23 Lacs being the differential sub-lease rental receivables for last three years of Rs. 898.32 lakhs (disclosed under "Revenue from Operations") and interest thereon of Rs. 1462.91 lakhs (disclosed under "Other Income").



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- 8 Due to allotment of 72,00,000 equity shares to promoter of the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon'ble National Company Law Tribunal resulting in minimum public shareholding (MPS) became 18.47%. Though the aforesaid allotment took place on December 02, 2017 but the shares were credited into the demat account of promoter after listing & trading approvals of the Stock Exchanges, on May 25, 2018 only. The promoter had since made two Offers for Sale (OFS) of the requisite equity shares to achieve the MPS of 25% as per Section 19A(2) of Securities Contracts (Regulation) Rules, 1957, however, due to low demand the OFS were undersubscribed, and the shareholding of public as at March 31, 2019 is 20.512%. As advised by the lawyers, the Company had also submitted an application to the SEBI and Stock Exchanges on December 06, 2018 seeking extension of time till September 30, 2019 to comply with the MPS requirement and waiver of penalty to which the SEBI responded by a letter dated January 24, 2019 informing that the provisions of Securities Contracts (Regulation) Rules, 1957 do not grant power to SEBI to grant extension of timeline for meeting MPS requirements for listed entity. However, the promoter although ready with the third OFS, can issue the same only after the trading window re-opens on June 01, 2019.
- 9 The figures for last quarter are the balancing figures between audited figures in respect of the full financial year ended March 31, 2019 and the published year to date figures upto December 31, 2018, being the date of end of the third quarter of the financial year ended March 31, 2019 which were subject to limited review.
- 10 The Company had issued 400 lacs of 8% Non-Convertible Non-Cumulative Redeemable Preference Shares (NCNCRPS) of Rs. 10 each fully paid-up at par during the year ended March 31, 2015 to promoter/ promoter group entity, redeemable at par within 5 years from the date of issue i.e. Rs 2,500.00 lakh by June 27, 2019 and Rs 1,500.00 lakh by July 7, 2019. As approved by the shareholders by postal ballot result whereof was declared on March 30, 2019 (Resolution passed on 28th March 2019) the terms of NCNCRPS have been changed as follows: the preference shares are now 11% Cumulative Non-Convertible redeemable (CNCRPS) in one or more tranches: Rs. 2500 lakh and Rs.1500 lakh within June 27, 2024 and July 7, 2024 respectively. The said preference shares are not listed at any stock exchange.
- 11 The Board of Directors at its meeting held on May 29, 2019 (adjourned to May 30, 2019) approved a draft scheme (the Scheme) for merger of the Company with Titagarh Wagons Limited (Holding Company) pursuant to Sections 230 to 232 of the Companies Act, 2013 with April 01, 2019 as the Appointed Date, subject to such approvals as may be necessary including the SEBI/Stock Exchanges and sanction by the Hon'ble National Company Law Tribunal. The Scheme provides for issue of 13 (thirteen) equity shares of Rs. 2/- each fully paid held up by the Holding Company for every 24 (twenty Four) equity share of Rs. 10/- each fully paid by the shareholders of the Company on a record date to be determined in due course.
- 12 The above financial results for the quarter and year ended March 31, 2019 have been reviewed by the Audit Committee and approved by the Board of Directors at their respective meetings held on May 29, 2019 (adjourned to May 30, 2019).

For and on behalf of the Board of Directors



ANIL KUMAR AGARWAL
Managing Director and CEO

Place: Kolkata

Date: May 30, 2019



Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results of Cimmco Limited – Standalone for the financial year ended March 31, 2019

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2019 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs in lacs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs in lacs) (Refer Note below)
	1	Turnover / Total income (including other income)	27,391.92	27,391.92
	2	Total Expenditure (including tax expenses)	27,287.94	27,287.94
	3	Net Profit (total comprehensive income)	103.98	103.98
	4	Earnings Per Share	10.16	10.16
	5	Total Assets	48,280.96	48,280.96
	6	Total Liabilities	29,262.72	29,262.72
	7	Net Worth (Total Equity)	19,018.24	19,018.24
	8	Any other financial item(s) (as felt appropriate by the management)	-	-
Note: Not applicable as impact of audit qualification cannot be quantified. Hence figures are same as reported before adjusting for qualifications.				
II.	Audit Qualification			
	a. Details of Audit Qualification (as reproduced from the audit report):			
	We draw your attention to Note 8 to the Statements regarding public shareholding in the Company being 20.512% as at March 31, 2019, which is below the minimum requirement of 25% under Rule 19A(2) of the Securities Contracts (Regulation) Rules, 1957. The consequential impact of the aforesaid non-compliance, if any, is presently not ascertainable.			
	b. Type of Audit Qualification : Qualified Opinion			
	c. Frequency of qualification: Appeared first time.			
	d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Impact not quantified by the auditors since the same is not ascertainable and therefore, not applicable.			
	e. For Audit Qualification(s) where the impact is not quantified by the auditor:			
	(i) Management's estimation on the impact of audit qualification: Impact of audit qualification cannot be quantified.			
	(ii) Management response and reasons for inability to estimate the impact: The Scheme of Amalgamation of Titagarh Agrico Private (TAPL) with Cimmco Limited (Cimmco) was sanctioned by the Hon'ble National Company Law Tribunal (NCLT) and its order filed with MCA on 14/11/2017 and thereby the Scheme became effective from the said date. On 23/11/2017 Cimmco submitted the documents prescribed to the Stock Exchanges in compliance of the Part B as per the SEBI circular CIR/CFD/CMD/16/2015 dated 30/11/2015. As per the above referred circular the transferee company (Cimmco) is required to take steps for listing of its shares within 30 days of receipt of NCLT's order and therefore in order to comply with the said circular, Cimmco allotted 72,00,000 equity shares to Titagarh Wagons Limited (TWL) (the only shareholder of TAPL) on 02/12/2017. Consequent to the above allotment, TWL's shareholding in Cimmco went up to 81.53%. Although the allotment was made on 02/12/2017 the said 72,00,000 equity shares could be credited to TWL's account only on May 25, 2018 after the requisite listing approvals were received. The Minimum Public Shareholding (MPS) of 25% in Cimmco was to be achieved within twelve months from the date it fell below 25%. The Offer for Sale (OFS) being an approved method, has two categories of investors to whom shares are offered : Non Retail and Retail in the allocation prescribed by the SEBI.			

	<p>The promoter reached out to several institutional shareholders in regard to OFS, however considering the stock market conditions and financial performance of Cimmco, no commitment was forthcoming. Therefore, having thus waited for so much time when it was found that no firm demand was visible from the non-institutional shareholders, TWL decided to go ahead with the OFS.</p> <p>At the time of first OFS proposed to be issued by the promoter a format of Notice of OFS provided by the stock exchange was used as per which 75% allocation was for Non-Retail and 25% for Retail investors. The first OFS was issued by TWL on 14/11/2018 and a total of 242,294 equity shares only were subscribed of which 78,186 shares by Non-Retail and balance 164,108 by Retail. Thus with this dilution, public shareholding went up from 18.47% to 19.36%.</p> <p>The above OFS was followed up by the second OFS on 26/12/2018 and although there was a demand for 161365 equity shares from Non-Retail and 19,85,366 equity shares from Retail (the total thereof at 21,46,731 being substantially more than the number of equity shares required to be offered for achieving MPS), due to allocation mentioned in the notice of OFS i.e. 75% for Non-Retail and 25% for Retail, a total of 3,15,674 equity shares only were allowed to be taken up by all the investors. This resulted in public shareholding going up to 20.512%.</p> <p>As advised by the lawyers, an application was made by the Company in December, 2018 to SEBI, BSE and NSE requesting for extension of time till September, 2019 for achieving MPS. The SEBI replied in January, 2019 that the SCRR did not empower SEBI to grant such extension.</p> <p>It was decided to issue the third OFS in early May, 2019, however BSE has advised that the Promoter must wait for trading window to re-open before making the OFS.</p> <p>The trading window is scheduled to re-open on June 01, 2019. The promoter is ready to make the third OFS in June, 2019.</p> <p>In view of the above it is clear that the achievement of MPS still pending is due to factors beyond the control of the promoter/Cimmco.</p>
	<p>(iii) Auditors' Comments on (i) or (ii) above: Refer details of audit qualification [para II (a) above]</p>
<p>III</p>	<p>For Cimmco Limited</p>
	<p>Sd/- Anil Kumar Agarwal Managing Director & CEO</p>
	<p>Sd/- Vineet Mohta Chief Financial Officer</p>
	<p>Sd/- J K Shukla Chairman of Audit Committee</p>
	<p>For Price Waterhouse & Co. Chartered Accountants LLP ICAI Firm Registration No.: 304026E/E-300009 CHARTERED ACCOUNTANTS</p> <p>Sd/- per Pramit Agrawal Partner Membership No. 099903</p>
	<p>Place: Kolkata</p>
	<p>Date: May 30, 2019</p>