

# **JESSOP AND COMPANY LIMITED**

**Registered Office:**  
21 & 22, JESSORE ROAD,  
DUMDUM,  
KOLKATA - 700028  
WEST BENGAL, (INDIA)

**83<sup>RD</sup> Annual Report**

**2014-15**

# **Highlights - at A Glance**

Year Ended March 31	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>REVENUE ACCOUNTS</b>										
<b>TURNOVER</b>										
EBIDTA	2.61	57.49	157.60	272.80	268.69	237.35	207.60	132.07	82.99	77.46
DEPRECIATION	0.62	3.36	27.30	37.07	43.32	36.68	29.72	25.88	16.80	15.11
PROFIT AFTER TAX	16.10	8.44	7.99	7.32	6.17	4.26	3.63	3.03	2.19	2.10
BUT BEFORE EXCEPTIONAL ITEMS	-15.73	-7.93	1.61	9.86	23.79	22.30	20.24	18.66	11.08	9.98
<b>CAPITAL ACCOUNTS</b>										
<b>GROSS BLOCK</b>	366.11	365.44	305.55	269.88	255.90	225.76	130.18	116.13	100.73	79.93
<b>DEBT</b>	275.15	250.19	229.01	177.07	165.83	118.92	99.94	75.82	48.86	40.70
<b>EQUITY CAPITAL</b>	61.51	61.51	61.51	61.51	61.51	61.50	61.50	61.46	19.87	19.87**
<b>RESERVE &amp; SURPLUS</b>	57.72	72.49	80.50	78.81	78.54	53.56	41.64	23.56	9.54	0.80
<b>(Excluding Revaluation Reserve)</b>										
<b>NET WORTH</b>	119.22	134.00	142.01	140.32	140.05	115.06	96.47	85.02	29.42	21.12
<b>TOTAL ASSETS</b>	509.75	502.67	475.41	431.18	413.62	356.70	268.39	241.26	164.78	144.53
<b>RATIOS</b>										
<b>EBIDTA MARGIN (%)</b>	23.75	5.84	17.32	13.59	16.12	15.45	14.32	19.60	20.24	19.51
<b>NET PROFIT MARGIN</b>	-602.68	-13.79	1.02	3.61	8.85	9.40	9.75	14.13	13.35	12.88
<b>(Before Exceptional Items) (%)</b>										
<b>BOOK VALUS PER SHARE (RS.)</b>	1.94	2.18	2.31	2.28	2.28	1.87	1.57	3.64	1.48	1.54
<b>EARNING PER SHARE (RS)</b>	-0.26	-0.13	0.02	0.16	0.39	0.36	0.33	0.80	0.56	0.72
<b>EQUITY DIVIDEND (%)</b>					3.00	3.00	3.00*	6.00	10.00	8.00
<b>DIVIDEND PAYOUT</b>					2.14	2.16	2.16	4.31	2.34	1.31
<b>(Incl Dividend Tax)</b>										
<b>FIXED ASSETS TURNOVER RATIO</b>	0.01	0.16	0.51	1.01	1.05	1.05	1.59	1.14	0.82	0.97
<b>DEBT EQUITY RATIO</b>	4.47:1	4.07:1	3.72:1	2.88:1	2.70:1	1.93:1	1.63:1	1.23:1	2.46:1	2.70:1

\* On enhanced paid up capital of Rs. 61.46 crores

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## DIRECTORS' REPORT

To the Members of Jessop & Co. Ltd

Your Directors have pleasure in presenting the 83<sup>rd</sup> Annual Report together with the Audited Accounts of the Company for the financial year ended 31st March, 2015.

## SUMMARIZED FINANCIAL RESULTS

		Rs./Crores
Particulars	2014-15	2013-14
Revenue from Operations	2.61	57.49
Profit before Finance Cost, Depreciation & Amortization & Tax	0.62	3.37
Financial Cost	0.25	2.85
Depreciation & Amortization Expenses	16.10	8.44
Tax Expenses	-	-
Net Profit before Exceptional Items	(15.73)	(7.93)
Net Profit after Exceptional Item	(15.73)	(7.93)
Balance brought forward from Previous Year	26.75	34.68
Profit Available for Appropriations	11.02	26.75
Appropriations :-		
Adjustment relating to Fixed Assets	0.19	-
Balance Carried to Balance Sheet	10.83	26.75

## PERFORMANCE HIGHLIGHTS

During the year under review your Company's net turnover stood at Rs. 2.61 crores with a net loss of Rs. 15.73 crores mainly due to change in depreciation accounting policy, as compared to net turnover Rs. 57.49 crores and Rs. 7.93 crores of net loss during the previous year ended 31.03.14. Your Directors express their concern on the declining performance of the Company, which has been caused mainly due to unfavourable industrial relations during the year. The declining performance led to cash flow constraints, which ultimately led to deterioration in the operations.

## SUSPENSION OF OPERATIONS

Your Directors wish to inform you that while the management was evaluating all ways and means for a sustainable operation contributing to the growth of the Company and putting all efforts to revamp the operations considering comfortable orders in hand, large scale indiscipline of the workforce since August 2012, in a concerted manner coupled with external factors such as local antisocial and outside miscreants from the surrounding locality no where connected to the Company, have disrupted activities to such an extent that it has affected the very safety and security of the managerial personnel and the property of the Company leave apart the day to day smooth running of the Plant at Dum Dum, West Bengal. The managerial personnel were threatened of their life and were abused almost on daily basis.

There have been regular incident of theft & burglary which created severe blockage and hindrance in running operations smoothly and the situation has worsened over time.

Even the critical machineries directly affecting the production processes are damaged by the miscreants creating suspicion of a sabotage. The Police Administration expressed their helplessness and were completely collapsed in controlling these affairs. The Company suffered losses in the last 18-19 months in a such a volume that it is making impossible for the Company to sustain its operations.

In view of the facts, circumstances and considering the failure of the police administration and govt. machinery and even failure of discussions with the concerned ministry & unions, the management left with no other option but to declare

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suspension of operations with effect from 15.5.2014 at its Dumdum Factory. However, with support of Labour department, Govt. of West Bengal, settlement with labour unions was arrived at on 09.08.2014 and the Factory was re-opened for refurbishment work pre commencement of production. Refurbishment work at Factory in progress at present.

## **DIVIDEND**

Your Directors regret to inform you that in view of losses during the year under review and to conserve the resources to meet the working capital requirements, no dividend on equity shares has been recommended for the financial year 2014-2015.

## **BUSINESS PERSPECTIVE**

Your Directors have pleasure to inform you that your Company still has a comfortable book position. The Directors foresee a better & prosperous business prospects provided the operations of the Company recommences. The established status of Indian Railways, increasing thrust on infrastructure sector by the Govt. and expected development in Indian Economy due to change in political scenario, projects a much better opportunities available in the near future.

Your Directors foresee a much better performance in the coming years, provided the operations are recommenced at the earliest.

## **ISO 9001 – 2008 / ISO 14001: 2004**

Your Directors wish to inform you that the quality management system of the company continued to conform to ISO 9001-2008 as certified by BSI Management Systems, UK, and the company has also been certified to hold and operate an Environmental Management System in compliance of ISO 14001:2004 for its manufacturing activities, as certified by BSI Management Systems, U.K.

## **SUBSIDIARY COMPANIES**

The Company has the following subsidiaries:-

- a) Pallavi Manufacturers Pvt. Ltd.
- b) Jessop Wagons and Coaches Ltd.
- c) Jessop Infrastructure Pvt. Ltd.
- d) Jessop Estate Pvt. Ltd.
- e) Jessop Properties Pvt. Ltd.


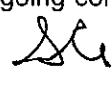
Your Directors have pleasure in attaching the Consolidated Financial Statement for the financial year ended 31<sup>st</sup> March, 2015 pursuant to clause 32 read with clause 41 of the listing agreement entered into with the Calcutta Stock exchange and prepared in accordance with Accounting Standard 21 of the Institute of Chartered Accountants of India. These companies are yet to commence operations.

In terms of the provisions of section 129 of the Companies Act, 2013, separate statement containing the salient features of the financial statement of its subsidiaries are attached. However, the annual accounts of the subsidiary companies and the related detailed information shall be made available to the Shareholders of the Company seeking such information at any point of time and shall also be kept for inspection by any Shareholders in the Corporate Office of the Company as well as at the registered office of such subsidiary companies.

## **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement under Section 134(3)(c) of the Companies Act, 2013, with respect to Director's Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the annual accounts for the financial year ended 31<sup>st</sup> March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) That the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were 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 the period under review;
- (iii) That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) That the Directors have prepared the accounts for the financial year ended 31<sup>st</sup> March, 2015 on a 'going concern' basis.

- (v) That proper internal financial controls were in place and that the financial controls were adequate and were operating effectively.
- vi) That the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

## **BOARD OF DIRECTORS**

Shri Dipak Das resigned from the Board w.e.f. 27<sup>th</sup> May, 2015. The Board placed on record its deep appreciation for the valuable service rendered by the above Director during his tenure.

In accordance with Article 105 of the Articles of Association of the Company and the applicable provisions of the Companies Act, 2013, Shri S. Ghose will retire from the Board by rotation at the 83<sup>rd</sup> Annual General Meeting and being eligible, offers himself for re-appointment.

## **CORPORATE GOVERNANCE**

In terms of the provisions of Clause 49 of the Listing Agreement with the Stock Exchange, a separate section on Corporate Governance practices followed by the Company together with a Certificate from the Company's Auditors confirming compliance is set out in a separate section forming part of this Report.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

In accordance with Clause 49 of the Listing Agreement, the Management Discussion and Analysis Report is annexed in a separate section forming part of this Report.

## **AUDITORS & AUDITORS' REPORT**

M/s. Gora & Co., Chartered Accountants, Kolkata, Auditors of your Company, hold office till the conclusion of 83<sup>rd</sup> Annual General Meeting and being eligible, offer themselves for re-appointment. The Company has received a letter from them to the effect that their re-appointment, if made, would be within the prescribed limits under Section 141(3)(g) of the Companies Act, 2013.

The notes referred to by the Auditors in their report are self-explanatory and do not require further elucidation.

## **ANNUAL RETURN**

In terms of Section 92(3) of the Companies Act, 2013, the extract of Annual Return in Form No. MGT - 9 of the Company as on 31<sup>st</sup> March, 2015 is annexed separately forming part of this Report.

## **NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS**

The Board of Directors of the Company duly met 4 (Four) times respectively on 29.05.2014, 09.08.2014, 10.11.2014 and 04.02.2015 during the year under review.

## **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

Loans, guarantees and investments covered under Section 186 of the Companies Act, 2013 form part of the notes to the financial statements provided in this Annual Report.

## **PARTICULARS OF CONTRACTS OR ARRANGEMENTS COVERED UNDER SECTION 188 OF THE COMPANIES ACT, 2013**

The details of transactions with related parties form part of the notes to the financial statements provided in this Annual Report.

## **DECLARATION BY INDEPENDENT DIRECTORS**

The Company has received necessary declarations from independent directors as provided under Companies Act, 2013 and relevant Clause of Listing Agreement.

## **PARTICULARS IN RESPECT OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

Information as required under Section 134(3)(m) of the Companies Act, 2013, read with the Companies (Accounts) Rules 2014, are set out in Annexure I to this report.

## PARTICULARS OF EMPLOYEES

Particulars of employees in accordance with the provisions of Section 197 of the Companies Act, 2013, read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not given, as none of the employees qualifies for such disclosure.

## COMMITTEES OF THE BOARD

Currently, the Board has three committees, viz. Audit Committee, Share Transfer & Investor Grievances Committee (SIGC) and Remuneration Committee. The composition of such committees are as follows :

Committees	Name of the Members			
	Mr. Dipak Das (resigned w.e.f. 27.05.2015)	Mr. Rupendra Nath Kumar	Ms. Baishali Roy	Mr. Soumitra Ghose
Audit				
Share Transfer & Investor Grievances	-do-	-do-	-do-	-do-
Remuneration	-do-	-do-	-do-	-do-

## EXPLANATIONS OR COMMENTS BY THE BOARD ON RESERVATION MADE BY THE AUDITOR

Necessary comments or explanation have been included in the notes forming part of financial statement of this Annual Report.

## PERSONNEL

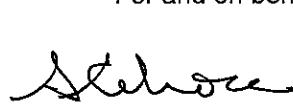
During the year under review, the industrial relation situation was not satisfactory. The workmen alongwith antisocials and outside miscreants from the surrounding locality have been disrupting the activities affecting the safety & security of the managerial personnel as well as smooth running of the plant of the Company at Dumdum, West Bengal.

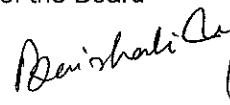
## ACKNOWLEDGEMENT

Your Directors wish to place on record the valuable co-operation, continued support and assistance extended by the Government of India, Government of West Bengal, Ministry of Railways, Bankers and various government departments. Your Directors also take the opportunity to express their sincere appreciation and convey their thanks to the company's valued and esteemed customers and suppliers, business associates and shareholders for their extended and continued patronage, cooperation and support extended to the company. Your Directors also place their appreciation and acknowledge the contribution made by the employees at all levels through their dedication and commitment.

For and on behalf of the Board

Place: Kolkata  
Date : 5<sup>th</sup> August, 2015

  
Director

  
Director

## ANNEXURE TO THE REPORT OF THE DIRECTORS

### ANNEXURE I

Information as per section 134(3)(m) of the Companies Act, 2013, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules' 1988, as part of the Directors' Report for the year ended 31<sup>st</sup> March 2015

#### I. Conservation of Energy

##### (a) Energy conservation measures taken:

- (i) Energy efficient welding process like Sub-merged Arc Welding, MIG Welding processes & Spot Welding have substituted manual Arc Welding processes.
- (ii) Electrical appliances like grinding machines, Huck bolting etc have substituted pneumatic grinding process and riveting.
- (iii) Good power factor has been obtained through optimum use of Capacitor Bank.  
Energy efficient lights have replaced conventional lighting system.
- (iv) Restructuring of load distribution through transformers has been processed.

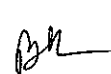

##### (b) Additional investments and proposals, if any, for reduction of consumption of energy:

- (i) To introduce a dedicated night lighting circuit for the purpose of reduction of night lighting load.
- (ii) Auto capacitor Bank for automatic power factor correction will be required.

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

Above measures yielded following results –

- I Reduction of "no-load loss" in power transformers;
- II Improvement of power factor and consequential saving of energy ;
- III Reduction in compressed air lines and Compressor maintenance problems;
- IV Improvised welding has resulted into better quality and saving of cost ;

(d) Total energy consumption per unit of production:- (As per Form "A")

Form for disclosure of particulars with respect to conservation of energy.

A.	Power and Fuel Consumption	Current Year		Previous year
1.	Electricity			
	Purchased			
	Units in lacs	0.78		7.53
	Total Amount(Rs. in lacs)	7.78		78.85
	Rate / Unit (Rs.)	9.97		10.47
2.	Furnace Oil (KL)			
	Total Amount(Rs.in lacs)	N.A.		
	Average Rate (Rs./KL)			
B.	Consumption per Unit of Production			
*	Products (with details) Unit		Current Year	Previous Year
	Products(Rs.in lacs)		NIL	470.80
	Electricity(KWH/Unit of Products)			

(The Company manufactures various products, which are totally different from each other and are expressed in different units which cannot be converted into single equivalent unit. Hence the production have been converted into equivalent Rupee value)

**II. Technology absorption:**

No new technology have been absorbed.

**III. Foreign Exchange earnings and outgo**

**(f) Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans.**

During the year, no exports have taken place. The Company has plans to re-enter in Export Markets for products in the near future.

(a) Foreign Exchange Earnings NIL

(b) Foreign Exchange Outgo NIL



## REPORT ON CORPORATE GOVERNANCE

Good Governance is an integral part of the Company's business practices, the core value of which are derived from transparency, adequately disclosure, fairness to all & independent monitoring and supervision to establish correlation between boards that constantly review their governance practices and enhanced Corporate Governance. In compliance with clause 49 of the Listing Agreement with The Stock Exchange, your directors present the Company's report on Corporate Governance and the practice followed by your company in this regard.

### Company's philosophy

Corporate Governance is a set of systems and practices to ensure that the affairs of the Company are being managed in a way which ensures accountability, transparency, fairness in all transactions in the widest sense and meet its stakeholders aspiration and social expectations. At Jessop we are committed to meeting the aspirations of all our stakeholders. This is demonstrated in shareholders returns, high credit ratings, governance processes and an entrepreneurial, performance focused work environment.

### Board of Directors

As on 31<sup>st</sup> March, 2015 the Board of Directors of the Company comprises of three Non-Executive / Independent Directors and one Non-Executive Directors who are professionals, with expertise and experience in general corporate management, legal, finance, technical, engineering and other allied fields.

In terms of the Company's Corporate Governance policy all statutory and other significant and material informations including informations mentioned in Annexure 1A of Clause 49 of the Listing Agreement are placed before the Board at each meeting.

The Board of Directors meets regularly to review strategic, operational and financial matters and has a formal schedule of matters reserved for its decision. It approves the interim and preliminary financial statements, the annual financial plan, significant contracts and capital investment along with strategic decisions like Restructuring of Business, Debt and Human Resources etc. Wherever appropriate, the Board delegates its authority to Committees of Directors like Share Transfer & Investors Grievance Committee, Remuneration Committee and Audit Committee. Information is provided to the Board in advance of every meeting and the Chairman ensures that all Directors are properly briefed on the matters being discussed. The Board reviews compliance reports of applicable laws in the Board Meetings.

During the year, four (4) Board Meetings were held on 29<sup>th</sup> May, 2014, 9<sup>th</sup> August, 2014, 10<sup>th</sup> November, 2014 and 4<sup>th</sup> February, 2015.

The Composition and category of the Board of Directors and their Attendance at the Board Meetings held during the year and at the last Annual General Meeting are as follows.

Name of the Directors	Category of Directors	No. of Board Meetings held during tenure		Attendance at the last AGM held on 30.08.2014
		Held	Attended	
Mr. Ambuj Kumar Jain (resigned w.e.f. 05.05.2014)	Non-Executive Independent	-	-	N.A.
Mr. Mohan Lall Chauhan (resigned w.e.f. 05.05.2014)	Non-Executive Independent	-	-	N.A.
Mr. Dipak Das (appointed w.e.f. 02.05.2014 and resigned w.e.f. 27.05.2015)	Non-Executive Independent	4	4	Yes
Mr. Rupendra Nath Kumar (appointed w.e.f. 02.05.2014)	Non-Executive Independent	4	4	Yes
Ms. Baishali Roy (appointed w.e.f. 02.05.2014)	Non-Executive Independent	4	4	Yes
Mr. S. Ghose (appointed w.e.f. 02.05.2014)	Non-Executive	4	4	Yes
Mr. Subbaratnam Ravi (resigned w.e.f. 18.07.2014)	Non-Executive	1	No	N.A.

The word N.A. denotes that person was not a member of the Board of the Company on the date of the Annual General Meeting.

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None of the Directors of the Company is a member of more than ten (10) Committees or Chairman of more than five (5) Committees across all the Companies in which he is a Director.

The necessary disclosures regarding directorship in other Companies, number of committees in which the directors are member as on 31.03.2015 is mentioned herein below: -

Name of the Directors	Category of Directors	No. of Directorship in other Public Ltd Companies		No. of Committees & positions held in other Public Ltd Companies	
		Chairman	Member	Chairman	Member
Mr. Dipak Das (since resigned w.e.f. 27.05.2015)	Non-Executive Independent	2	3	4	4
Mr. Rupendra Nath Kumar	Non-Executive Independent	-	18	-	4
Ms. Baishali Roy	Non-Executive Independent	-	19	-	2
Mr. Soumitra GHose	Non-Executive	-	19	-	2

#### Brief details of Change in Composition of Directors during the year 2014-15:

Mr. A. K. Jain, Mr. M. L. Chauhan and Mr. S. Ravi resigned as the directors w.e.f. 5<sup>th</sup> May, 2014, 5<sup>th</sup> May, 2014 and 18<sup>th</sup> July, 2014 respectively.

#### Audit committee

The Audit Committee constituted by the board of directors of the company consists of two Non-Executive independent Directors and one Non-Executive Director as members of the Committee.

The Audit Committee considered performance of the Company, quarterly / half yearly financial results of the Company and recommended to the Board of Directors, for its approval, recommended appointment of Auditors of the Company and other financial and operational matters.

The Audit Committee met four (4) times during the year 2014 -15 on 29<sup>th</sup> May, 2014, 9<sup>th</sup> August, 2014, 10<sup>th</sup> November, 2014 and 4<sup>th</sup> February, 2015. The necessary quorum was present at all the meetings.

The constitution of the committee and the attendance of each member of the committee are given below.

Name of the Directors	Category	No. of Meetings held during tenure	No. of Meeting attended
Mr. Ambuj Kumar Jain, Chairman (resigned w.e.f. 05.05.2014)	Non-Executive Independent	None	N.A.
Mr. Mohan Lall Chauhan, Member (resigned w.e.f. 05.05.2014)	Non-Executive Independent	None	N.A.
Mr. Dipak Das, Chairman (appointed w.e.f. 02.05.2014 and resigned w.e.f. 27.05.2015)	Non-Executive Independent	4	4
Mr. Rupendra Nath Kumar, Member (appointed w.e.f. 02.05.2014)	Non-Executive Independent	4	4
Ms. Baishali Roy, Member (appointed w.e.f. 02.05.2014)	Non-Executive Independent	4	4
Mr. Soumitra Ghose, Member (appointed w.e.f. 02.05.2014)	Non-Executive	4	4
Mr. Subbaratnam Ravi, Member (resigned w.e.f. 18.07.2014)	Non-Executive	1	-

The Terms of reference of the Audit Committee are comprehensive and are in conformity with the matters specified in the Listing Agreement with the Calcutta Stock Exchange and as well as in accordance with Section 177 of the Companies Act, 2013 corresponding to Section 292A of the Companies Act, 1956.

#### Remuneration committee

As on 31<sup>st</sup> March, 2015, the Remuneration Committee constituted by the Board of Directors of the Company consists of three Non-Executive / independent directors for consideration of the appointment of

managerial personnel and payment of remuneration to such managerial personnel and various matters as required under Clause 49 of the Listing Agreement.

### Remuneration Paid to the Directors

During the year under review, no meeting of the remuneration committee was held.

Non-Executive / Independent Directors of the Company do not receive any remuneration from the Company except the sitting fees for attending the Board and Committee Meetings @ Rs. 3,000/- and Rs. 2,000/- respectively for every such meetings. However, no sitting fees were paid to Mr. S. Ravi and Mr. S. Ghose, Non-Executive Directors, for the board and committee meetings who are in the employment with Ruia Group of Companies.

The details of remuneration paid to the Directors during the year 2014-15 are given below:

Name of Director	Salary (Rs.)	Perquisites(Rs.)	Sitting Fee(Rs.)	Total(Rs.)
Mr. Ambuj Kumar Jain (resigned w.e.f. 05.05.2014)	-	-	-	-
Mr. Mohan Lal Chauhan (resigned w.e.f. 05.05.2014)	-	-	-	-
Mr. Dipak Das (appointed w.e.f. 02.05.2014 and resigned w.e.f. 27.05.2015)	-	-	20,000	20,000
Mr. Rupendra Nath Kumar (appointed w.e.f. 02.05.2014)	-	-	20,000	20,000
Ms. Baishali Roy (appointed w.e.f. 02.05.2014)	-	-	14,000	14,000
Mr. Soumitra Ghose (appointed w.e.f. 02.05.2014)	-	-	-	-
Mr. Subbaratham Ravi (resigned w.e.f. 18.07.2014)	-	-	-	-

The Company has not entered into any pecuniary relationship or transactions with the Non-Executive directors. The Company has so far not issued any stock options to any of its directors including its executive directors. None of the Directors hold any shares in the Company.

### Share Transfer & Investors Grievances Committee

The company has constituted a share transfer & investors grievances committee of the board of directors to ensure effective monitoring of shares and investors related issues and to redress their grievances towards transfer or credit of shares to demat accounts, non-receipt of notices/ annual reports, etc based on the reports and documents submitted by the Company's Registrars and Share Transfer Agent M/s. C B Management Services (P) Ltd, Kolkata.

During the year no major complaints was received except queries, which were adequately redressed by the Company's Registrars and Share Transfer Agent.

The Committee met four times during the financial year 2014-2015 on 29<sup>th</sup> May, 2014, 9<sup>th</sup> August, 2014, 10<sup>th</sup> November, 2014 and 4<sup>th</sup> February, 2015.

The constitution of the committee and the attendance of each member of the committee are given below.

Name of the Directors	Category	No. of Meetings held during tenure	No. of Meeting attended
Mr. Ambuj Kumar Jain, Chairman (resigned w.e.f. 05.05.2014)	Non-Executive Independent	None	N.A.
Mr. Mohan Lal Chauhan, Member (resigned w.e.f. 05.05.2014)	Non-Executive Independent	None	N.A.
Mr. Dipak Das, Chairman (appointed w.e.f. 02.05.2014 and resigned w.e.f. 27.05.2015)	Non-Executive Independent	4	4
Mr. Rupendra Nath Kumar,	Non-Executive	4	4

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Member (appointed w.e.f. 02.05.2014)	Independent		
Ms. Baishali Roy, Member (appointed w.e.f. 02.05.2014)	Non-Executive Independent	4	4
Mr. Soumitra Ghose, Member (appointed w.e.f. 02.05.2014)	Non-Executive	4	4
Mr. Subbaratnam Ravi, Member (resigned w.e.f. 18.07.2014)	Non-Executive	1	-

### General body meetings:-

The location, date and time of the Annual General Meetings held during the last three years are as follows:

Financial Year	Date	Time	Location
2013-14 (82 <sup>nd</sup> AGM)	30/08/2014	10.00 A.M.	Kalakunj 48, Shakespeare Sarani Kolkata 700 017
2012-13 (81 <sup>st</sup> AGM)	30/07/2013	11.00 A.M.	Kalakunj 48, Shakespeare Sarani Kolkata 700 017
2011-12 (80 <sup>th</sup> AGM)	19/07/2012	11.00 A.M.	Kalakunj 48, Shakespeare Sarani Kolkata 700 017

During the financial year 2014-15, no resolution was passed by means of a postal ballot pursuant to Section 110 of the Companies Act, 2013.

### Disclosures

There are no related parties transactions of material nature made by the Company that may have potential conflict with the interest of the Company at large.

The details of related party transactions are disclosed in note No. 6A appearing in Notes 27 on Financial Statements of the Company for the year ended 31.03.2015.

Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or SEBI or any statutory authorities:

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

### Means of communication

#### a) Quarterly/half yearly results:

The quarterly / half yearly results are normally published in 'Business Standard' in English Newspaper and in 'Arthik Lipi' in Bengali Newspaper, circulated in the State of West Bengal.

All quarterly results and important information are being regularly sent to the Stock Exchange(s), where your Company's shares are listed. Your company is not sending a Half Yearly Report to each household of shareholders. No presentations were made to the institutional investors or to an analyst other than the published information / press releases. A Report on Management Discussion & Analysis has been attached to this Annual Report.

#### b) Website:

A detailed description about the Company's history, products and information related to various matters are available on the official website of the Company i.e [www.jessop.co.in](http://www.jessop.co.in).

#### c) Annual Report:

Annual Report containing inter-alia, Audited Annual Accounts, Consolidated Financial Statements, Directors' Report, Auditors' Report and other important information is circulated to members and other entitled thereto.

BR SG

## General Shareholders information

Annual General Meeting Date, Time & Venue	At ..... AM at ....., Kolkata - .....
Financial Calendar (Tentative)	Financial Reporting for the Financial year 2015-16 (i) Quarter ending June 30, 2015 : Mid of August 2015 (ii) Quarter ending September 30, 2015 : Mid of November 2015 (iii) Quarter ending December 31, 2015 : Mid of February 2016 (iv) Quarter & year ending March 31, 2016 : Last week of May 2016
Dates of Book Closure	From: ..... To ..... (Both days inclusive)
Listing of Equity Shares on Stock Exchange	The Calcutta Stock Exchange Association Limited, 7, Lyons Range, Kolkata - 700001.
Scrip Code (Physical)	20004 (Calcutta Stock Exchange)
Demat ISIN No. in NSDL and CDSL for Equity Shares	INE 298F01029
Stock Market Data	No trading had taken place during the period 01.04.2014 to 31.03.2015
Registrar & Transfer Agent (RTA)	M/s. C.B. Management Services (P) Ltd. P-22, Bondel Road, Kolkata 700 019 Telephone : 91- 33 - 4011 6700/6711/6717/6718/6723 Fax No. 91 – 33 - 2287 0263 Email: <a href="mailto:rtacbmssl.com">rtacbmssl.com</a>
Share Transfer System	The Shares in demat form are transferred through respective depository participants. The Share transfers received in physical form are processed, registered and returned within 15 days from the date of lodgement provided the documents are complete in all respects. Request for such transfer of shares may be lodged with M/s. C B Management Services (P) Ltd at Kolkata or may also be sent to the Company secretary at the registered office of the Company.

## Distribution of Equity shareholding as on 31<sup>st</sup> March, 2015

Range of Shares		Shareholders		Shares	
From	To	Number	% to total	No. of Shares	% to total
1	500	1998	80.24	277000	0.04
501	1000	231	9.28	166900	0.03
1001	2000	97	3.90	145417	0.02
2001	3000	57	2.30	84974	0.02
3001	4000	30	1.20	109242	0.02
4001	5000	15	0.60	64699	0.01
5001	10000	32	1.29	170263	0.03
10001	And above	30	1.19	614083980	99.83
Total		2490	100.00	615102475	100

## Shareholding pattern as on 31<sup>st</sup> March 2015 in terms of clause 35 of the Listing Agreement with the Stock Exchange:-

	Total		Shares Pledged	
	No.	%	No	%
1. Promoters				
(a) Indian Promoters	443163359	72.05	68134428	15.37
(b) Foreign Promoters	165981216	26.98		
Sub-Total	609144575	99.03	68134428	11.18
2. Non-Promoters Holding				
(a) Financial Institutions, Banks, Insurance Co, Mutual Funds etc.	930670	0.15		

*pk* *Sc*

(b) Corporate Bodies	3429421	0.56		
(c) NRI/OCBS	10680	0.00		
(d) Resident Individuals	1586129	0.26		
(e) Government of West Bengal	1000	0.00		
<b>TOTAL</b>	<b>615102475</b>	<b>100</b>	<b>68134428</b>	<b>11.08</b>

#### Geographical Distribution of Shareholding as on 31<sup>st</sup> March, 2015

City/ Location	Number of Folios	Percentage
Kolkata & Adjacent Places	1690	67.87
Delhi	95	3.82
Ahmedabad	20	0.80
Mumbai	285	11.45
Chennai	25	1.00
Bangalore	30	1.20
Hyderabad/Secunderabad	10	0.41
Places other than above	335	13.45
<b>Total</b>	<b>2490</b>	<b>100.00</b>

#### Dematerialization of shares as on 31<sup>st</sup> March 2015 and liquidity

The Company's shares are compulsorily available in dematerialized form and are available for trading through both Depositories in India i.e. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). 592184851 fully paid up Equity Shares of Re.1/- each representing 99.86% of the Company's Equity Share Capital are dematerialized as on 31<sup>st</sup> March 2014. The ISIN No. of the Equity Shares is INE298F01029.

Plant Location	The Company's plants are located at Dum Dum in the District of 24 Parganas (North) and at Durgapur in the District of Burdwan, West Bengal.
Address for Correspondence	M/s. C.B. Management Services (P) Ltd. P-22, Bondel Road Kolkata 700 019 Telephone: 91 -33 - 4011 6700/6711/6717/6718/6723 Email: <a href="mailto:rta@cbmsl.com">rta@cbmsl.com</a> Shareholders holding shares in electronic mode should address all their correspondence to their respective depository participant.



#### Investor Education and Protection Fund

As on date, no unclaimed dividend or redemption of preference shares or refund of application money has become due for transfer to the Investor Educational & Protection Fund (IEPF) pursuant to the provisions of section of 125 of the Companies Act, 2013 corresponding to section 205A(5) of the Companies Act, 1956.

Information in respect of such unclaimed amount, when due for transfer to the said fund, is given below:-

Financial Year ended	Date of Declaration of Dividend/Redemption/Refund	Last date for claiming unpaid dividend/redemption amount/refund amount	Due date for transfer to IEPF
1. 31 <sup>st</sup> March 2008	30 <sup>th</sup> September, 2008	6 <sup>th</sup> November, 2015	6 <sup>th</sup> December, 2015
2. 31 <sup>st</sup> March 2009	7 <sup>th</sup> July, 2009	14 <sup>th</sup> August, 2016	14 <sup>th</sup> September, 2016
3. 31 <sup>st</sup> March 2010	29 <sup>th</sup> September, 2010	5 <sup>th</sup> November, 2017	5 <sup>th</sup> December, 2017
4. 31 <sup>st</sup> March 2011	10 <sup>th</sup> September, 2011	17 <sup>th</sup> November, 2018	17 <sup>th</sup> December, 2018

The Shareholders who have not so far encashed the dividend warrant etc are requested to take necessary action for issue of duplicate warrants/orders by writing to the Company's Registrar and Share Transfer Agent M/s. C B Management Services (P) Ltd. Shareholders are requested to note that no claim shall lie on the company in respect of any amounts which is unclaimed and unpaid for a period of 7 years

*Handwritten signatures:*  
  


from the dates when they first became due for payment and no payment shall be made in respect of any such claims.

**Disclosure for re-appointment / appointment of Director**

Resume and other information of the director retiring by rotation as required to be disclosed under clause 49 (IV)(G)(i) of the Listing Agreement is as under:


Re-appointment of Mr. Soumitra Ghose in the ensuing Annual General Meeting of the Company.


Particulars	Soumitra Ghose
Date of Birth	17.06.1957
Date of Appointment	02.05.2014
Qualification	FCA, FCS, LL.B
Occupation	Service
Directorship (s) Held in other Public Companies	Hirakud Industrial Works Ltd Hirakud Rolling Mill Ltd Sukaram Marketing Ltd India Finance Ltd Dunlop East Ltd Dunlop South Ltd
Membership / Chairmanship of Committees of other Public Companies	Nil
No. of Shares held in the company	Nil

On behalf of the Board of Directors

Place : Kolkata

Date : 5<sup>th</sup> August, 2015

  
(Director)

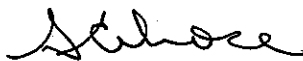
  
(Director)

## CERTIFICATION

To the Board of Directors,  
Jessop & Co. Ltd

We, hereby certify, to the Board that:

- a) We have reviewed the financial statements and the cash flow statement of the Company for the year ended March 31, 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) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the auditors and the Audit Committee:
  - i) Significant changes in internal control over financial reporting during the year;
  - ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.



(Director)



(Director)

Place: Kolkata  
Date : 5<sup>th</sup> August, 2015



To,

The Members of Jessop & Co. Ltd.

**Sub: Declaration under Clause 49(1)(D) (II) of the Listing Agreement**

We, to the best of our knowledge and belief, declare that all the members of the Board of Directors and senior management personnel have affirmed compliance with the code of conduct of the Company for the year ended March 31, 2015.

  
(Director)

  
(Director)

Place: Kolkata

Date : 5<sup>th</sup> August, 2015



**Gora & Co.**

Chartered Accountants

**Certificate of Compliance from Auditors as stipulated under Clause 49 of the Listing Agreement of the Stock Exchanges in India**

**Certificate**

To the Shareholders,

We have examined the compliance of conditions of Corporate Governance by Jessop & Co. Ltd. for the year ended 31<sup>st</sup> March, 2015 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

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

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

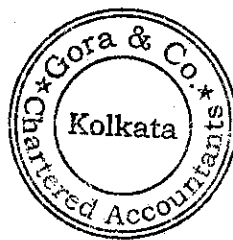
We state that during the year ended 31<sup>st</sup> March, 2015, no investor grievances are pending against the company as per the records maintained by the Company and presented to the Share Transfer & Investors Grievances Committee.

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

Firm Registration No. 327183E

Place: Kolkata

Date : 5<sup>th</sup> August, 2015



For M/s Gora & Co.  
Chartered Accountants

G. C. Mukherjee  
Partner

Membership No.017630

## **JESSOP & CO. LTD**

### **MANAGEMENT DISCUSSION & ANALYSIS**

#### **A. General**

As in the past year, the Global economic outlook still remained uncertain and there has been no sign of immediate rise of growth rate which is hovering below 3%. There has not been any significant recovery in the economy of US & Europe. Coupled with slowdown in emerging economies like China and Greece, overall economic scenario is still gloomy and without any sign of immediate recovery.

Against the backdrop of weak Global scenario Indian economy is still struggling mainly due to reduction in foreign investment resulting in both fall in growth rate for capital and consumer goods segment and long awaited infrastructure development is delayed due to our inability to invest in this sector. Reduction in global crude prices have partially helped to meet deficiencies in Indian economy and also helped to contain inflation within a manageable limit and the consequent cut in bank rates has given the moral boost likely to improve the industry and thereby the growth rate has been estimated to increase marginally.

#### **B. Outlook**

Rolling Stock still continues to be the major business area of Jessop and Jessop's main thrust area in Rolling Stock is AC & DC EMU Coaches and MEMU Coaches and Wagons of all types including the latest Wagons with higher Axle loads. Indian Railway is continuously achieving satisfactory progress in freight & passenger carrying capacity through implementation of latest design of Rolling Stock with higher load carrying capacity and associated improvement in railway tracks. This ensures enough potential business opportunity in Rolling Stock over the coming years. In addition to that Jessop has already entered into the field of manufacture of Body Shells for railway engines which has enough potential for business considering railways requirement in the current years.



Steel is the major part in the growth of infrastructural facility and this has been adequately taken care of by the government by increasing the domestic steel manufacturing capacity. Thus, there is no hinderance towards increasing business volume and Jessop is fully prepared to take care of the additional business that is going to generate from the Indian Railway.

### **C. Opportunities and Threats**

Jessop's infrastructure has been built up in line with the requirement of Indian Railways and also to cater for heavy engineering industries. Backed up by dedicated engineering facility & skilled manpower, Jessop is still un-paralleled in heavy industries so far as manufacturing capability is concerned and have enough potential of growth through the upgradation of existing infrastructure. Major thrust area of Jessop are as under:

#### **1. Railway Rolling Stock**

Because of high demand and Jessop's capability of adopting to the modern concept of high speed and high load carrying capacity Wagons and Passenger Coaches, there is no dearth of business for Jessop in coming years in the field of Railway Rolling Stock.

#### **2. Cranes, Structural and Fabrication**

There has been a radical change in the concept of material handling necessitating higher capacity Cranes with the latest design & sophisticated control system. Implementation of the new handling system has been necessary in various sectors like Steel Plant, Ports etc and Jessop is fully geared up to take up design, manufacture, supply, erection & commissioning of these sophisticated Cranes where there is unlimited opportunity of business. To meet this requirement, Jessop has continuously upgraded their in house facility including design & manufacturing facility to take care of manufacturing as per modern requirement.

#### **3. Road Construction equipment and mining machinery.**

Other than being pioneer in the manufacture of the Diesel Road Rollers and other Road Construction Equipment, Jessop has good infrastructural facility to



take care of underground mining equipment particularly Roof Support, Shearer etc. Moreover, Jessop being a designated national test house for testing of underground mining equipment, can cater the requirement of the mining sector which can generate business through the years.

#### **4. EPC**

This business segment was set up by the company as a support segment to concentrate on the booming turn key projects in the fields of road construction, bridges, mechanical, electrical and civil engineering. A very high opportunity is expected in this segment with the continuous thrust and higher target set for infrastructure, roads and bridges sector. The company has geared up itself to compete in this segment with the established big players and expect to have a better presence in the coming years.

#### **D. Risks and concerns**

Jessop's business being mainly relating to Indian Railways, Steel Plant and Port sector, is highly dependent on Government policies and have to depend largely on the release of orders from the Government sector and the plan outlay of the Government. However, this can be offset by the versatility of Jessop's infrastructure, which with nominal involvement can be changed to cater to the requirement of other industrial sectors as and when the demands comes in.

#### **F. Internal Control Systems**

In order to have better control of the business operations, the business segments have been divided into three distinct and separate business units. The corporate cell of the group undertakes and reviews the performance, financial as well as statutory compliance on regular basis. An ERP system covering all the commercial aspects including accounts have been implemented which is also being extended to the manufacturing operations.

#### **G. Financial Performance**

During the year under review your Company's net turnover was Rs.2.61. Due to non-cooperation of the workmen along with destructive actions by anti-



socials and outside miscreants from the surrounding locality have disrupting the activities affecting safety & security of the managerial personnel as well as smooth running of the plant of the Company at Dumdum, West Bengal, the Company's EBIDTA (Earning before Finance Cost, Depreciation and Amortization, and Tax) for the year under review was significantly impacted. This has resulted in reduced EBIDTA from Rs.3.37 Crores during previous financial year to Rs.0.62 Crores during the year under review.

## **H. HR and Industrial Relations**

Jessop's strength being largely dependent on the capabilities of the employees, HR Department is always looking after the interest of the employees for their upliftment of knowledge through periodic training, Personal Relation and other welfare policies like medical treatment facility inside the Works, Canteen facility, Safety measure, water facilities etc. are the priority of HR Department. In line with the upliftment of employees standard of living Jessop is continuing to look into the educational system of the family members of the employees by providing scholarship to deserving candidates so that they may have the opportunity of having higher education without any financial constraints.

Jessop is still maintaining a workforce strength of around 560 as on 31<sup>st</sup> March, 2015 and welfare of the employees is still the priority.

## **J. Health, Safety and Environment**

The issues relating to health, safety and environment are always placed on top priority at Jessop. The aim is to provide comprehensive health care services, high level of safety to the personnel and a congenial working environment.

### **1. Health**

Occupational Health and Safety remains the foremost concern and priority of the Company. The Company maintains a comprehensive first aid facility so as to meet any untoward consequences. All work places are equipped with medical facilities and qualified doctors at hand in the event of any emergency. The management continuously ensures that fresh and pure drinking water is available and also ensures proper canteen facilities are made available to the



employees. Employees State Insurance Scheme is in place for eligible employees where the company makes its contribution as per the statute.

## **2. Safety**

The foremost objective of the company is to ensure safety of its employees at work. Various measures have been taken in this regard. The measures include training on safety measures for shop floor employees, incorporation of "safety clauses" in purchase orders, testing of equipments whether they have been purchased from authorized dealers, conducting regular safety meetings and thereby upgrading the employees on the latest safety measures. Jessop believes in the maxim "Safety first is safety always".

## **3. Environment**

Jessop is having a leading role in delivering reliable and quality products and services to all its customers and is conscious of its responsibility towards safe and clean environment for sustainable development.

It is complying with the necessary pollution control measures and has also been certified to hold and operate an Environmental Management System in compliance of ISO 14001:2004 for its manufacturing activities as certified by BSI Management System, UK.

## **Cautionary Statement**

Statements in the management Discussion and Analysis describing the company's objectives projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the company operates, changes in the Government regulations, tax laws and other statutes and other incidental factors.



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**Gora & Co.**

Chartered Accountants

## **INDEPENDENT AUDITORS' REPORT**

**TO THE MEMBERS OF  
JESSOP & CO. LTD.**

### **Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statement of **JESSOP & CO. LTD.** ("the Company"), which comprises the Balance sheet as at March 31, 2015, and the Statement of Profit and Loss and 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 standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with 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 provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so





**Gora & Co.**

Chartered Accountants

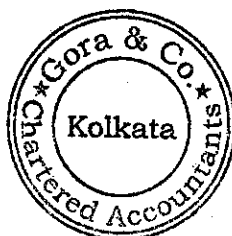
required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its profit and its cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

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 Profit and Loss Statement, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on March 31, 2015, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - (i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements as referred to in Note 33.2 (d), (e) and Note 34 to the financial statements.
  - (ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.
  - (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company except a sum of ₹ 15 crore, which are held in abeyance due to pending legal cases.

8/2, K.S.Roy Road, 2nd Floor  
Room no.2 & 3.  
Kolkata-700001  
Date : 5<sup>th</sup> August, 2015



For GORA & CO.  
CHARTERED ACCOUNTANTS  
Firm Registration No.327183E

G.C.MUKHERJEE  
Partner  
Membership No.017630



## Annexure to the Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31 March 2015, we report that :

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets. However, as both the plants (Dumdum & Durgapur) of the Company are not in operation, the fixed assets register could not be produced to us for verification and hence we are unable to comment whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.  
  
(b) As the Factory of the Company situated at Dumdum was under suspension from 14<sup>th</sup> May 2014 to 8<sup>th</sup> August 2014 of operation and still under Maintenance physical verification of fixed assets could not be carried out by the management during the year and hence we were unable to comment whether there exists any material discrepancies between the physical balance and book balance
- (ii) a) As the Factory of the Company situated at Dumdum was under suspension from 14<sup>th</sup> May 2014 to 8<sup>th</sup> August 2014 of operation and still under Maintenance, physical verification of inventory has not been carried out during the year.  
  
b) As mentioned in (a) above, clause 3 (ii) is not applicable for the year.  
  
c) The company was maintaining proper records of inventory. However, as stated in (a) above, we are unable to make any comment on discrepancy between book balance and physical balance as the record of inventory was not produced to us.
- (iii) (a) As per information and explanations given to us, the Company has not given any loan, secured or unsecured to Companies, firms or other parties covered in the register maintained under section 189 of the Companies Act 2013 except to its subsidiaries.  
  
(b) In the case of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, paragraph 3(iii)(b) of the Order is not applicable to the Company in respect of repayment of the principal amount.  
  
(c) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate listed in the register maintained under section 189 of the Act.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets and sale of services. The activities of the Company do not involve purchase of inventory and the sale of goods. We have not observed any major weakness in the internal control system during the course of the audit.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.





**Gora & Co.**

Chartered Accountants

- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us and records examined by us, the Company is generally depositing with appropriate authorities undisputed statutory dues including provident fund, investors education and protection fund, employees state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other statutory dues wherever applicable. According to the information and explanation given to us, no undisputed arrears of statutory dues were outstanding as at 31<sup>st</sup> March 2015 for a period of more than six months from the date they became payable except as given below:

Nature of dues	Amount (Rs. In lacs)
Income Tax	31.58
Professional Tax	24.61
Dividend Tax	92.60
CST	33.78
VAT / WCT	11.40
Service Tax	37.22
Excise Duty	23.56
P. F.	687.76
ESI	59.23

- (b) According to the records of the Company, the dues of Income tax / Sales tax / Wealth tax / Service Tax / Customs duty / Excise duty / cess which have not been deposited on account of disputes and the forum where the dispute is pending are as under:

Name of Statute	Nature of dues	Period to which it relates	Amount (Rs/Lacs)	Forum where dispute is pending
WBST	Declaration Form, WCT, Interest, Penalty etc.	1980-81 to 2008-09	5106.16	ACCT/DCCT (Bengal)
WBST	-do-	2001-02	19.11	Tribunal (Bengal)
CST	-do-	1980-81 to 2004-05	2265.02	ACCT/DCCT (Bengal)
Excise Duty	Duty, Interest, Penalty etc.	2004-05 to 2009-10	318.87	CESTAT
Service Tax	-do-	2008-2009	138.18	CESTAT
Service Tax	-do-	2007-2008	4.79	CCE(Appeal)





**Gora & Co.**

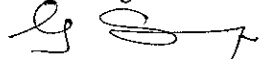
Chartered Accountants

- (c) According to the information and explanations given to us the amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under has been transferred to such fund within time.
- (viii) The Company does not have any accumulated losses at the end of the financial year and has incurred cash losses in current financial year and also in the immediately preceding financial year.
- (ix) The Management is trying to settled all the liabilities of loan taken from financial institution / Bank loans amounting to Rs 2701.95.Lakhs.
- (x) In our opinion and according to the information and the explanations given to us, the Company has given guarantee for loans taken by others from banks or financial institutions.
- (xi) According to the information and explanations given to us, no term loans were raised by the company during the year and hence application for the purposes for which they were raised does not arise.
- (xii) According to the information and explanations given to us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

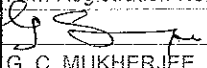
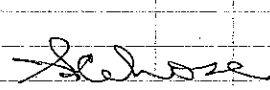
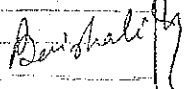
8/2 K S Roy Road,  
2<sup>nd</sup> Floor, Room No. 2 & 3  
Kolkata-700001  
Place : Kolkata  
Date : 5<sup>th</sup> August, 2015



For GORA & CO.  
CHARTERED ACCOUNTANTS  
Firm Registration No. 327183E

  
G C MUKHERJEE  
Partner  
Membership No. 17630

**JESSOP & CO. LTD.****BALANCE SHEET AS AT 31ST MARCH, 2015**

			(Rs. In Lacs)
	Note	As at 31st March, 2015	As at 31st March, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	1	6,150.60	6,150.60
Reserves and surplus	2	10,522.37	12,114.03
		<b>16,672.97</b>	<b>18,264.63</b>
<b>Non-current liabilities</b>			
Long-term borrowings	3	24,347.16	23,884.42
Other Long term liabilities	4	11.26	1.24
Long-term provisions	5	936.59	936.59
		<b>25,295.01</b>	<b>24,822.25</b>
<b>Current liabilities</b>			
Short-term borrowings	6	3,167.54	1,134.15
Trade payables	7	908.84	1,188.24
Other current liabilities	8	5,041.85	4,971.64
Short-term provisions	9	15.54	15.54
		<b>9,133.77</b>	<b>7,309.57</b>
<b>TOTAL</b>		<b>51,101.75</b>	<b>50,396.45</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	10	25,733.20	27,295.09
Capital work-in-progress		0.21	0.21
Non-current investments	11	1,961.58	1,961.58
Long-term loans and advances	12	126.45	157.90
Other non-current assets	13	3,361.82	3,338.21
		<b>31,183.26</b>	<b>32,752.99</b>
<b>Current assets</b>			
Inventories	14	2,383.00	2,383.00
Trade receivables	15	1,546.94	1,944.16
Cash and cash equivalents	16	8.37	43.08
Short-term loans and advances	17	15,852.96	13,143.88
Other current assets	18	127.22	129.34
		<b>19,918.49</b>	<b>17,643.46</b>
<b>TOTAL</b>		<b>51,101.75</b>	<b>50,396.45</b>
Accounting Policies & Notes on Accounts	1 to 27		
In terms of our Report of even date			
for Gora & Co.		On behalf of the Board of Directors	
Chartered Accountants			
Firm Registration No. : 327183E			
			
G. C. MUKHERJEE		Director	
Partner			
Membership No. 17630		Director	
Dated: 5th August, 2015			



**JESSOP & CO. LTD.****PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 ST MARCH, 2015**

			(₹ In Lacs)
	Note	2014-15	2013-14
Revenue from operations	19	260.86	5,748.51
Other income	20	295.15	1,516.18
<b>Total Revenue</b>		<b>556.01</b>	<b>7,264.69</b>
<b>Expenses:</b>			
Cost of materials consumed	21	92.76	5,172.99
Changes in inventories of finished goods, work-in-progress & Stock in trade	22	-	107.70
Employee benefit expense	23	279.16	1,324.06
Finance costs	24	25.01	284.66
Depreciation and amortization expenses	25	1,610.03	844.60
Other expenses	26	121.96	324.09
<b>Total expenses</b>		<b>2,128.92</b>	<b>8,058.10</b>
<b>Profit/(Loss) before exceptional and extra ordinary items and tax</b>		<b>(1,572.91)</b>	<b>(793.41)</b>
<b>Exceptional items</b>		-	-
<b>Profit (Loss) before tax</b>		<b>(1,572.91)</b>	<b>(793.41)</b>
<b>Tax expense</b>		-	-
<b>Profit (Loss) for the year</b>		<b>(1,572.91)</b>	<b>(793.41)</b>
<b>XVI. Earnings per equity share (see note no. 9)</b>			
(1) Basic		(0.26)	(0.13)
(2) Diluted		(0.26)	(0.13)
<b>Accounting Policies &amp; Notes on Accounts</b>	<b>1 to 27</b>		
In terms of our Report of even date for Gora & Co.			On behalf of the Board of Directors
Chartered Accountants			
 G. C. MUKHERJEE Partner		 Director	 Director
Membership No. 17630			
Dated: 5th August, 2015			

**JESSOP & CO. LTD.****CASH FLOW STATEMENT FOR THE YEAR 2014-15**

(₹ In Lacs)

	2014 - 15	2013 - 14
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit/(loss) before tax, Prior Period and extraordinary items	(1,572.91)	(793.41)
Adjustments for:		
Depreciation	1,610.03	844.60
Profit/Loss on sale of Fixed Assets	-	-
Profit/Loss on sale of investment	-	-
Interest Paid / Payable	25.01	284.66
Interest Received / Receivable	(0.04)	(24.03)
Long term liabilities/ Assets written back/adjusted		
<b>Operating profit before working capital changes</b>	<b>62.10</b>	<b>311.82</b>
Adjustments for:		
Trade and other Receivables	(2,287.35)	(11,733.11)
Inventories	-	11,190.19
Trade Payables	(198.95)	1,657.08
Cash generated from Operations	(2,424.22)	1,425.98
Direct Taxes	(16.66)	(2.93)
Cash Flow Before Prior Period and extraordinary items	(2,440.88)	1,423.05
Prior Period Expense	-	-
Extra Ordinary Items	-	-
<b>Net Cashflow from Operating Activities</b>	<b>(2,440.88)</b>	<b>1,423.05</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	(66.88)	(3,473.72)
Sale of Fixed Assets	-	-
Interest Received	2.17	28.10
<b>Net Cash used in Investing Activities</b>	<b>(64.71)</b>	<b>(3,445.62)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Calls in arrear of Right Issue of Shares	-	-
Purchase of Investments	-	-
Sale of Investment	-	-
Interest paid	(25.01)	(284.66)
Dividend Paid	(0.23)	(0.24)
Proceeds from Bank Borrowing	2,038.16	(10,471.27)
Increase in Unsecured loan from Bodies corporate	(4.76)	(37.44)
Increase in Unsecured loan from Bank		
Proceed from Long term borrowing from related parties	462.72	12,631.48
<b>Net Cash used in Financing Activities</b>	<b>2,470.88</b>	<b>1,837.87</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>(34.71)</b>	<b>(184.70)</b>
Opening Cash and Cash equivalents	43.08	227.78
Closing Cash and Cash equivalents	8.37	43.08
Cash & Cash Equivalents include:-		
a) Cash and Bank balances other than those mentioned in (b) below	8.37	43.08
b) Cash and Bank balances not immediately available for use by the Company	-	-
	8.37	43.08

In terms of our Report of even date  
for Gora & Co.

Chartered Accountants

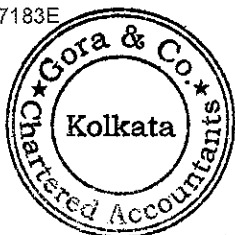
Firm Registration No. : 327183E

G. C. MUKHERJEE

Partner

Membership No. 17630

Dated: 5th August, 2015



On behalf of the Board of Directors

*Schore*  
Director

*Bisishali Ch*  
Director



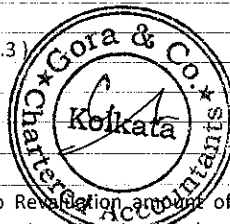
# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

The previous year figures have been regrouped / reclassified, wherever necessary to conform to the current year presentation.

(₹ In Lacs)

		As at 31st March, 2015		As at 31st March, 2014
<b>1. Share Capital</b>				
<b>Authorised</b>				
99,00,00,000 (31 st March 2014:99,00,00,000)Equity Shares of Re.1/- each		9900.00		9900.00
1,00,000 (31st March 2014: 1,00,000), 6.5% Redeemable Cumulative Preference Shares of Rs. 100/each		100.00		100.00
		10000.00		10000.00
<b>Issued, Subscribed and Paid Up Capital</b>				
61,51,02,475 (31st March,2014: 61,51,02,475) Equity Shares of Re.1/- each fully paid up		6151.03		6151.03
Less : Calls in arrear(Others)		(0.43)		(0.43)
		6150.60		6150.60
<b>a) Equity shareholders holding more than 5% of equity shares capital is as below:-</b>				
	%	Nos.	%	Nos.
Indo Wagon Engineering Ltd.	67.89	417583237	68.74	422830013
Wealth Overseas Pte. Ltd.	26.98	165981216	26.13	160734440
<b>b) Rights</b>				
a) 1(one) vote on show of hands & upon a poll every shareholder shall have 1(one) vote for every share held.				
b) A dividend to be paid to the member if declared in the General meeting of the company according to their right & interest in the Company but partly paid up share shall be entitled to proportionate amount of dividend to a fully paid up share.				
c) In case of winding up, the assets available for distribution shall be in proportion to the capital paid up at the commencement of the winding up.				
<b>2. Reserves and Surplus</b>				
<b>Capital Reserve</b>				
Balance in capital reserve		19.57		19.57
<b>Capital Redemption Reserve</b>				
Balance in capital redemption reserve		44.57		44.57
<b>Security Premium Reserve</b>				
Balance in security premium reserve		20.70		20.70
<b>Revaluation Reserve (Note No.1 &amp; 10.3)</b>				
As per last Balance Sheet	4865.29		4979.86	
Less: Transferred to General Reserve / Profit & Loss A/c	114.57	4750.72	114.57	4,865.29
<b>General Reserve</b>				
As per last Balance Sheet	4489.49		4489.49	
Add : Transferred from Revaluation Reserve	114.57	4,604.06	0	4,489.49
		4,604.06		4,489.49
<b>Surplus</b>				
Opening Balance		2,674.41		3,467.82
Balance in Statement of Profit & Loss		(1,572.91)		(793.41)
Less:				
Appropriations				
Adjustment relating to Fixed Assets (Refer Note No. 10.3)		18.74		
Transfer to General Reserve				
Closing Balance		1,082.76		2,674.41
<b>Total Reserves &amp; Surplus</b>		<b>10,522.37</b>		<b>12,114.03</b>

1. Amount equivalent to depreciation attributable to Revaluation amount of assets, where useful life of the asset is expired but the asset is being depreciated based on residual useful life of asset as per Technical evaluation / revaluation report, has been transferred from Revaluation reserve to General Reserve.



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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	(Rs. In Lacs)	
	As at 31st March, 2015	As at 31st March, 2014
<b>3. Long Term Borrowings</b>		
Unsecured - considered good		
Loans and advances from Related parties (Refer Note 1)	10,209.92	9,850.35
Sales Tax Loan from Govt. of West Bengal (Refer Note 2)	4,070.38	4,070.38
Edelweiss A/c, Central bank of India (Refer Note - 3)	10,066.86	9,963.69
	<b>24,347.16</b>	<b>23,884.42</b>
Notes:		
1. In the opinion of the management the amount payable to related party is not payable within 12 months from the close of the financial year.		
2. Sales Tax Loan is to be repaid in 8(Eight) equal annual instalment commencing from a date as may be approved on the proposal by the Company, awaiting confirmation from the Govt. of West Bengal.		
3. Central Bank of India has transferred its rights, title and interests in financial assistance granted to the company to an ARC on 28.03.2014 and hence the same has been considered under long term liabilities.		
<b>4. Other Long term liabilities</b>		
Others	11.26	1.24
<b>5. Long-term provisions</b>		
Provision for Gratuity	936.59	936.59
1. Due to non-availability of related data of workmen because of fire incident at Factory the actuarial valuation of Gratuity liability could not be carried out and hence no provisions has been made in the books of accounts for the same.		
<b>6. Current Liabilities</b>		
<b>Short-term borrowings</b>		
Secured - considered good		
Loan repayable on demand from bank (Refer note 1 & 2)	2,701.95	663.80
	2,701.95	663.80
Unsecured- considered good		
Loans and advances (Others)	465.59	470.35
	<b>3,167.54</b>	<b>1,134.15</b>
Notes:		
1. Working Capital facilities from banks are secured by hypothecation of stocks and book debts and mortgage of immovable properties of the Company.		
2. WCDL from a bank is repayable in monthly instalments.		
<b>7. Trade payable</b>		
Sundry Creditors for Micro Small and Medium Enterprises.	4.71	4.71
Sundry Creditors for Others	904.13	1,183.53
	<b>908.84</b>	<b>1,188.24</b>
<b>8. Other current liabilities</b>		
Interest accrued and due on W B Govt. Loan	1,658.90	1,658.90
Accrued Salaries and Benefits (Refer note 1)	1,672.42	1,822.65
Other Liabilities	1,149.27	913.39
Advances from Customers	557.32	572.53
Unclaimed Dividend	3.94	4.17
	<b>5,041.85</b>	<b>4,971.64</b>
1. It does not include wages/ staff salary liability for the period Nov'14 to Mar'15 considered not payable in view of ongoing negotiation with labours.		
<b>9. Short-term provisions</b>		
a. Provision for Gratuity	15.54	15.54
b. Proposed Dividend	-	-
On Equity Shares	-	-
Tax on Dividend	-	-
	<b>15.54</b>	<b>15.54</b>

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# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

## 10. Fixed Assets

₹ In Lacs

Fixed Assets	Gross Block			Depreciation / Amortisation / Depletion				Net Block	
	As at	Additions/ Adjustments	Deductions/ Adjustment	As at	As at	For the year	Deductions/ Adjustment	As at	As at
	01.04.2014			31.03.2015	01.04.2014			31.03.2015	31.03.2014
Freehold Land	9.46		-	9.46	9.62	0.20		9.82	9.46
Leasehold Land	21.05			21.05				11.23	11.43
Building	10,513.27	19.91		10,533.18	1,620.76	314.71		1,935.47	8,597.71
Plant & Machinery	25,167.14	46.45		25,213.59	6,936.94	1,228.02		8,164.96	17,048.63
Computers	271.50			271.50	242.05		15.87	257.92	13.58
Electrical Installations	95.64			95.64	92.27	1.03		93.30	29.45
Furniture & Fittings, Off Equip	325.47	0.52		325.99	218.48	63.01	2.87	284.36	3.37
Motor Vehicle including	140.12			140.12	128.44	3.06		131.50	41.63
Lorries, Tractors and other									8.62
Transport Equipments									11.68
Total (A)	36,543.65	66.88	-	36,610.53	9,248.56	1,610.03	18.74	10,877.33	25,733.20
Previous Year	30,555.48	5,988.17	-	36,543.65	8,289.40	959.16	-	9,248.56	27,295.09
									22,266.08

### Notes:

1. The Company based on the report dated 31.03.2010 of the registered external valuer had revalued fixed assets i.e. Building and Plant & Machinery situated at DumDum & Durgapur and increased value of Assets by Rs.5323.57 lacs on replacement/ realisable value basis & an equivalent amount was credited to Revaluation Reserve Account.

2. Addition to Plant & Machinery during the year represents certain replacements, major revamping, renovation and capital repair work and related expenses undertaken for upgradation of the assets to make them operational/ to improve efficiency.

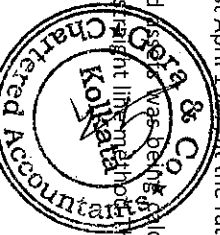
3. Pursuant to the enactment of Companies Act, 2013, the company has considered the estimated useful lives as specified in Schedule II for charge of depreciation for the year, except in respect of certain assets where estimated useful lives of the assets as per the provisions of Schedule II is already expired but such assets are having further useful life as per Technical evaluation / revaluation of the assets. Accordingly, in such cases the unamortized carrying value is being depreciated over the remaining useful lives of such assets as per respective Technical evaluation/Revaluation Report and depreciation of Rs. 126.39 lakhs in respect of such assets has been accounted for in current year.

4. Fixed Assets except Lease hold land were being depreciated until end of F.Y. 2013-14 on straight line method and on pro-rata basis from the day on which such assets were commissioned/capitalized at the following rates:-

i) Assets existing as on 1st April, 1987, at the then rate as per section 205(ii) of the Companies Act, 1956.

ii) Assets purchased after 1st April 1987 at the rate prescribed in schedule XIV of the Companies Act, 1956 as amended.

5. Depreciation on revalued assets was being calculated until end of F.Y. 2013-14 on their respective revalued amounts and was computed on the basis of remaining useful life as estimated by the valuer on straight line method. The depreciation on amount added on revaluation was being set off by transfer from revaluation reserve till end of F.Y. 2013-14.



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**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**
**11. Non-current Investments**

Long term at cost

**I. TRADE INVESTMENTS  
(UNQUOTED)**
Fully paid-up Equity Shares in

Mawmluh-Cherra Cements Ltd.

Wagon India Ltd.

Richardson &amp; Cruddas Ltd

5.5% Cum Preference Shares in

Richardson &amp; Cruddas Ltd

Less: Provision for Loss on Investments

In Subsidiary Companies

Jessop Wagons &amp; Coaches Ltd.

Pallavi Manufacturers Pvt. Ltd.

Jessop Infrastructure Pvt. Ltd.

Jessop Properties Pvt. Ltd.

Jessop Estate Pvt. Ltd.

**II. OTHERS**
**(UNQUOTED)**

0.50% Debentures in Woodland Medical Centre Ltd

6.50% Debentures in Bengal Chamber of Commerce &amp; industry

Weathsea Ltd.

Total Investments, net

Aggregate amount of unquoted investments

Aggregate provision for diminution in the value of investments

**12. Long term loans and advances (Unsecured, Considered Good)**

Security Deposits

**13. Other Non-Current Assets (Unsecured, considered Good)**

Long term trade receivable

**14. Current Assets**

Inventories (at lower of cost or net realisable value)

(as taken, valued and certified by the management)

Raw materials

Work-in-progress

Finished Goods

Scrap

Components and Consumable (incl. shop-floor stocks)

1. Raw Material, WIP &amp; Components stock lost due to Burglary &amp; Fire during the year has been transferred to Insurance claim receivable A/c..

**15. Trade Receivables**

(Unsecured Considered Good)

a) Debtors outstanding for a period exceeding six months

b) others

Note:- Classification of outstanding is considered from the date of invoice

**16. Cash and cash equivalents**

Cash on hand

Balances with banks

In current accounts

In deposit accounts (Refer Note 1 &amp; 2)

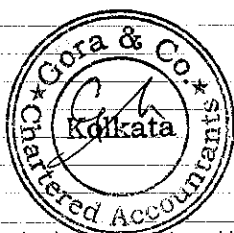
In unclaimed dividend account

(₹ In Lacs)

No. of Shares/ Units	Face Value of Shares/ Units (Rs.)	As at 31st March, 2015	As at 31st March, 2014
70000	10	7.35	7.35
1500	100	1.50	1.50
17300	10	4.74	4.74
455	100	0.40	0.40
		13.99	13.99
		13.99	13.99
		-	-
49670	10	4.97	4.97
107690	10	1,951.02	1,951.02
10000	10	1.00	1.00
10000	10	1.00	1.00
10000	10	1.00	1.00
		1,958.99	1,958.99
200	100	0.20	0.20
9	1000	0.09	0.09
5000	USD 1	2.30	2.30
		2.59	2.59
		1,961.58	1,961.58
		1,975.57	1,975.57
		(13.99)	(13.99)
		1,961.58	1,961.58
		126.45	157.90
		126.45	157.90
		3,361.82	3,338.21
		27.76	27.76
		2,068.00	2,068.00
		7.50	7.50
		66.75	66.75
		212.99	212.99
		2,383.00	2,383.00
		1,545.68	1,642.66
		1.26	301.50
		1,546.94	1,944.16
		0.31	0.05
		1.98	23.46
		2.51	16.00
		3.57	3.57
		8.37	43.08

1. Deposit accounts represent margin money for bank guarantees issued by banks.

2. Deposit account includes Rs.1.51 lacs (Previous Year Rs.3.50 Lacs) with more than 12 months maturity



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**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

		(₹ In Lacs)	
		As at	As at
		31st March, 2015	31st March, 2014
<b>17. Short term loans and advances</b>			
Unsecured, Considered Good			
Advance to Suppliers and Contractors		831.99	817.61
Government Grant Receivable		12.55	12.55
Other Loan and Advances		3,671.45	990.15
Balance with Sales Tax and Central Excise etc.		111.03	114.28
Insurance Claim Receivable		11,111.82	11,111.82
Receivable from income tax department		112.14	95.49
Loans and advances to employees		1.98	1.98
		<b>15,852.96</b>	<b>13,143.88</b>
<b>18. Other Current Assets</b>			
Interest receivable from a Bank		123.42	123.42
Interest accrued but not due on deposits		3.80	5.92
		<b>127.22</b>	<b>129.34</b>

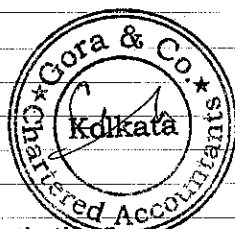


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# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

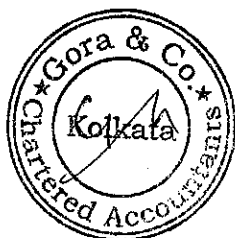
	(₹ In Lacs)	
	2014-15	2013-14
<b>19. Revenue From Operations</b>		
Sales - Indegenous	250.01	5,696.15
Sale - Services	-	44.77
Sale - Scrap	10.85	0.58
Freight Charges	-	7.01
Other operating revenues	-	-
Less: Excise Duty	-	-
	<b>260.86</b>	<b>5,748.51</b>
<b>20. Other Income</b>		
Interest Income	0.04	24.03
Other Income	18.53	1,083.71
Freight & Insurance Charges	-	1.10
Excess provision/liabilities written back	276.58	407.34
	<b>295.15</b>	<b>1,516.18</b>
<b>21. Cost of Material Consumed</b>		
Opening Stock of Raw Materials	27.76	8,796.82
Add: Raw materials Purchased	76.31	4,977.02
Less: Insurance Claim	-	8,762.86
Less: Closing Stock of Raw Materials	27.76	27.76
Sub Total	<b>76.31</b>	<b>4,983.22</b>
Add: Sub Contracting Charges	10.15	45.56
	<b>86.46</b>	<b>5,028.78</b>
Add: Consumable Stores	6.30	144.21
	<b>92.76</b>	<b>5,172.99</b>
<b>22. Changes in Inventories</b>		
Opening Sock		
1 Finished Goods	7.50	6.40
2 Work-in-progress	2,068.00	3,576.80
3 Stock-in-trade	-	-
	<b>2,075.50</b>	<b>3,583.20</b>
Less : Insurance Claim	1,400.00	1,400.00
	<b>675.50</b>	<b>2,183.20</b>
<u>Less: Closing Stock</u>		
1 Finished Goods	7.50	7.50
2 Work-in-progress	668.00	2,068.00
3 Stock-in-trade	-	-
	<b>675.50</b>	<b>2,075.50</b>
Adjustment for excise duty on stock	-	-
	<b>-</b>	<b>107.70</b>
<b>23. Employees Benefit Expenses</b>		
Salaries , Wages & Bonus	251.74	1,142.19
Contribution to provident and other funds	17.41	103.25
Gratuity	2.42	-
Staff Welfare Expenses	7.59	78.62
	<b>279.16</b>	<b>1,324.06</b>
<b>24. Finance Cost</b>		
Interest Expenses	24.61	222.01
Other Borrowing Costs	0.40	62.65
	<b>25.01</b>	<b>284.66</b>
<b>25. Depreciation and Amortization Expenses</b>		
Less: Transfer from Revaluation Reserve	1,610.03	959.17
	<b>-</b>	<b>114.57</b>
	<b>1,610.03</b>	<b>844.60</b>



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**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

	(₹ In Lacs)	
	2014-15	2013-14
<b>26. Other Expenses</b>		
Other Direct Manufacturing Expenses	0.12	3.07
Power and Fuel	17.69	82.52
Rent	3.02	1.23
Repairs to buildings	6.56	5.49
Repairs to machinery	0.53	0.16
Repairs Others	6.54	9.99
Insurance	0.44	2.36
Rates and Taxes excluding taxes on Income	0.43	0.80
Director's Sitting Fees	0.54	0.72
Auditors' remuneration		
for audit fees	0.22	0.20
for tax audit	0.13	0.05
for other services	0.03	0.05
Miscellaneous Expenses	85.71	217.45
	<b>121.96</b>	<b>324.09</b>



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27. Accounting Policies and Notes on Accounts

A. SIGNIFICANT ACCOUNTING POLICY

1 Basis of Accounting

The financial statements are prepared under historical cost convention using the accrual system of accounting in accordance with the accounting principles generally accepted in India and the requirements of the Companies Act, 2013, including the Accounting Standards notified under the relevant provision of the Companies Act, 2013.

Figures have been recast/restated to conform to the classification required by the Revised Schedule VI.

2 Fixed Assets

- (a) Land is valued at cost including the cost of development.
- (b) Other fixed assets are valued at cost less cenvat credit but includes amount added on revaluation less accumulated depreciation.
- (c) The carrying amount of assets is reviewed at each Balance Sheet date to determine if there is any indication of impairment thereof based on external/internal factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount, which represents the greater of the net selling price of assets and their 'value in use'.
- (d) Dismantled Fixed Assets awaiting disposal are shown under Current Assets & valued at written down value or net realisable value, whichever is lower.

3 Investments

Long Term investments are valued at cost. Provisions for diminution in values other than temporary in nature are made wherever considered necessary.

4 Inventories

- (a) Raw materials, stores and spare parts, components and consumables are valued at cost.
- (b) Work-in-progress is valued at cost or net realizable value (including escalation), based on technical assessment as to the stage of completion and
- (c) Finished Goods are valued at cost or net realizable value (including escalation), whichever is lower.
- (d) Scrap materials identified for disposal, but not lifted, are valued at net realizable value.

5 Revenue Recognition

In accordance with Company's usual practice

- (a) Revenue from sale of goods is recognized upon passage of title to the customers, which generally coincides with delivery. However in case of long production cycle products like Cranes, Structural, Fabrication, EMU Coaches etc. sales are recognized at the agreed billing schedule as stipulated in the contract with the progressive dispatches/approved completion stages.
- (b) Sales include
  - i) Freight & Dispatch charges wherever applicable.
  - ii) Cenvat duty, Service tax, Cess but not VAT/CST and other Taxes.
- (c) The Erection and Commissioning income taken on the basis of percentage completed method.
- (d) Escalation and modification claims are accounted for as calculated and claimed in terms of the contracts.
- (e) Claims for insurance is accounted for as and when it is raised.

6 Depreciation

- (a) Leasehold land is amortized over the leased period.
- (b) Assets other than revalued assets are depreciated on straight line method (SLM) based on residual life prescribed in Schedule II to the Companies Act, 2013 and depreciation on revalued assets on straight line method (SLM) is charged to Profit & Loss Statement based on residual useful life of assets as per respective valuer's report.

7 Retirement benefit

Contribution of Provident Fund, Family Pension Fund & Employees State Insurance are accounted for on accrual basis and are paid to the respective authorities. These are defined contribution schemes and the Company has no other obligation other than the contribution payable. The liability on account of gratuity payable to employees is determined and provided for on the basis of actuarial valuation. Accrued leave either at the time of retirement or otherwise is not encashable. No other retirement benefits are paid by the Company.

8 Taxation

Current tax is determined as the amount of tax payable to the taxation authorities in respect of taxable income for the period, if any.

Deferred tax is recognized, subject to the consideration of prudence, on timing differences being 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 are not recognized on unabsorbed depreciation and carry forward losses unless there is a virtual certainty with supporting evidence that sufficient taxable profits will be available against which such deferred tax assets can be realized.

9 Cenvat Duty

Cenvat duty is accounted for at the point of manufacture of goods and accordingly, is considered for valuation of finished goods stock lying in the factories as on the Balance sheet date.

10 Research & development expenditure

All expenditure other than on acquisition of fixed assets, are charged to revenue in the year of such expenditure.

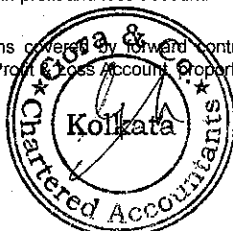
11 Borrowing Costs

Borrowing costs relating to the acquisition/construction of qualifying assets are capitalised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing cost charged to revenue.

12 Foreign Currency Transactions

Foreign currency transactions are converted into rupee currency at the exchange rate prevailing on the date of transactions. Foreign currency monetary assets and liabilities (other than forward contract) are converted at year end exchange rates. The resultant gain or loss including transactions relating to fixed assets is recognized in profit and loss account.

In the case of transactions covered by forward contracts, the difference between the contract rate and the exchange rate prevailing on the date of transaction is charged to Profit & Loss Account proportionately over the contract period.



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### 13 Segment Reporting

- The Company's operations are divided into three business segments namely, CSM & Wagon, EMU, REH based on the financial reporting system and organization structure.
- Based on the relationship of revenue and expenses to its operating activities, the same are identified to a particular segment and the revenue and expenses, which are not allocable to any particular segments have been included under unallocated revenue/expenses.
- Capital employed for each segment has been arrived at on the basis of the allocable assets and allocable liabilities to the extent identified to a particular segment. Unallocable assets and liabilities have not been considered in segment wise capital employed.

### 14 Miscellaneous

- Cenvat benefit is accounted for by reducing the purchase cost of material/Fixed Assets.
- Dues from Government parties, Railway, Public Sector Undertakings are generally considered as good and recoverable.
- i) All income and expenses relating to prior period up to Rs.5000/- in each case are accounted for directly to the respective head of accounts instead of prior period adjustment account.  
ii) Prepaid expenses up to Rs.5000/- are generally charged off to revenue.

### 15 Contingent Liabilities

No provision is made for liabilities which are contingent in nature, unless it is probable that future events will confirm that a liability has been incurred as at the balance sheet date and a reasonable estimate of the resulting loss can be made. However, all known, material contingent liabilities are disclosed by way of separate notes.

### 16 Use of Estimates

The preparation of financial statements require management to make estimates and assumption that affect the reported amount of assets and liabilities and disclosures relating to contingent liabilities and assets as at the balance sheet date and the reported amounts of income and expenses during the year.

### 17 Provisions

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

Provisions made in terms of Accounting Standard 29 are not discounted to its present value and are determined based on management estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimates.

## B. NOTES ON ACCOUNTS

### 1 Commitment &Contingent liability not provided for :-

#### Contingent liabilities

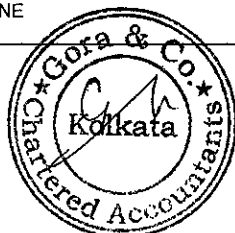
- Demand for Sales Tax/VAT for an amount of Rs.13061.30 lacs (Previous Year Rs.9269.59 lacs) which have been disputed by the company and under appeal.
- Disputed Demand for Excise Duty for an amount of Rs.434.85 lacs (Previous Year Rs.434.85 lacs) in respect of past periods under appeal.
- Bank Guarantees against limits by banks amounting to Rs.NIL lacs (Previous Year Rs.2194.02 lacs) secured upto 5%, Rs.NIL lacs (Previous Year Rs.348.89 lacs) secured upto 10%.
- The Indemnity Bonds & Corporate Guarantees issued by the Company outstanding as on 31-03-2015 were Rs.NIL lacs (Previous Year Rs.1448.55 lacs) & Rs.NIL lacs (Previous Year Rs.156.72 lacs) respectively.
- Claims of officers and non-unionised supervisors (except of existing officers, which has been settled & paid) towards pay-scale revision for the period 01-01-92 to 31-12-98 not admitted by the company, matter being sub-judice pending before Hon'ble High Court at Kolkata - Amount not ascertained.
- Claims against the Company not acknowledged as debt - Amount not ascertained.

#### Commitment

- Estimated amount of Contract remaining to be executed on capital account and not provided for Rs Nil (Previous Year Nil).
- Confirmation of balances have been sought from sundry creditors, sundry debtors, other loans and advances and in some cases confirmation have been received
- In view of the carried forward losses & unabsorbed depreciation in respect of earlier years, the Company may not have the taxable income in the near future and hence, the deferred tax assets net of deferred tax liabilities have not been recognized in the accounts on prudence basis as per Accounting Standard (AS-22) issued by the Institute of Chartered Accountants of India. Similarly the deferred tax effect on accounting of timing difference between the depreciation under Income Tax laws and Books for the current year has also not been recognized.
- Income Taxes**  
In view of the losses incurred during the year, MAT (Minimum Alternative Tax) is not applicable to the company and hence no provision has been made during the year.
- Related Party Disclosure**  
As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in Accounting Standard are given below:

#### A) List of the related parties and relationship

Sl. No.	Name of related Party & Relationship
1	<u>Holding Company</u> Indo Wagon Engineering Ltd
2	<u>Subsidiary Companies</u> Jessop Wagons & Coaches Ltd. Pallavi Manufacturers Pvt.Ltd. Jessop Estate Pvt. Ltd. Jessop Properties Pvt. Ltd. Jessop Infrastructure Pvt. Ltd.
3	<u>Associate/ Group Co.</u> As per Seperate Annexure
4	<u>Key Management Personnel</u> NONE



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## B) Transaction carried out during the year with related parties:

Rs. in Lacs  
2014-15 2013-14

## 1. Subsidiary Companies

Purchase of Investments  
Year end Balances

1958.99 1958.99

Advances Taken  
Refund of Advances

233.96 5.67

## 3. Associate/ Group Companies

Refund of Advances  
Year end Balances78.30 241.44  
(9,255.28) (9,850.35)Expenses  
Year end balance

0

## 4. Key Management Personnel

Managerial Remuneration  
Sitting Fees12.72  
0.54 0.72

## 7 Disclosures of earning per share

		2014-15	2013-14
Profit/(Loss) after tax for the year	(Rs. In Lacs)	(1,572.91)	(793.41)
Weighted average number of shares used in computing Earning per share			
Basic	(No. in lacs)	6151.03	6151.03
Diluted	(No. in lacs)	6151.03	6151.03
Earnings per share (per equity share of Re.1/- each)			
Basic	(Rs.)	(0.26)	(0.13)
Diluted	(Rs.)	(0.26)	(0.13)

8 Sales Tax loan from Government of West Bengal is to be repaid in Eight equal annual installments commencing from a date as per the proposal submitted by the company, awaiting confirmation from the Government of West Bengal.

## 9 Primary segment information (Business segment) for 2014-15 and 2013-14 (All figures in Rs. Lakhs)

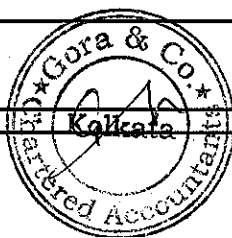
Particulars	CSF&W		EMU		REH		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
1 Revenue								
External Sales(Net of Cenvat)	250.52	5575.71	0.00	97.12	10.34	75.68	260.86	5748.51
Inter segment sales	-	-	-	-	-	-	-	-
Total Revenue	250.52	5575.71	0.00	97.12	10.34	75.68	260.86	5748.51
2 Results								
Segment results	(767.83)	291.72	(338.51)	(570.28)	(452.85)	(317.46)	(1559.19)	(596.02)
Unallocated Expenses less unallocated Income							10.85	0.58
Operating profit/(loss)							(1548.34)	(595.44)
Interest expense							24.61	222.00
Interest income							0.04	24.03
Profit/(Loss) before tax, prior period and extra ordinary items							(1572.91)	(793.41)
Prior period items							-	-
Income Tax - FBT							-	-
MAT							-	-
Profit/(Loss) from ordinary activities							(1572.91)	(793.41)
Extra - Ordinary activities								
Net Profit/(Loss)							(1572.91)	(793.41)
3 Other Information								
Segment assets	18980.10	19336.58	9149.13	7716.41	5983.64	6457.74	34112.87	33510.73
Unallocated assets							15809.37	15937.60
Total assets							49922.24	49448.33
Segment liabilities	1513.51	1611.89	1729.58	1864.81	495.79	552.38	3738.88	4029.08
Unallocated liabilities							325.53	475.92
Total liabilities							4064.41	4505.00
Capital Employed	17466.59	17724.69	7419.55	5851.60	5487.85	5905.36	30373.99	29481.65
Unallocated Capital Employed							15483.84	15461.68
Total Capital Employed							45857.83	44943.33
Capital expenditure							66.88	5988.17
Depreciation	644.01	337.84	724.51	380.07	241.51	126.69	1610.03	844.60
Non-cash expenses other than Depreciation								

(# includes unallocated assets and unallocated liabilities)

## 10 Information Regarding Imports, Exports and consumption of Raw Material

2014-15 2013-14

I. Value of Imports on CIF basis		
a) Raw Materials & Components	-	-
b) Capital Goods	-	-
II Earning in Foreign Exchange		
FOB Value of Exports	-	-
III Expenditure in Foreign Currency		
Travelling	-	-
Other Expenses	-	-
Project Expenses	-	-



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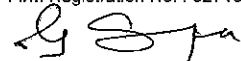
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	Value Rs. in Lakhs	Percentage	Value Rs. in Lakhs	Percentage
V Consumption of Imported & Indigenous Raw Materials, Components, Stores and Spares				
(i) Raw Materials & Components				
Imported	86.46	100%	5,028.78	100%
Indigenous	86.46	100%	5,028.78	100%
(ii) Stores & Spares				
Imported	-	-	-	-
Indigenous	6.30	100%	144.21	100%
	6.30	100%	144.21	100%

- 11 In the opinion of the Board, the value of realisation of Current Assets, Loans & Advances in the ordinary course of the business would not be less than the amount at which they are stated in the Balance Sheet and the provision for all known and determined liabilities is adequately provided.
- 12 Pursuant to the provision of section 129 of The Companies Act, 2013, the reports and accounts of the subsidiaries of the company, all of which are yet to commence commercial production, are not attached. However, the consolidated financial statement are attached. The key figures of the subsidiary companies are attached to this annual accounts as provided in the said section.
- 13 Figures for the previous year have been regrouped/rearranged/restated , wherever considered necessary.

Signature to Notes. 27


In terms of our Report of even date  
for Gora & Co.  
Chartered Accountants  
Firm Registration No. : 327183E



G. C. MUKHERJEE  
Partner  
Membership No. 17630  
Dated: 5th August, 2015



On behalf of the Board of Directors

  
Director

Director



**Gora & Co.**

Chartered Accountants

## INDEPENDENT AUDITORS' REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

TO THE MEMBERS OF  
JESSOP & CO. LTD.

### REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements of JESSOP & CO. LTD. ("the Company"), its subsidiaries and its joint ventures (collectively referred to as "the Group") which comprise the Consolidated Balance Sheet as at 31st March, 2015, the Consolidated Profit and Loss Statement and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED 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 consolidated financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Group 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 provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the 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 consolidated 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 consolidated 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 consolidated financial statements are free from material misstatements.





**Gora & Co.**

Chartered Accountants

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the consolidated 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 consolidated financial statements.

#### **OPINION**

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of other auditors, on the financial statements consolidated financial statements of the subsidiaries and associates noted below, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2015, and its consolidated profit and its consolidated cash flows for the year ended on that date.

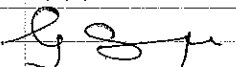
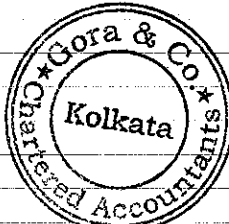
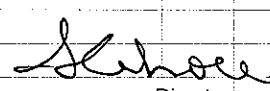
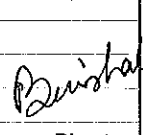
8/2, K.S.Roy Road, 2nd Floor  
Room no.2 & 3.  
Kolkata-700001  
Date : 5<sup>th</sup> August, 2015



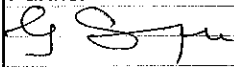
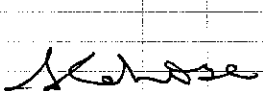
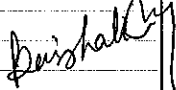
For GORA & CO.  
CHARTERED ACCOUNTANTS  
Firm Registration No.327183E

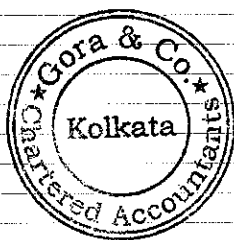
**G.C.MUKHERJEE**  
Partner  
Membership No.017630

**JESSOP & CO. LTD.****CONSOLIDATED BALANCE SHEET AS AT 31ST MARCH, 2015**

			(₹ In Lacs)
	Note	As at 31st March, 2015	As at 31st March, 2014
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	1	6,150.60	6,150.60
Reserves and surplus	2	10,530.18	12,122.16
Minority interest		0.03	0.03
		<b>16,680.81</b>	<b>18,272.79</b>
<b>Non-current liabilities</b>			
Long-term borrowings	3	24,347.58	23,890.07
Other Long term liabilities	4	11.26	1.24
Long-term provisions	5	936.59	936.59
		<b>25,295.43</b>	<b>24,827.90</b>
<b>Current liabilities</b>			
Short-term borrowings	6	3,167.54	1,134.15
Trade payables	7	908.84	1,188.25
Other current liabilities	8	5,138.94	4,974.62
Short-term provisions	9	15.54	15.54
		<b>9,230.86</b>	<b>7,312.56</b>
<b>TOTAL</b>		<b>51,207.10</b>	<b>50,413.25</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	10	25,733.20	27,295.09
Capital work-in-progress		1,827.75	1,973.58
Non-current investments	11	2.59	2.59
Long-term loans and advances	12	127.27	158.72
Other non-current assets	13	3,361.82	3,338.21
		<b>31,052.63</b>	<b>32,768.19</b>
<b>Current assets</b>			
Inventories	14	2,383.51	2,383.51
Trade receivables	15	1,546.94	1,944.16
Cash and cash equivalents	16	9.16	43.87
Short-term loans and advances	17	16,087.64	13,144.18
Other current assets	18	127.22	129.34
		<b>20,154.47</b>	<b>17,645.06</b>
<b>TOTAL</b>		<b>51,207.10</b>	<b>50,413.25</b>
<b>Accounting Policies &amp; Notes on Accounts</b>	<b>1 to 27</b>		
In terms of our Report of even date for Gora & Co.		On behalf of the Board of Directors	
Chartered Accountants Partner			
			
G. C. MUKHERJEE			
Partner			
Membership No. 17630			
Dated : 5th August, 2015			
			
		Director	
			
		Director	

**JESSOP & CO. LTD.****CONSOLIDATED PROFIT AND LOSS STATEMENT FOR THE YEAR ENDED 31 ST MARCH, 2015**

			(₹ In Lacs)
	Note	2014-15	2013-14
Revenue from operations	19	260.86	5,748.51
Other income	20	295.15	1,516.19
<b>Total Revenue</b>		<b>556.01</b>	<b>7,264.70</b>
<b>Expenses:</b>			
Cost of materials consumed	21	92.76	5,172.99
Changes in inventories of finished goods, work-in-progress & Stock in trade	22	-	107.70
Employee benefit expense	23	279.15	1,324.06
Finance costs	24	25.01	284.66
Depreciation and amortization expenses	25	1,610.03	844.60
Other expenses	26	122.30	324.40
<b>Total expenses</b>		<b>2,129.25</b>	<b>8,058.41</b>
<b>Profit/(Loss) before exceptional and extra ordinary items and tax</b>		<b>(1,573.24)</b>	<b>(793.71)</b>
Exceptional items		-	-
<b>Profit (Loss) before tax</b>		<b>(1,573.24)</b>	<b>(793.71)</b>
Tax expense		-	-
<b>Profit (Loss) for the year</b>		<b>(1,573.24)</b>	<b>(793.71)</b>
<b>XVI. Earnings per equity share (See Note No. 9)</b>			
(1) Basic		(0.26)	(0.13)
(2) Diluted		(0.26)	(0.13)
<b>Accounting Policies &amp; Notes on Accounts</b>	<b>1 to 27</b>		
In terms of our Report of even date for Gora & Co. Chartered Accountants Partner  G. C. MUKHERJEE Partner Membership No. 17630 Dated : 5th August, 2015			On behalf of the Board of Directors   Director  Director



# JESSOP & CO. LTD.

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR 2014-15

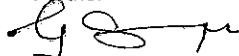
	Rs. In Lakhs	
	2014-15	2013-14
<b>A. CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Net profit/(loss) before tax, Prior Period and extraordinary items	(1,573.24)	(793.72)
Adjustments for:		
Depreciation	1,610.03	844.60
Profit/Loss on sale of Fixed Assets	-	-
Profit/Loss on sale of investment	-	-
Interest Paid / Payable	25.01	284.66
Interest Received / Receivable	(0.04)	(24.03)
Long term liabilities/ Assets written back/adjusted	-	-
Operating profit before working capital changes	61.76	311.51
Adjustments for:		
Trade and other Receivables	(2,521.76)	(11,733.05)
Inventories	-	11,190.20
Trade Payables	(104.86)	1,657.15
Misc. Expenditure Paid/ adjusted	-	-
Cash generated from Operations	(2,564.86)	1,425.81
Direct Taxes	(16.65)	(2.93)
Cash Flow Before Prior Period and extraordinary items	(2,581.51)	1,422.88
Prior Period Expense	-	-
Extra Ordinary Items	-	-
Net Cashflow from Operating Activities	(2,581.51)	1,422.88
<b>B. CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Purchase of Fixed Assets	78.95	(3,473.71)
Sale of Fixed Assets	-	-
Interest Received	2.17	28.09
Net Cash used in Investing Activities	81.12	(3,445.62)
<b>C. CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Proceeds from Calls in arrear of Right Issue of Shares	-	-
Purchase of Investments	-	-
Sale of Investment	-	-
Interest paid	(25.01)	(284.66)
Dividend Paid	(0.23)	(0.24)
Proceeds from Bank Borrowing	2,038.17	(10,471.27)
Increase in Unsecured loan from Bodies corporate	(4.76)	(37.44)
Increase in Unsecured loan from Bank	-	-
Proceed from Long term borrowing from related parties	457.51	12,631.63
Net Cash used in Financing Activities	2,465.68	1,838.02
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	(34.71)	(184.72)
Opening Cash and Cash equivalents	43.87	228.59
Closing Cash and Cash equivalents	9.16	43.87
Cash & Cash Equivalents include:-		
a) Cash and Bank balances other than those mentioned in (b) below	9.16	43.87
b) Cash and Bank balances not immediately available for use by the Company	-	-
	9.16	43.87

In terms of our Report of even date

for Gora & Co.

Chartered Accountants

Partner



G. C. MUKHERJEE

Partner

Membership No. 17630

Dated : 5th August, 2015



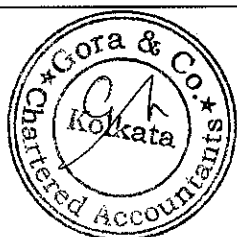
On behalf of the Board of Directors

  
Director

  
Director



		(₹ In Lacs)	
		As at 31st March, 2015	As at 31st March, 2014
<b>1. Share Capital</b>			
<b>Authorised</b>			
99,00,00,000 (31st March 2013: 99,00,00,000) Equity Shares of Re. 1/- each		9,900.00	9,900.00
1,00,000 (31st March 2013: 1,00,000), 6.5% Redeemable Cumulative Preference Shares of Rs. 100/each		100.00	100.00
		<b>10,000.00</b>	<b>10,000.00</b>
<b>Issued, Subscribed and Paid Up Capital</b>			
61,51,02,475 (31st March, 2013: 61,51,02,475) Equity Shares of Re. 1/- each fully paid up		6,151.03	6,151.03
Less : Calls in arrear (Others)		(0.43)	(0.43)
		<b>6,150.60</b>	<b>6,150.60</b>
<b>Notes:</b>			
a) Equity shareholders holding more than 5% of equity shares capital is as below:-	%	Nos.	% Nos.
Indo Wagon Engineering Ltd.	67.89	417,583,237	68.74 422,830,013
Wealth Overseas Pte. Ltd.	26.98	165,981,216	26.13 160,734,440
b) Rights			
a) 1(one) vote on show of hands & upon a poll every shareholder shall have 1(one) vote for every share held.			
b) A dividend to be paid to the member if declared in the General meeting of the company according to their right & interest of the Company but partly paid up share shall be entitled to such proportion upon a fully paid up share.			
c) In case of winding up, the assets available for distribution shall be in proportion to the capital paid up at the commencement of the winding up.			
<b>2. Reserves and Surplus</b>			
<b>Capital Reserve</b>			
Balance in capital reserve		19.57	19.57
<b>Capital Redemption Reserve</b>			
Balance in capital redemption reserve		44.57	44.57
<b>Security Premium Reserve</b>			
Balance in security premium reserve		29.70	29.70
<b>Revaluation Reserve</b>			
As per last Balance Sheet	4865.29		4979.86
Less: Transferred to Profit and Loss Account	114.57	4,750.72	114.57 4,865.29
<b>General Reserve</b>			
As per last Balance Sheet	4489.49		4489.49
Add : Transferred from Profit & Loss Account	114.57	4,604.06	- 4,489.49
<b>Surplus</b>			
Opening Balance		2,673.54	3,467.26
balance in Statement of Profit & Loss		(1,573.24)	(793.72)
<b>Less:</b>			
<b>Appropriations</b>			
Adjustment relating to Fixed Assets (Refer Note No. 10.3 )		18.74	
Transfer to General Reserve			
Closing Balance		1,081.56	2,673.54
<b>Total Reserves &amp; Surplus</b>		<b>10,530.18</b>	<b>12,122.16</b>
1. Amount equivalent to depreciation attributable to Revaluation amount of assets, where useful life of the asset is expired but the asset is being depreciated based on residual useful life of asset as per Technical evaluation / revaluation report, has been transferred from Revaluation reserve to General Reserve.			



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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

	As at 31st March, 2015	As at 31st March, 2014
(₹ In Lacs)		
<b>3. Long Term Borrowings</b>		
Unsecured - considered good		
Loans and advances from Related parties (Refer Note 1)	10,210.34	9,856.00
Sales Tax Loan from Govt. of West Bengal (Refer Note 2)	4,070.38	4,070.38
Edelweiss A/c, Central bank of India (Refer Note - 3)	10,066.86	9,963.69
	<b>24,347.58</b>	<b>23,890.07</b>
Notes:		
1. In the opinion of the management the amount payable to related party is not payable within 12 months from the close of the financial year.		
2. Sales Tax Loan is to be repaid in 8(Eight) equal annual instalment commencing from a date as may be approved on the proposal by the Company, awaiting confirmation from the Govt. of West Bengal.		
3. Central Bank of India has transferred its rights, title and interests in financial assistance granted to the company to an ARC on 28.03.2014 and hence the same has been considered under long term liabilities.		
<b>4. Other Long term liabilities</b>		
Others	11.26	1.24
<b>5. Long-term provisions</b>		
Provision for Gratuity (Refer Note 1)	936.59	936.59
Notes:		
1. Due to non-availability of related data of workmen because of fire incident at Factory the actuarial valuation of Gratuity liability could not be carried out and hence no provisions has been made in the books of accounts for the same.		
<b>6. Current Liabilities</b>		
<b>Short-term borrowings</b>		
Secured - considered good		
Loan repayable on demand from bank (Refer note 1 & 2)	2,701.95	663.80
	2,701.95	663.80
Unsecured- considered good		
Loans and advances (Others)	465.59	470.35
	<b>3,167.54</b>	<b>1,134.15</b>
Notes:		
1. Working Capital facilities from banks are secured by hypothecation of stocks and book debts and mortgage of immovable properties of the Company.		
2. WCCL from a bank is repayable in monthly instalments.		
<b>7. Trade payable</b>		
Sundry Creditors for Micro Small and Medium Enterprises.	4.71	4.71
Sundry Creditors for Others	904.13	1,183.54
	<b>908.84</b>	<b>1,188.25</b>
<b>8. Other current liabilities</b>		
Interest accrued and due on W B Govt. Loan	1,658.90	1,658.90
Accrued Salaries and Benefits (Refer note 1)	1,672.42	1,822.66
Other Liabilities	1,152.19	916.37
Advances from Customers	651.49	572.52
Unclaimed Dividend	3.94	4.17
	<b>5,138.94</b>	<b>4,974.62</b>
1. It does not include wages/ staff salary liability for the period Nov'14 to Mar'15 considered not payable in view of ongoing negotiation with labours.		
<b>9. Short-term provisions</b>		
a. Provision for Gratuity	15.54	15.54
b. Proposed Dividend	-	-
On Equity Shares	-	-
Tax on Dividend	-	-
	<b>15.54</b>	<b>15.54</b>



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# NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015

## 10. Fixed Assets

₹ In Lacs

Fixed Assets	Gross Block			Depreciation / Amortisation / Depletion				Net Block	
	As at 01.04.2014	Additions/ Adjustments	Deductions/ Adjustment	As at 31.03.2015	As at 01.04.2014	For the year	Deductions/ Adjustment	As at 31.03.2015	As at 31.03.2015
Freehold Land	9.46			9.46				9.46	9.46
Leasehold Land	21.05			21.05	9.62	0.20		9.82	11.23
Building	10,513.27	19.91		10,533.18	1,620.76	314.71		1,935.47	8,597.71
Plant & Machinery	25,167.14	46.45		25,213.59	6,936.94	1,228.02		8,164.96	17,048.63
Computers	271.50			271.50	242.05		15.87	257.92	13.58
Electrical Installations	95.64			95.64	92.27	1.03		93.30	2.34
Furniture & Fittings, Off Equip	325.47	0.52		325.99	218.48	63.01	2.87	284.36	41.63
Motor Vehicle including	140.12			140.12	128.44	3.06		131.50	8.62
Lorries, Tractors and other									
Transport Equipments									
Total (A)	36,543.65	66.88	-	36,610.53	9,248.56	1,610.03	18.74	10,877.33	25,733.20
Previous Year	30,555.48	5,988.17	-	36,543.65	8,289.40	959.16	-	9,248.56	27,295.09
									22,266.08

### Notes:

1. The Company based on the report dated 31.03.2010 of the registered external valuer had revalued fixed assets i.e. Building and Plant & Machinery situated at DumDum & Durgapur and increased value of Assets by Rs.5323.57 lacs on replacement/ realisable value basis & an equivalent amount was credited to Revaluation Reserve Account.

2. Addition to Plant & Machinery during the year represents certain replacements, major revamping, renovation and capital repair work and related expenses undertaken for upgradation of the assets to make them operational/ to improve efficiency.

3. Pursuant to the enactment of Companies Act, 2013, the company has considered the estimated useful lives as specified in Schedule II for charge of depreciation for the year, except in respect of certain assets where estimated useful lives of the assets as per the provisions of Schedule II is already expired but such assets are having further useful life as per Technical evaluation / revaluation of the assets. Accordingly, in such cases the unamortized carrying value is being depreciated over the remaining useful lives of such assets as per respective Technical evaluation/Revaluation Report and depreciation of Rs. 126.39 lakhs in respect of such assets has been accounted for in current year.

4. Fixed Assets except Lease hold land were being depreciated until end of F.Y. 2013-14 on straight line method and on pro-rata basis from the day on which such assets were commissioned/capitalized at the following rates:-

i) Assets existing as on 1st April,1987, at the then rate as per section 205(ii) of the Companies Act,1956.

ii) Assets purchased after 1st April 1987, at the rate prescribed in schedule XIV of the Companies Act,1956 as amended.

5. Depreciation on revalued assets was being calculated until end of F.Y. 2013-14 on their respective revalued amounts and was computed on the basis of remaining useful life as estimated by the valuer on straight line method. The depreciation on amount added on revaluation was being set off by transfer from revaluation reserve till end of F.Y. 2013-14.

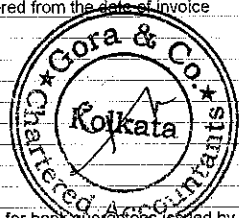


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**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

	No. of Shares/ Units	Face Value of Shares/ Units (Rs.)	As at 31st March, 2015	(₹ In Lacs) As at 31st March, 2014
<b>11. Non-current Investments</b>				
Long term at cost				
<b>I. TRADE INVESTMENTS (UNQUOTED)</b>				
Fully paid-up Equity Shares in				
Mawmluh- Cherra Cements Ltd.	70000	10	7.35	7.35
Wagon India Ltd.	1500	100	1.50	1.50
Richardson & Cruddas Ltd	17300	10	4.74	4.74
5.5% Cum Preference Shares in				
Richardson & Cruddas Ltd	455	100	0.40	0.40
			13.99	13.99
Less: Provision for Loss on Investments			13.99	13.99
			-	-
<b>In Subsidiary Companies</b>				
Jessop Wagons & Coaches Ltd.	49670	10	-	-
Pallavi Manufacturers Pvt. Ltd.	107690	10	-	-
Jessop Infrastructure Pvt. Ltd.	10000	10	-	-
Jessop Properties Pvt. Ltd.	10000	10	-	-
Jessop Estate Pvt. Ltd.	10000	10	-	-
			-	-
<b>II. OTHERS (UNQUOTED)</b>				
0.50% Debentures in Woodland Medical Centre Ltd	200	100	0.20	0.20
6.50% Debentures in Bengal Chamber of Commerce & Industry	9	1000	0.09	0.09
Weathsea Ltd.	5000	USD 1	2.30	2.30
			2.59	2.59
Total Investments,net			2.59	2.59
Aggregate amount of unquoted investments			16.58	16.58
Aggregate provision for diminution in the value of investments			13.99	13.99
			2.59	2.59
<b>12. Long term loans and advances (Unsecured, Considered Good)</b>				
Security Deposits			126.50	157.94
Others			0.77	0.78
			127.27	158.72
<b>13. Other Non-Current Assets (Unsecured, considered Good)</b>				
Long term trade receivable				
Long term trade receivable			3,361.82	3,338.21
Preliminary Expenses				
			3,361.82	3,338.21
<b>14. Current Assets</b>				
<b>Inventories (at lower of cost or net realisable value)</b>				
(as taken, valued and certified by the management)				
Raw materials			27.76	27.76
Work-in-progress			2,068.00	2,068.00
Finished Goods			7.50	7.50
Scrap			67.26	67.26
Components and Consumable (incl.shop-floor stocks)			212.99	212.99
			2,383.51	2,383.51
1. Raw Material, WIP & Components stock lost due to Burglary & Fire during the year has been transferred to Insurance claim receivable A/c..				
<b>15. Trade Receivables</b>				
(Unsecured Considered Good)				
Debtors outstanding for a period exceeding six months			1,545.68	301.50
others			1.26	1,642.66
			1,546.94	1,944.16
Note:- Classification of outstanding is considered from the date of invoice				
<b>16. Cash and cash equivalents</b>				
Cash on hand			0.31	0.05
Balances with scheduled banks				
In current accounts			2.26	23.74
In deposit accounts (Refer Note 1)			3.02	16.51
In unclaimed dividend account			3.57	3.57
			9.16	43.87
1. Deposit accounts represent margin money for bank guarantees issued by banks.				
2. Deposit account includes Rs.3.50 lacs (Previous Year Rs.3.50 Lacs) with more than 12 months maturity				



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**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

<b>17. Short term loans and advances</b>			
Unsecured, Considered Good			
Advance to Suppliers and Contractors	831.99	1,806.28	
Government Grant Receivable	12.55	12.55	
Other Loan and Advances	3,905.96	1.61	
Balance with Sales Tax and Central Excise etc.	111.03	114.28	
Insurance Claim Receivable	11,111.82	11,111.82	
Receivable from income tax department	112.31	95.66	
Loans and advances to employees	1.98	1.98	
	<b>16,087.64</b>	<b>13,144.18</b>	
<b>18. Other Current Assets</b>			
Interest receivable from a Bank	123.42	123.42	
Interest accrued but not due on deposits	3.80	5.92	
	<b>127.22</b>	<b>129.34</b>	



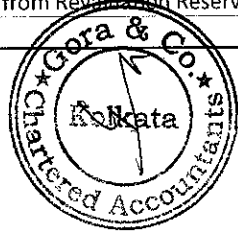
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**NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015**

(₹ In Lacs)

	2014-15	2013-14
<b>19. Revenue From Operations</b>		
Sales - Indigenous	250.01	5,696.15
Sale - Services	-	44.77
Sale - Scrap	10.85	0.58
Freight Charges	-	7.01
Other operating revenues	-	-
Less: Excise Duty	-	-
	<b>260.86</b>	<b>5,748.51</b>
<b>20. Other Income</b>		
Interest Income	0.04	24.03
Other Income	18.53	1,083.71
Freight & Insurance Charges	-	1.10
Excess provision/liabilities written back	276.58	407.35
	<b>295.15</b>	<b>1,516.19</b>
<b>21. Cost of Material Consumed</b>		
Opening Stock of Raw Materials	27.76	8,796.82
Add: Raw materials Purchased	76.31	4,977.02
Less: Insurance Claim	-	8,762.86
Less: Closing Stock of Raw Materials	27.76	27.76
Sub Total	<b>76.31</b>	<b>4,983.22</b>
Add: Sub Contracting Charges	10.15	45.56
	86.46	5,028.78
Add: Consumable Stores	6.30	144.21
	<b>92.76</b>	<b>5,172.99</b>
<b>22. Changes in Inventories</b>		
<u>Opening Stock</u>		
Finished Goods	7.50	6.40
Work-in-progress	2,068.00	3,576.80
Stock-in-trade	-	-
	2,075.50	3,583.20
Less : Insurance Claim	1,400.00	1,400.00
	675.50	2,183.20
<u>Less: Closing Stock</u>		
Finished Goods	7.50	7.50
Work-in-progress	668.00	2,068.00
Stock-in-trade	-	-
	675.50	2,075.50
Adjustment for excise duty on stock	-	-
	-	<b>107.70</b>
<b>23. Employees Benefit Expenses</b>		
Salaries , Wages & Bonus	251.74	1,142.19
Contribution to provident and other funds	17.41	103.25
Gratuity	2.42	-
Staff Welfare Expenses	7.58	78.62
	<b>279.15</b>	<b>1,324.06</b>
<b>24. Finance Cost</b>		
Interest Expenses	24.61	222.01
Other Borrowing Costs	0.40	62.65
	<b>25.01</b>	<b>284.66</b>
<b>25. Depreciation and Amortization Expenses</b>	1,610.03	959.17
Less: Transfer from Revaluation Reserve	-	114.57
	<b>1,610.03</b>	<b>844.60</b>



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NOTES ON FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2015			(₹ In Lacs)
	2014-15	2013-14	
<b>26. Other Expenses</b>			
Other Direct Manufacturing Expenses	0.12	3.07	
Power and Fuel	17.69	82.52	
Rent	3.02	1.23	
Repairs to buildings	6.56	5.49	
Repairs to machinery	0.53	0.16	
Repairs Others	6.54	9.99	
Insurance	0.44	2.36	
Rates and Taxes excluding taxes on Income	0.43	0.80	
Director's Sitting Fees	0.54	0.72	
Auditors' remuneration			
for audit fees	0.42	0.26	
for tax audit	0.13	0.05	
for other services	0.03	0.05	
Miscellaneous Expenses	85.85	217.70	
	<b>122.30</b>	<b>324.40</b>	



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## 27. Accounting Policies and Notes on Accounts

## A. SIGNIFICANT ACCOUNTING POLICY

## 1 Basis of Consolidation

- a) The Consolidated Financial Statements relate to Jessop & Co. Ltd. ("the Company or "the Parent Company") and its subsidiary companies namely:

Name of Companies	Percentage of	
Pallavi Manufacturers Pvt. Ltd.	Incorporated in India	100%
Jessop Infrastructure Pvt. Ltd.	Incorporated in India	100%
Jessop Estate Pvt. Ltd.	Incorporated in India	100%
Jessop Properties Pvt. Ltd.	Incorporated in India	100%
Jessop Wagons & Coaches Ltd	Incorporated in India	99.99%

- b) The financial statements of its subsidiary companies used in the preparation of the Consolidated Financial Statement are drawn upto the same reporting date as that of the Company i.e. 31st March, 2015
- c) The Consolidated financial statements have been prepared in accordance with the Accounting Standard 21 "Consolidated Financial Statements" in Consolidated Financial Statements" issued by Companies Accounting Standard Rules, 2006.
- d) Principles of Consolidation:  
The Consolidated financial statements have been prepared in the following basis:  
i) The financial statements of the Company & its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after fully eliminating intra-group balance/ transactions and unrealised profits or losses.  
ii) The Consolidated financial statement have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.

- 2 The Accounting policy of the Company & its Subsidiaries is set out in their respective financial statements.

## B. NOTES ON ACCOUNTS

## 1 Commitment &amp; Contingent liability not provided for :-

**Contingent liabilities**

- (a) Demand for Sales Tax/VAT for an amount of Rs.13061.30 lacs (Previous Year Rs.9269.59 lacs) which have been disputed by the company and under appeal.
- (b) Disputed Demand for Excise Duty for an amount of Rs.434.85 lacs (Previous Year Rs.434.85 lacs) in respect of past periods under appeal.
- (c) Bank Guarantees against limits by banks amounting to Rs.NIL lacs (Previous Year Rs.2194.02 lacs) secured upto 5%, Rs.NIL lacs (Previous Year Rs.348.89 lacs) secured upto 10%.
- (d) The Indemnity Bonds & Corporate Guarantees issued by the Company outstanding as on 31-03-2015 were Rs.NIL lacs (Previous Year Rs.1448.55 lacs) & Rs.NIL lacs (Previous Year Rs.156.72 lacs) respectively.
- (e) Claims of officers and non-unionised supervisors (except of existing officers, which has been settled & paid) towards pay-scale revision for the period 01-01-92 to 31-12-98 not admitted by the company, matter being sub-judice pending before Hon'ble High Court at Kolkata - Amount not ascertained.
- (f) Claims against the Company not acknowledged as debt - Amount not ascertained.

**Commitment**

- 2 Estimated amount of Contract remaining to be executed on capital account and not provided for Rs Nil (Previous Year Nil).
- 3 Confirmation of balances have been sought from sundry creditors, sundry debtors, other loans and advances and in some cases confirmation have been received.
- 4 In view of the carried forward losses & unabsorbed depreciation in respect of earlier years, the Company may not have the taxable income in the near future and hence, the deferred tax assets net of deferred tax liabilities have not been recognized in the accounts on prudence basis as per Accounting Standard (AS-22) issued by the Institute of Chartered Accountants of India. Similarly the deferred tax effect on accounting of timing difference between the depreciation under Income Tax laws and Books for the current year has also not been recognized.
- 5 Income Taxes  
In view of the losses incurred during the year, MAT (Minimum Alternative Tax) is not applicable to the company and hence no provision has been made during the year.
- 6 Related Party Disclosure  
As per Accounting Standard 18, issued by the Institute of Chartered Accountants of India, the disclosures of transactions with the related parties as defined in Accounting Standard are given below:

## A) List of the related parties and relationship

## SI. No Name of related Party &amp; Relationship

- 1 Holding Company  
Indo Wagon Engineering Ltd
- 2 Subsidiary Companies  
Jessop Wagons & Coaches Ltd.  
Pallavi Manufacturers Pvt.Ltd.  
Jessop Estate Pvt. Ltd.  
Jessop Properties Pvt. Ltd.  
Jessop Infrastructure Pvt. Ltd.
- 3 Associate/ Group Co.  
As per Separate Annexure
- 4 Key Management Personnel  
NONE

## B) Transaction carried out during the year with related parties:

1. Subsidiary Companies

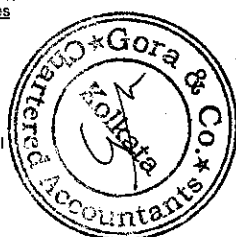
	Rs. in Lacs 2014-15	Rs. in Lacs 2013-14
Purchase of Investments		
Year end Balances	1,958.99	1,958.99
Advances Taken		
Refund of Advances		
Year end Balances (Payable)	233.96	5.67

Security & Maintenance Charges Received  
2. Associate/ Group Companies

Refund of Advances	78.30	241.44
Year end Balances	(9,255.28)	(9,850.35)
Expenses		
Year end balance		

3. Key Management Personnel  
Managerial Remuneration  
Sitting Fees

	0.54	12.72
		0.72



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## 7 Disclosures of earning per share

		2014-15	2013-14
Profit/(Loss) after tax for the year	(Rs. in Lacs)	(1,573.24)	(793.72)
Weighted average number of shares used in computing Earning per share			
Basic	(No. in lacs)	6,151.03	6,151.03
Diluted	(No. in lacs)	6,151.03	6,151.03
Earnings per share (per equity share of Re.1/- each)			
Basic	(Rs.)	(0.26)	(0.13)
Diluted	(Rs.)	(0.26)	(0.13)

- 8 Sales Tax loan from Government of West Bengal is to be repaid in Eight equal annual installments commencing from a date as per the proposal submitted by the company, awaiting confirmation from the Government of West Bengal.

## 9 Primary segment information (Business segment) for 2014-15 and 2013-14 (All figures in Rs. Lakhs)

Particulars	CSF&W		EMU		REH		Total	
	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14	2014-15	2013-14
1 Revenue								
External Sales(Net of Cervat)	250.52	5575.71	0.00	97.12	10.34	75.68	260.86	5748.51
Inter segment sales	-	-	-	-	-	-	-	-
Total Revenue	250.52	5575.71	0.00	97.12	10.34	75.68	260.86	5748.51
2 Results								
Segment results	(768.16)	291.72	(338.51)	(570.28)	(452.85)	(317.46)	(1,559.52)	(596.02)
Unallocated Expenses less unallocated Income							10.85	0.58
Operating profit/(loss)							(1548.67)	(595.44)
Interest expense							24.61	222.00
Interest income							0.04	24.03
Profit/(Loss) before tax, prior period and extra ordinary items							(1573.24)	(793.41)
Prior period items							-	-
Income Tax - FBT							-	-
MAT							-	-
Profit/(Loss) from ordinary activities							(1573.24)	(793.41)
Extra - Ordinary activities							-	-
Net Profit/(Loss)							(1573.24)	(793.41)
3 Other Information								
Segment assets	18980.10	19336.58	9149.13	7716.41	5983.64	6457.74	34112.87	33510.73
Unallocated assets							15914.72	15937.60
Total assets							50027.59	49448.33
Segment liabilities	1513.51	1611.89	1729.58	1864.81	495.79	552.38	3738.88	4029.08
Unallocated liabilities							430.88	475.92
Total liabilities							4169.76	4505.00
Capital Employed	17486.59	17724.69	7419.55	5851.60	5487.85	5905.36	30373.99	29481.65
Unallocated Capital Employed							15483.84	15461.88
Total Capital Employed							45857.83	44943.33
Capital expenditure							66.88	5988.17
Depreciation	644.01	337.84	724.51	380.07	241.51	126.69	1610.03	844.60
Non-cash expenses other than Depreciation							-	-

(# includes unallocated assets and unallocated liabilities)

## 10 Information Regarding Imports, Exports and consumption of Raw Material

		2014-15		2013-14	
I.	Value of Imports on CIF basis				
a)	Raw Materials & Components	-	-	-	-
b)	Capital Goods	-	-	-	-
II	Earning in Foreign Exchange				
	FOB Value of Exports	-	-	-	-
III	Expenditure in Foreign Currency				
	Travelling	-	-	-	-
	Other Expenses	-	-	-	-
	Project Expenses	-	-	-	-
IV	Consumption of Imported & Indigenous				
	Raw Materials, Components, Stores and Spares				
(i)	Raw Materials & Components				
	Imported	-	-	-	-
	Indigenous	86.46	100%	5,028.78	100%
		86.46	100%	5,028.78	100%
(ii)	Stores & Spares				
	Imported	-	-	-	-
	Indigenous	6.30	100%	144.21	100%
		6.30	100%	144.21	100%

- 11 In the opinion of the Board, the value of realisation of Current Assets, Loans & Advances in the ordinary course of the business would not be less than the amount at which they are stated in the Balance Sheet and the provision for all known and determined liabilities is adequately provided.

- 12 Pursuant to the provision of section 129 of The Companies Act, 2013, the reports and accounts of the subsidiaries of the company, all of which are yet to commence commercial production, are not attached. However, the consolidated financial statement are attached. The key figures of the subsidiary companies are attached to this annual accounts as provided in the said section.

- 13 Figures for the previous year have been regrouped/rearranged/restated, wherever considered necessary.

Signature to Notes 27

In terms of our Report of even date  
for Gora & Co.  
Chartered Accountants  
Partner

G. C. MUKHERJEE  
Partner  
Membership No. 17630  
Dated : 05-Aug-15



On behalf of the Board of Directors

*Signature*  
Director

*Signature*  
Director

Statement pursuant to exemption received from the Ministry of Corporate Affairs, under Section 212(8) of the Companies Act, 1956 related to subsidiary Companies.

Name of Subsidiary	Pallavi Manufacturers Pvt. Ltd.	Jessop Infrastructure Pvt. Ltd.	Jessop Estate Pvt. Ltd.	Jessop Properties Pvt. Ltd.	Jessop Wagons & Coaches Ltd.
1 Paid Up Capital	10.77	1.00	1.00	1.00	5.00
2 Reserves & Surplus	1,948.56	(0.12)	(0.11)	(0.11)	(0.17)
3 Total Assets	2,055.63	1.28	1.28	1.28	5.40
4 Total Liabilities	2,055.63	1.28	1.28	1.28	5.40
5 Investment	-	-	-	-	-
6 Turnover	-	-	-	-	-
7 Profit / (Loss) Before Tax	(0.08)	(0.07)	(0.06)	(0.06)	(0.07)
8 Provision for taxation	-	-	-	-	-
9 Profit / (Loss) After Tax	(0.08)	(0.07)	(0.06)	(0.06)	-
10 Proposed Dividend	-	-	-	-	(0.07)

On behalf of the Board of Directors

Director

Director

Dated : 5th August, 2015



Name of Subsidiary	Pallavi Manufacturers Pvt. Ltd.	Jessop Infrastructure Pvt. Ltd.	Jessop Estate Pvt. Ltd.	Jessop Properties Pvt. Ltd.	Jessop Wagons & Coaches Ltd.
1) Holding Company's interest: No. of Shares held by Jessop & Co. Ltd. With its nominees in the subsidiaries at the end of the financial year of the Subsidiary Companies fully paid-up Extent of the interest of Holding Company at the end of financial year of the Subsidiary Companies	1,07,700 Equity Shares of Rs. 10/- each fully paid-up 100%	10,000 Equity Shares of Rs. 10/- each fully paid-up 100%	10,000 Equity Shares of Rs. 10/- each fully paid-up 100%	10,000 Equity Shares of Rs. 10/- each fully paid-up 100%	50,000 Equity Shares of Rs. 10/- each fully paid-up 100%
2) Net aggregate amount of Subsidiary's Profits/(Losses) not dealt with in the Holding Company's accounts: i) for the Subsidiary's financial year ended 31st March, 2015 ii) for the previous financial years of the subsidiary since it became the holding company's subsidiary	-	-	-	-	-
3) Net aggregate amount of Subsidiary's Profits/(Losses) dealt with in the Holding Company's accounts: i) for the Subsidiary's financial year ended 31st March, 2015 ii) for the previous financial years	-	-	-	-	-

On behalf of the Board of Directors

Director

Director



Dated : 5th August, 2015