

REVIEW OF ANNUAL REPORT AND AUDITED ACCOUNTS OF BRITHWAITE &
CO. LIMITED (BCL) FOR THE YEAR 2015-16.

Background:

Braithwaite & Co. Limited (BCL) was incorporated in 1930 as private sector organization. Government of India nationalized it in 1976 and it becomes a Public Sector Enterprise. The Company was under the Administrative Control of Ministry of Heavy Industries and became a wholly owned subsidiary of Bharat Bhari Udyog Nigam Limited w.e.f. 30.05.1987. At present, BCL is under the administrative control of Ministry of Railways w.e.f. 06.08.2010.

Manufacturing of wagons to the requirements of Indian Railways, structural fabrication jobs and manufacturing, retrofitting of EOT cranes are the main activities of the Company. BCL has entered into new segment of refurbishment of Repair Wagons during 2015-16, and has been successful in refurbishing a total of 1269 Repair Wagon during 2015-16. BCL is also manufacturing wagons for clients other than Railways.

Physical performance:

Particulars	2015-16	2014-15
Wagons (No)	526	738
Repair Wagon (No)	1269	-
Bogie (No)	1078	1514
Structural Fabrication (Tons)	2490	-

Financial performance:

(Rs. in Lakhs)

Particulars	2015-16	2014-15
Gross Production	18,205.23	20,436.60
Sales	12,070.32	12,411.07
Gross Margin	441.67	(3,956.84)
Depreciation	172.62	288.83
Bank and other interest	204.57	215.36
Profit before Taxes	64.48	(4,461.03)
Net Profit (after tax)	64.48	(4,461.03)

Achievements during 2015-16:

1. 188 No Repair Wagons have been refurbished in the month of February 2016, which is highest ever achieved in a particular month.

2. BCL has developed BOXNS Wagon (25T Axle Load) for the first time for Indian Railways which will be used for Dedicated Freight Corridor.
3. BCL has developed Rail Milk Tank Vans for National Dairy Development Board (NDDB) with a higher carrying capacity and with a better thermal insulation system and advanced brake system.
4. Credit Rating of the Company has been upgraded to BB+ from BB by Brickwork Ratings India Pvt. Ltd looking into the Company's long term potential to perform in near future.

Financial Position and Capital Structure:

(Rs in Lakhs)

Particulars	2015-16	2014-15
<u>EQUITIES AND LIABILITIES</u>		
Issued & Subscribed Capital	2,942.26	2,459.68
Reserve & Surplus	(2,125.43)	(2,189.91)
Non Current Liabilities	5,283.87	5,065.00
Current Liabilities	10,903.22	7,892.21
Total	17,003.92	13,226.98
<u>ASSETS</u>		
Non Current Assets	2,493.40	2,579.54
Current Assets	14,510.52	10,647.44
Total	17,003.92	13,226.98

Company's Development & Future Outlook:

After the unusual year of 2014-15, where the company incurred a loss of Rs. 44.61 Crores, the current year 2015-16 has turned out to be a year where the company could steady its affairs and could earn a small profit of Rs. 0.64 Crores. This was made possible due to the Railway Board, coming forward with certain handholding measures, the positive effects of which have been reflected through the results posted by the company.

The Indian Railways have been increasing its Plan outlay for cost effective movement of cargo by its railway network. In this field BCL had been chosen for development of High Speed, Low Tare Weight BOXNS Wagons for the Ministry, which has been successfully manufactured for

commercial usage, for the first time in India. The Macro and the Micro economic factors warrant greater demand for such specialized Wagons on implementation of the Dedicated Freight Corridor Project. The company has also got an order for 500 such wagons during the year. Accordingly, it is expected to execute BOXNS wagons in large quantities in the years to come among other types, which would provide a source for steady flow of Revenue to the company.

In this context it may be noted that the MoR has also released bulk order to BCL for major repairs to 2109 wagons and the company has so far completed 1269.

The company is in the process of manufacturing 145 Nos BOBRNHSM2 Wagon for M/s NTPC and Milk Tank Van for M/s RITES. The Company are also in the process of planning for product diversification with foreign collaboration/support into structural projects, cranes, and Bio Toilets etc. to ensure its further growth.
