



TEXMACO RAIL & ENGINEERING LIMITED



RESILIENT,
FOCUSSED ON FUTURE

Annual Report 2020-21

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Corporate INFORMATION

Directors

Mr S. K. Poddar
Executive Chairman

Mr Indrajit Mookerjee
Managing Director

Mr A. K. Gupta
Deputy Managing Director[#]

Mr A. C. Chakrabortti

Mr D. R. Kaarthikeyan

Mr Sunil Mitra

Mr Utsav Parekh

Mr Virendra Sinha*

Ms Rusha Mitra*

Mr Akshay Poddar

Mr D. H. Kela, ED & CEO (SF)

Mr A. K. Vijay, ED & CFO

[#] Appointed w.e.f. 17th November, 2020

^{*} Appointed w.e.f. 17th February, 2021

Company Secretary

Mr Ravi Varma

Auditors

Messrs L. B. Jha & Co., Kolkata

Bankers

State Bank of India
HDFC Bank
Axis Bank
SBM Bank
ICICI Bank
IDFC First Bank
Doha Bank
Shinhan Bank
DBS Bank
YES Bank
Indusind Bank

Registered & Corporate Office

Belgharia, Kolkata 700 056
Phone: (033) 2569 1500
Fax: (033) 2541 2448
Email: texrail_cs@texmaco.in
Website: www.texmaco.in

Kolkata Office

Birla Building, 9/1, R.N. Mukherjee Road
Kolkata 700001
Phone: (033) 3057 3700
Fax: (033) 2242 5833

Regional Offices

New Delhi • Mumbai • Jaipur
• Bengaluru

Works

Heavy Engineering

- Agarpara • Sodepur • Panihati
- Belgharia

Steel Foundry

- Belgharia • Urla (Raipur)

Subsidiaries

- Texmaco Rail Electrification Limited
- Texmaco Transtrak Private Limited
- Belur Engineering Private Limited
- Texmaco Rail Systems Private Limited
- Texmaco Engineering Udyog Private Limited
- TexRail SA (Pty) Limited

Joint Ventures

- Touax Texmaco Railcar Leasing Private Limited
- Wabtec Texmaco Rail Private Limited

Associate

- Texmaco Defence Systems Private Limited

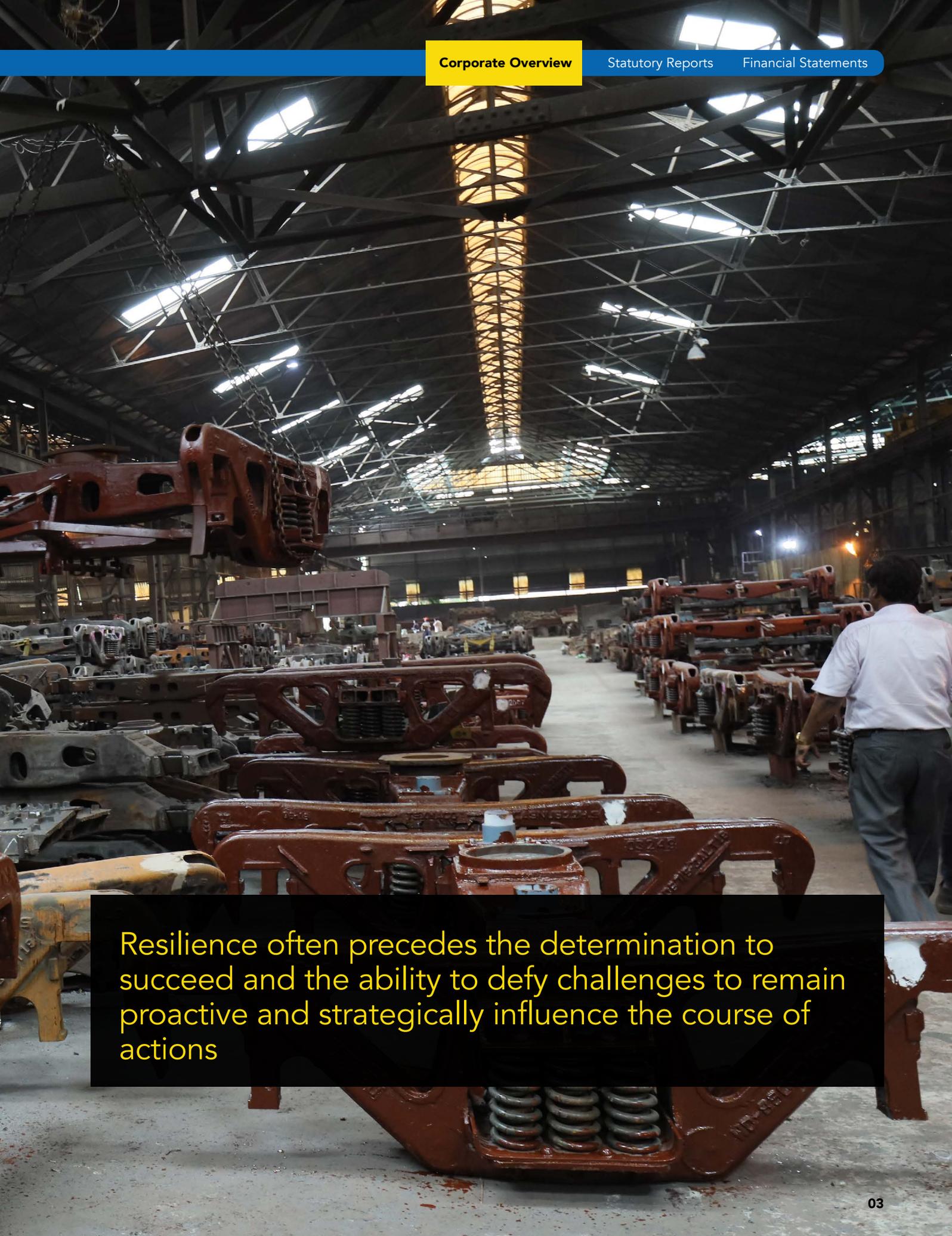
Registrar & Share Transfer Agent

KFin Technologies Private Limited
Selenium Tower B, Plot 31-32,
Gachibowli, Financial District,
Nanakramguda, Hyderabad - 500032
Toll Free No.: 1800 3094 001
E-mail: einward.ris@kfintech.com

CIN

L29261WB1998PLC087404





Resilience often precedes the determination to succeed and the ability to defy challenges to remain proactive and strategically influence the course of actions

Business UNITS



Rolling Stock

- ▶ High Payload Stainless/High Tensile Steel Freight Wagons
- ▶ Commodity Specific Wagons for Bulk Transport
- ▶ Special Purpose New Design Freight Wagons
- ▶ Bottom Discharge Coal Hopper Wagons
- ▶ Container Flat wagons
- ▶ Tank Wagons (SS, MS, Pressure Vessel)
- ▶ Defence Equipment Wagons
- ▶ Auto Car Wagons
- ▶ High capacity Parcel vans
- ▶ Brake Vans (type BVCM)

Rail EPC

- ▶ Design, Supply, Installation & Commissioning
- ▶ Main Line Railway Tracks
- ▶ Metro Railway Tracks
- ▶ Railway Signaling
- ▶ Railway Telecom
- ▶ Bridges & Culvert for Railways
- ▶ Automatic Fare Collection
- ▶ Railway Overhead & other Electrification
- ▶ Other Power Supply Installation
- ▶ Buildings, Platforms & Foot Over Bridges



Traction & Coaching

- ▷ Loco-shells
- ▷ Loco Bogies
- ▷ Coach-bogies & Underframes
- ▷ EMU Coaches
- ▷ Loco Underframe
- ▷ Loco Components
- ▷ Passenger Coach Bogies



Steel Foundry

Domestic

- ▷ High Speed Bogies
- ▷ H.T. Couplers
- ▷ Draft Gears
- ▷ Draw Bars
- ▷ Tight Lock Couplers
- ▷ CMS Crossings

Industrial Castings for

- ▷ Earth Moving Equipment
- ▷ Hydro Power Projects
- ▷ Defence

Exports

- ▷ High Axle Load Bogie Castings up to 31.25 Ton axle load
- ▷ Shroud Castings
- ▷ Center Plate
- ▷ AAR Yokes & Follower
- ▷ Floating Yokes

Business UNITS

Bridges and other Steel Structures

- ▶ Industrial Structure
- ▶ Fabrication and erection of Steel Bridges in Railways and Roadways.
- ▶ Steel/Concrete Flyovers
- ▶ Other types of bridges – Concrete and Steel
- ▶ Fabrication and erection of Bailey Bridges
- ▶ Ship Hull Blocks



Hydro-mechanical Equipment

- ▶ Gates in a wide range: Radial / Vertical/Mitre/Torispherical Flap type/ Hinged type Penstocks / Pressure Shaft Liners
- ▶ Bifurcation, Trifurcation, Transition, Expansion Joints, Manifolds, Reducers, Dismantling Joints, Fixed & Rocker, Supports and Specials

Fixed & Rocker Supports and Specials

- ▶ Stoplogs / Bulkhead Gates
- ▶ Hydraulic, Rope Drum, Hoists, Screw Hoists, Travelling Hoists, etc.
- ▶ Knife Edge Gate Valve (Screw / hydraulic / Electric Acuator operated) / Filling-in-valves
- ▶ Trashracks / Screens
- ▶ Trash Rack Cleaning Machines
- ▶ Goliath / EOT Cranes / Lifting Beams
- ▶ Refurbishment / replacement & Overhauling of HM equipment of old Hydro projects / barrages
- ▶ Automation of dam & barrage
- ▶ Equipments operation through SCADA & ARMAC system



From the desk of **THE CHAIRMAN**





Dear Members,

The year 2020 has been a year of unprecedented challenges for all of us. The uncertainty caused by the Novel Corona Virus across the globe not only impacted the Global Economy adversely, it also impacted lives and livelihoods. During the financial year 2020-21, amidst restrictive guidelines and lockdowns imposed by various Governments, your Company ensured safety and well-being of all its employees, and to its best ability facilitated seamless operations of the divisions of the Company.

Notwithstanding the crisis caused by pandemic and the economic impact on our operations, your Company was resilient in making a steady recovery.

Economic highlight

Global economies and markets too faced devastating effects of pandemic. A complete halt in every sector around the globe during the peak of pandemic has slowed down the movement of growth and depleted the GDP of almost all the economies. The bruised Indian economy began to limp back to normalcy after partial unlock measures taken by the Government in a phased manner.

Our Hon'ble Prime Minister with a mission and vision to support the backbone of our economy came up with AatmaNirbhar Bharat Abhiyaan and announced a ₹ 20 lakh crore economic package to aid our country out of the crisis. The initiative covered policies that are efficient, competitive and resilient, and being self-sustaining and self-generating. The Government's thrust on privatisation would certainly boost the growth in the upcoming years.

Our focus is to monetize and then modernize. The private sector brings modern technology, a change in the management mindset and creates more efficient jobs. This can increase in efficiency of the system.

– Shri Narendra Modi, Hon'ble Prime Minister



The Indian economy woes were further compounded by the slow down impact of previous fiscal carried forward and the global health crisis. In the current financial year 2021-22, the continued impact of the COVID-19 pandemic, stagnant economic performance and a downturn in some sectors may continue to pose challenges to economic growth. However, your company has been working relentlessly over the last one year to be resilient against future events like these.

Financial Performance

The pandemic significantly impacted the businesses and the financials of your Company. It also took a blow from the impact of super cyclone 'Amphan', lashing the eastern part of the country in the month of May 2020. The combined effect substantially hit the operations of your Company during the first two quarters of the financial year 2020-21. With the partial lifting of the lockdowns, the Company restored the operations at its work in a phased manner and brought back some stability in its working.

Despite the unprecedented challenges, the Management of your Company remains optimistic and confident about capitalizing on emerging opportunities.

Texmaco has traditionally been a leader in development of new designs for the railway wagons in India and continue to be engaged in new product development. Your Company remains focused on increasing our foot-print in the wagon business. Indian Railways plays a key role in the economy with intermodal share of rail in freight traffic and the demand for railway wagons is likely to remain robust in the next few years, both from Indian Railways, exports and Private sector. There is a major thrust on electrification of the entire railway network and upgradation of Rail Infrastructure. Your Company has plans in place to grow the EPC business, as Railways is likely to spend significant capex on Rail Infrastructure. Your Company has the competitive advantage of having credentials to bid for some of the projects which require high precision and technological capabilities. To de-risk our business from traditional Indian Railways dependence, we are actively continuing to pursue export markets, private sector and urban mobility segments.

Your company will also focus on initiatives to improve its operational performance in the areas of Quality, Cost and Delivery and aspire to be supplier of choice to its esteemed customers.

The promoters have and will continue to support the Company with additional resources, in a form of capital / debt. While the government's impetus for Rail segment make way for a promising future, we are focused on improving our technical capabilities and operational capacities to sustain the momentum.

Industry

The Government of India's focused approach on investing in Railway Infrastructure by making investor-friendly policies augurs well for the Industry. Indian Railways has made a highest ever total plan capex of ₹ 2,15,058 crores this year out of which ₹ 1,07,100 crores for capital expenditure has been allocated in the General Budget.

The Government is mobilizing new sources of funding including private investment for rapid growth in the Rail infrastructure with incessant focus on the freight segment. It is expected that Indian Railways would add about 1.5% to the country's GDP by building infrastructure to support 45% of the modal freight share of the economy. IR clocked a 3% increase in freight revenue in 2020-21 inspite of it being a difficult year.

Opportunities in the Dedicated Freight Corridors under PPP mode, urban mobility, multi-tracking congested routes and the target of IR to complete 100% electrification by 2023 would certainly benefit your Company. The Rail Ministry's initiative to open up to Privatisation would also be positive to the business of your Company. The railway network continues to be an ideal platform for movement of bulk commodities, apart from being an energy efficient and economic mode of transport. While Railways will continue to be a focus area, your Company will approach the private sector and export markets and urban mobility solutions with a renewed vigour.

People

We recognize the contribution of all the employees and business partners during these trying times and the importance of ensuring that we make our employees feel safe, protected, supported and rewarded. I would like to thank all my employees and their families for the support throughout the year risking their lives, sacrificing their time and increasing the vigor with which they approached to tackle the situation.

Thank you

I would like to take this opportunity to extend my heartiest gratitude to all our stakeholders for their continued interest, faith and encouragement for Texmaco Rail. I would also express my heartfelt gratitude for our dedicated workforce, the management team and the Board for their relentless efforts and continued support and confidence in our organization. I look forward to your continued support and I also believe that together, we shall design our future and lead from the front to achieve our aspirations and goals.



S.K. Poddar

Chairman

Joint Venture COMPANIES

Wabtec Texmaco Rail Pvt. Ltd.

An impetus to 'Make-in-India'



Production of Mark 325 Draft Gears

Touax Texmaco Railcar Leasing Pvt. Ltd.



Leased BFNSM rake for steel coils carrying



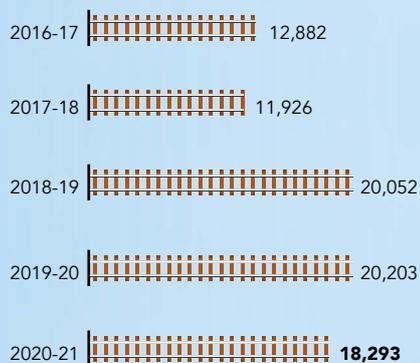
Leased BOXNHL rake for coal carrying

Financial PERFORMANCE

Main Indicators

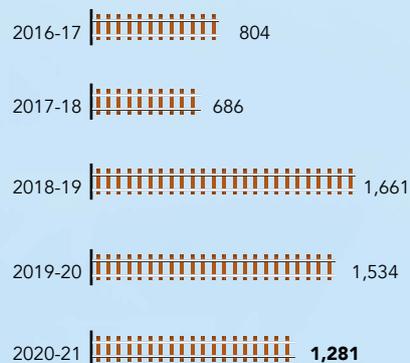
Gross Revenue from Operation

(₹ in mn)



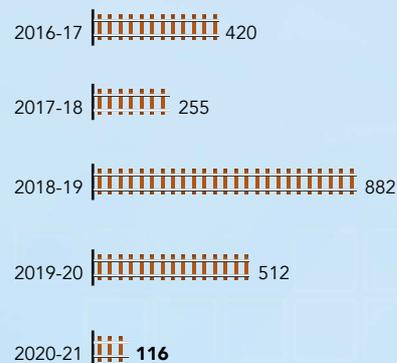
EBIDTA

(₹ in mn)



PBT

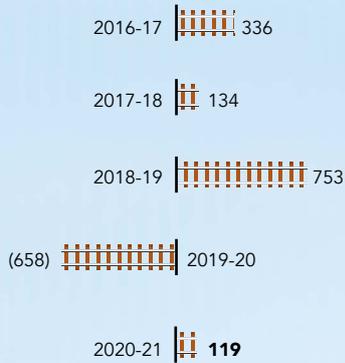
(₹ in mn)



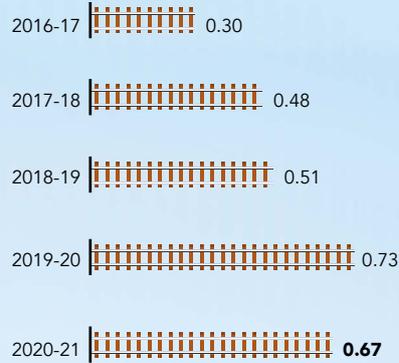
Financial highlights of the LAST TEN YEARS

| Indicator | FY 2011-12 | FY 2012-13 |
|---------------------------------------|------------|------------|
| Gross Revenue from Operation | 94,514.54 | 103,596.50 |
| Other income | 2,560.74 | 3,096.69 |
| Gross profit (PBDT) | 14,543.52 | 14,415.85 |
| Profit before tax & Exceptional Items | 13,625.72 | 13,476.67 |
| Exceptional Items | - | - |
| Profit / (loss) before tax | 13,625.72 | 13,476.67 |
| Tax for the year | 4,320 | 4,049.76 |
| Profit after tax | 9,305.72 | 9,426.91 |
| Equity | 1,820.27 | 1,820.27 |
| Free reserves | 47,837.94 | 55,135.23 |
| Equity share book value (₹) | 27.28 | 31.29 |
| Rate of dividend | 100% | 100% |

PAT (₹ in mn)



Debt-equity ratio



EPS Basis (₹)



| FY 2013-14 | FY 2014-15 | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 |
|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| 51,517.43 | 86,808.45 | 126,572.68 | 128,413.73 | 1,19,260.25 | 2,00,517.59 | 2,02,027.50 | 1,82,930.91 |
| 2,289.02 | 3,184.43 | 4,492.58 | 4,730.61 | 5,064.08 | 2,112.96 | 2,725.68 | 3,177.53 |
| 3,049.72 | 3,499.17 | 4,869.00 | 5,817.36 | 5,036.84 | 11,716.72 | 8,711.71 | 4,885.14 |
| 1,875.94 | 1,825.25 | 3,414.27 | 4,201.46 | 2,555.25 | 8,820.76 | 5,120.86 | 1,159.47 |
| - | - | - | - | - | - | 14,991.97 | - |
| 1,875.94 | 1,825.25 | 3,414.27 | 4,201.46 | 2,555.25 | 8,820.76 | (9,871.11) | 1,159.47 |
| 178.72 | (196.27) | 693.81 | 844.16 | 1,216.62 | 1,292.78 | (3,287.08) | (27.16) |
| 1,697.22 | 400.47 | 2,720.46 | 3,357.30 | 1,338.63 | 7,527.98 | (6,584.03) | 1186.63 |
| 1,820.27 | 2,100.64 | 2,192.95 | 2,194.15 | 2,246.13 | 2,248.35 | 2,248.59 | 2503.43 |
| 56,300.04 | 97,232.94 | 87,476.34 | 91,204.94 | 1,01,055.93 | 1,07,825.68 | 98,915.78 | 1,09,836.29 |
| 31.93 | 42.29 | 40.89 | 42.57 | 43.47 | 51.43 | 44.99 | 44.87 |
| 25% | 25% | 25% | 25% | 25% | 35% | 10% | 10% |

Products



▲
Alumina Tank wagon



▲
A-Bracket (AFT) for Marine application - 8.2 MT each



▲
Transfer bogie assembly



▲
Loco Bogie frame



▲
Long Side Sill Assembly



▲
Metro Bogie Frame



▲
12 mtr. long Channel Bending

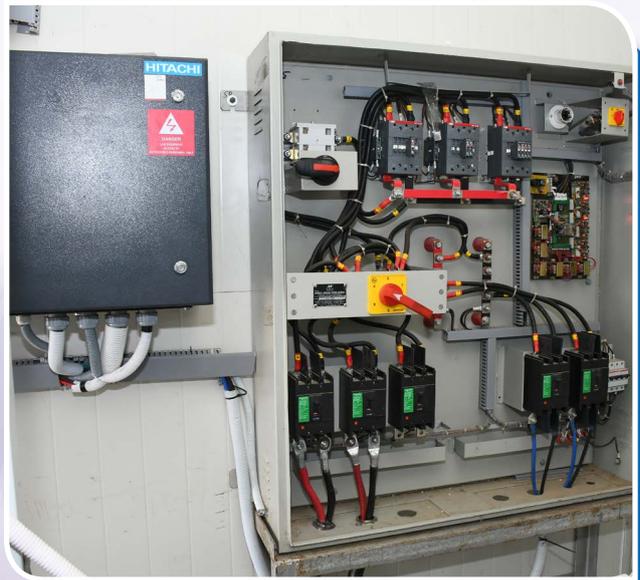


▲
BLCM wagon

Rail EPC proceeding **AT A FAST PACE**



Working Signalling Gears in WDFC



Auto Changeover panel for AT Power Distribution



SMPS for Power supplies



TSS work at Tambaram, Tamil Nadu



▲ Installed Power back up system in WDFC



▲ CRS inspection at South Western Railway



▲ High Rise OHE job in progress at Port Pipavav, Gujarat



▲ Semi-mechanised track installation

Corporate Social Responsibility



▲ Green ambience - Eco Park set up by Texmaco



▲ A vocational training center - Texmaco George Telegraph

Work life balance



▲ Health check-up camp



▲ Vaccination drive



▲ Mr. Indrajit Mookerjee, MD addressing on adventz day



▲ Mr. A K Gupta, Dy. MD addressing on adventz day



▲ adventz day observance with social security and safety measures

Report of the Board of Directors

Dear Shareholders,

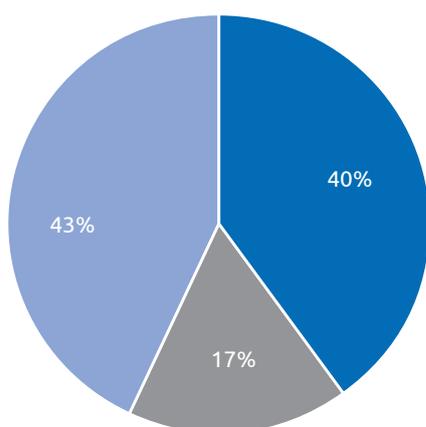
Your Directors have pleasure in presenting the 11th Operational Annual Report of the Company along with the Audited Financial Statements for the year ended 31st March 2021.

FINANCIAL HIGHLIGHTS

| | (₹ in lakhs) | |
|---|------------------|-------------------|
| | 2020-21 | 2019-20 |
| Operating Profit (PBIDT)* | 12,808.04 | 15,341.92 |
| Less: Interest (Net) | 7,922.90 | 6,630.21 |
| Gross Profit (PBDT)* | 4,885.14 | 8,711.71 |
| Less: Depreciation | 3,725.67 | 3,590.85 |
| Profit before Taxation and Exceptional Items | 1,159.47 | 5,120.86 |
| Less: Exceptional Items | - | 14,991.97 |
| Profit before Taxation | 1,159.47 | (9,871.11) |
| Less: Tax Expenses | | |
| Current Tax including tax related to earlier years | (21.80) | 636.22 |
| MAT Credit entitlement | - | (258.00) |
| Deferred Tax Liability/(Asset) | (5.36) | (3,665.30) |
| Profit after Taxation | 1,186.63 | (6,584.03) |
| Add: Balance brought forward from previous year | 10,117.37 | 17,633.65 |
| | 11,304.00 | 11,049.62 |
| Appropriations | | |
| Dividend paid (Incl. Tax) | 224.83 | 949.85 |
| General Reserve | 200.00 | - |
| Other Appropriations | (23.19) | (17.60) |
| Balance Carried Forward | 10,902.36 | 10,117.37 |

* before Exceptional Items

Gross Turnover



■ HED ■ SF ■ Rail EPC

Dividend

Your Directors recommend payment of dividend of 10% i.e. INR 0.10 per equity share of face value of INR 1 each for financial year ended 31st March 2021 in view of the steady performance of the Company during the year on account of disruptions caused to the operations of the Company due to the widespread COVID-19 pandemic.

The Gross Turnover for the year stood at INR 18293.09 mn. The Gross Profit for the year i.e. Profit before Depreciation and Tax (PBDT) and Profit before Tax (PBT) were INR 488.51 mn and INR 115.95 mn respectively. The Net Profit was INR 118.66 mn, after providing net tax liability of INR 2.72 mn for the year as per the Profit and Loss Account drawn up in accordance with the Indian Accounting Standards as specified under the Companies Act, 2013 ('Act'). The Company has transferred INR 20 mn to Free Reserves during the year.

MANAGEMENT DISCUSSION AND ANALYSIS

The FY'21 began with an unprecedented pandemic induced lockdown totally stalling economic activities in all sphere of life in the country and across the globe. The strict lockdowns, intermittent restrictions on operations of factories / commercial activities, the exodus of upcountry manpower and calamities due to the widespread COVID-19 induced ailment disrupted the working of your company for a greater part of the year, especially Q1 & Q2 of the FY'21. Under these challenging conditions, your Company demonstrated highest degree of resilience and made relentless efforts in making up the shortfalls in the second half of the year through strict adherence to cost control measures, restructuring the manpower deployment and further improvement in manufacturing practices.

The performance of the Rolling Stock Division of your Company had shown signs of recovery after a sluggish start to the year due to lockdowns, restrictions and bearing the brunt of a devastating super cyclone 'Amphan' causing widespread damages to the sheds and structures of the Company's facilities at Kolkata. Your Company is extremely thankful to its customers for their support during the difficult year as delivery schedules under many orders had to be re-organised due to the lockdowns. With the emphasis of the Government to make freight movement competitive, the requirements of railway wagons are looking up and expected to remain positive in the coming years. General Purpose Wagon Investment Scheme (GPWIS), permitting the private investment is likely to result in robust growth. Your Company thus has been able to make judicious split in catering to the requirements of both Private and Indian Railways Segment.

Your Company is also concentrating to develop new products through design efforts. Other growth areas in passenger mobility segments also figure in the Company's future plan. Your Company certainly would be benefitted with its resilient position in the wagon segment and expects to maintain healthy order book position during FY'22.

The Rail EPC Division of your Company too had a challenging start to the year, due to COVID-19 related impact. Saving lives and livelihood together was a tough balancing act to perform for your Company. After a slow start to the year, the Division has now been more focussed towards execution of ongoing projects. The focus of Indian Railways is on bringing about a transformation by investing heavily in infrastructure, including track infrastructure & systems, electrification, which augurs well for the Rail EPC business of your Company.

The Steel Foundry Division of your Company has maintained its steady performance, both on the domestic & the export fronts with the relaxations in the lockdowns and restrictions imposed. With the added capacity of the Urla unit, Raipur, new products for the domestic markets, especially in-hand moulding segments were successfully developed by the Foundry and well received by the customers, including critical castings for the Defence sector.

All the segments of the business across the world are undergoing a sea change due to COVID-19 pandemic. The atmosphere of uncertainty and the continuity of pandemic are likely to affect the segment which your Company operates into. Fortunately, the demand in the long run is robust due to the commitment of the Government of India to revitalise the Rail segment and ease the roads from the freight movement. Your Company expects that post this pandemic there will be a surge of pent-up demand and there will be a robust rebound in the economy, especially in the areas of upgradation of infrastructure, rail & metro network, etc. The proposed move of IR to privatise the passenger trains will open new vistas of opportunities in the Railway sector.

SIGNIFICANT FINANCIAL RATIOS

As required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), the significant financial ratios are given below:

| Particulars | | 2020-21 | 2019-20 | 2018-19 |
|-------------------------|-------|---------|---------|---------|
| Net Profit Margin* | % | 0.69 | (3.54) | 4.01 |
| Operating Profit Margin | % | 3.50 | 5.62 | 6.77 |
| Debtors Turnover | Times | 2.76 | 2.84 | 2.27 |
| Inventory Turnover | Times | 5.46 | 3.41 | 4.13 |
| Debt Equity Ratio | Times | 0.67 | 0.73 | 0.51 |
| Current Ratio | Times | 1.54 | 1.42 | 1.47 |
| Interest Coverage Ratio | Times | 0.15 | 1.65 | 2.50 |
| Return on Net Worth | % | 1.04 | (6.41)# | 6.60 |

* before Exceptional items

#During FY'20, there was exceptional item resulting into a negative return.

HEAVY ENGINEERING DIVISION

I. Rolling Stock Division

a. Freight Car & Coachings

The year began with a moderately healthy order book position for the Division. However, due to prevailing pandemic situation, your Company resumed manufacturing activity in May 2020 on a limited scale with limited manpower, in a phased manner and in strict compliance with the guidelines issued by the State/Central level administration. It ensured all health & safety measures as prescribed by them. The restrictions continued for a long time and the factory being located in a highly infected zone with many surrounding containment zones, the Company restricted its operations. Your Company could not ramp up the production because of restrictions imposed on the number of people to be allowed on worksite and severe shortages of skilled manpower that could not be mobilised due to the movement restrictions enforced by the administration. The workings of the Division were also affected due to the super cyclone 'Amphan' in the month of May 2020.

During the year, due to slowdown in the economy in the country and the GDP contracting to a record low of 7.3%, the overall spirit of business was badly impacted and meaningful economic activity did not pick its momentum.

No new tenders were issued by the Railway Board during the year under review, except for exercising the 30% option clause against the order placed in 2018. Also, due to the GDP contraction the private sector buyers kept the need for new wagons under wraps.

Nevertheless, with the Rail sector proving to be the hub of commercial activities during the difficult times, the future outlook looks bright.

The schemes announced by the Indian Railways during FY'20 such as Liberalized Special Freight Train Operator ('LSFTO'), Liberalized Wagon Investment Scheme ('LWIS') and General Purpose Wagon Investment Scheme ('GPWIS') are expected to boost the market sentiment and it is envisaged that there would be a comfortable revival of demand for various types of wagons in FY'22.

The Indian Railways plans to create additional freight capacity by inducting some specially-designed wagons such as double stack container wagons, auto car with higher MMD though the opening of the Dedicated Freight Corridor ('DFC') could not take off during the current financial year. These new design wagons are still on the drawing board and are expected to be introduced in FY'22. Your Company expects to improve its order book once these new design wagons are made available by the Research Design & Standards Organisation ('RDSO').

As informed earlier, to facilitate rail transportation of two-wheelers, your Company developed a side loading option on the existing Auto car wagon, which is a first in the industry and could supply three such rakes to the industry while one at present is being manufactured. This has a good potential for transportation of two-wheelers through the Railways, as India at present produces approx. 20 mn units of two-wheelers annually, most of which are transported by road.

To save the environment from fly ash hazard, BTAP wagon was successfully tried and tested for bulk transportation of fly ash with pneumatically-assisted unloading of fly ash from the side discharge valve. Your Company has delivered three such rakes during the year. The PG test of these rakes is in progress. Transportation of fly ash by the BTAP wagon compared to the Open Type wagon has a distinct advantage from the environment point of view and your Company expects to get more orders in this respect from the industry. Your Company has also supplied five rakes of specially-designed steel coil carrying wagons during the year FY'21.

Besides freight car manufacturing, your Company has spare capacities in the specially-created facility to manufacture passenger coaches, loco shell, etc. Indian Railways has an ambitious plan of phasing out the redundant passenger coaches and replacing it with new modern passenger coaches. Your Company is seriously looking to harness this opportunity whenever the Indian Railways becomes fully operational.

The turnover of the unit during FY'21 was INR 6171 mn.

b. Locomotive Components / Assemblies

The year began with a low order book position. The order book was expected to be strengthened with deliveries within the year which would have enabled the Company to maintain its performance for FY'21. However, the same could not be fructified due to the pandemic in the beginning of year and the situation continued to be same till the second quarter of the year. All plans to boost production went haywire and locomotive manufacturing units delayed the procurement process and the division's order book remained low. This pandemic badly affected the performance of the Division and it could supply only 23 nos. of loco shells during the year.

However, the situation is improving and your Company expects an improved performance during FY'22.

As per National Rail Plan 2030, the total requirement of Locomotives would be about 16800 till 2026 and the average yearly procurement plan is about 2000 locomotives per year till 2026. Out of the above, about 1000 locomotives are of high horse power being supplied by Alstom and GE. The balance of about 1000 locomotives are to be supplied by the Chittaranjan Locomotive Works ('CLW') / Banaras Locomotive Works ('BLW') / Diesel Loco Modernisation Works ('DMW'). Together the internal capacity of the participants is to produce about 500 loco shells every year and the balance is outsourced.

In view of the planned switch-over to Electric Traction by Indian Railways within the next two years, the strong demand for Electric Loco Shells by the Production Units (CLW & DMW) of the Railways, from private parties, is expected to be sustained in the future as well.

Your Company is established as a reliable and consistent supplier of loco shells and is now geared to step up the production of complete Electric Loco Shells to meet the upcoming demand in the market.

The turnover of the Electric Loco shells and Assemblies during FY'21 was INR 234 mn.

II. Hydro Mechanical Equipment

The turnover of the Division for the FY'21 stands at INR 500 mn. Due to the pandemic, the turnover of the HME Division had been affected during Q1 & Q2 of FY'21. The manufacturing and site activities started normalising only from August 2020.

The Rongnichu Project, however, was completed three months ahead of its schedule during the FY'21 and successful testing of the PS Liner was also done. The Upper Tamakoshi Project, Nepal is on the verge of being commissioned on successful completion of reservoir impounding. Further, the Bajoli Holi - GMR project, is also nearing completion. Installation work at Subansiri, the largest hydro power project is also gearing up, post restart of work on the project by NHPC and all out efforts are being initiated to complete the project by June 2022. The Division has also received an additional order of INR 430 mn from the Subansiri-NHPC on a challenging completion schedule and the Division is moving ahead to complete all the scheduled targets in time.

In nutshell, the HME Division had shown improvement during the second half of the Financial Year and is heading towards a better performance in FY'22.

III. Bridge & other Steel Structures

The performance of the division during FY'21 was dismal because no fabrication work was possible during the period from April to July 2020 due to the pandemic. Availability of structural steel was also very erratic, which slowed down the entire process of fabrication as well as dispatch.

During FY'22, the Division has set up a target of fabrication and dispatch of almost twice the current year's achieved targets. However, with the onset of the second wave of COVID-19, the site activities were not operating in view of the limited industrial oxygen supply, which would certainly pick up in the second half of the FY'22. The division remains optimistic to achieve the target for FY'22.

The turnover of the division during the FY'21 was INR 209 mn.

IV. Texmaco Hi-tech

The turnover of the unit in spite of the pandemic during FY'21 was INR 193 mn. The turnover was achieved by meeting critical requirements of Alstom and GE for their CBS Primary Parts and Platform Kit Parts requirements.

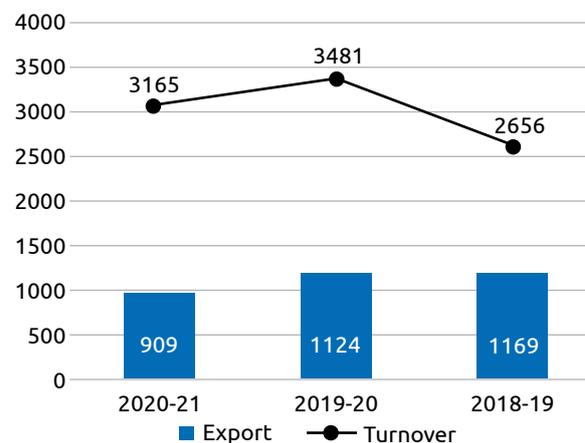
The performance of the unit for the FY'22 is likely to improve further with all product approvals in place, demand stabilisation and ramp up of production activities.

STEEL FOUNDRY DIVISION

During the year, production & turnover from both the foundries i.e. Kolkata & Urla, Raipur stood at 21,804 MT (Kolkata 15,973 MT & Urla 5,831 MT) valuing total at INR 3165 mn. The 1st quarter and partially the 2nd quarter of the financial year were a virtual washout and practically very little production was achieved because of the widespread pandemic situation and the restrictions imposed.

The demand on domestic casting front i.e. bogies & couplers was adversely affected because of no fresh order for wagons being placed by the Indian Railways. This apart, the input prices of all the items, particularly scrap, had gone up significantly, making it for the time being uneconomical to produce domestic casting for wagon. However, bogie & coupler castings being produced in the foundry are mostly for captive requirement.

The export demand more or less is steady rather there is a slight upward trend but because of the soaring shipping cost and non-availability of the empty container, dispatch of export castings suffered during the last quarter of the year, resulting in a slight build-up on inventory of finished castings against export orders.



It is expected that once the second wave of COVID-19 is behind us, normalcy will return and the division will report an improved performance.

The overall performance of the Urla unit, Raipur is more or less the same because of poor and unviable domestic demand of wagon castings. However, the Urla unit is trying to procure more orders for hand moulded industrial castings, which are complex in nature and more remunerative.

RAIL EPC DIVISION

Kalindee unit of your Company's Rail EPC Division faced challenges due to COVID-19 pandemic & stressed working capital conditions during FY'21. This has resulted in subdued performance during the year.

Execution activities in major projects like WDFC, EDFC, BMRLC have been maintained at reasonable speed. During the year, the Division has focused on completing certain long-pending projects like Jhansi-Bhimsen, MMTS Hyderabad, Bina- Kota doubling, etc.

For the projects in Bangladesh, the division is trying to overcome the various challenges and constraints faced by intermittent stoppage of work due to the spread of COVID-19 and to restore the momentum.

There have been relentless efforts on closing and realizing the dues from old contracts which have started yielding good results. Focus on efficient execution, coupled with speedy realisation of old receivables, has ensured that the overall collections have kept pace with the revenues without adding significant receivables.

The division at present is exploring to acquire new signalling & telecommunication contracts involving technological innovation, which should strengthen the qualitative performance of the division. The Division also intends to focus on automatic fare collection systems and ballast less track systems, which are expected to open up large market segments in the coming years.

The turnover of the Kalindee unit during the FY'21 was INR 5790 mn.

Rail Electrification

During the year, the Bright Power unit of Rail EPC division has successfully completed Commission of Railway Safety ('CRS') inspection for 275 KM of overhead electrification, a significant achievement. These were carried out under strict COVID-19 protocols. Due to the COVID-19 disruptions, the division had to adapt a different approach in carrying out the work. Labour availability and its movement became restricted. Keeping everyone in the field "safe" also was challenging. It was also necessary to maintain the division's financial liquidity and reduce dependence on borrowed funds. Hence, the focus of the division was to complete its old assignments and close the existing contracts. With the above efforts, the Division has performed reasonably well even during the year which witnessed impact of COVID-19 pandemic. The efforts of the division have resulted in improved collection of outstanding and retentions from the customers. The division is now focusing on modification and refurbishment contracts which have to be executed under the very strict train running conditions and requires special skills and expertise. The Division's vast experience in the field along with its dedicated team of trained technical manpower enables it enter into this niche field. The division has bagged such contracts worth INR 1200 mn in FY'21.

The turnover of the Bright Power Unit during the FY'21 was INR 1967 mn.

SUBSIDIARIES / ASSOCIATES / JOINT VENTURES

The subsidiaries / associates / joint ventures continue to contribute to the growth in revenue and overall performance of your Company.

A Report on the performance and financial position of each of the subsidiaries, associates and joint ventures included in the Consolidated Financial Statement is provided in Form AOC-1 and forms a part of this Annual Report.

The Consolidated Financial Statements of the Company, its subsidiaries, associates and joint ventures prepared in accordance with the Act, and applicable Indian Accounting Standards and the Auditors' Report thereon form a part of this Annual Report.

The Consolidated Financial Statements of the Company include the financial results of its subsidiaries, associates and joint ventures.

i. Belur Engineering Private Limited

Belur Engineering Private Limited, a wholly-owned subsidiary, continues to supplement your Company's business streams by providing its property on lease to the Company to carry out execution of its various contracts.

ii. Texmaco Rail Electrification Limited

Texmaco Rail Electrification Limited ('TRElec'), a wholly-owned subsidiary, was formed to explore business potential in the niche field of Rail Electrification. TRElec continues to explore the fields for its operation.

iii. Texrail SA (Pty) Limited

Texrail SA (Pty) Limited ('SA Pty'), a wholly-owned subsidiary, was established in South Africa for exploring opportunities in the African market. With a view to conserve cost, SA Pty is being deregistered on cessation of its operations.

iv. Texmaco Engineering Udyog Private Limited

During FY'21 the Company formed a wholly-owned subsidiary in the name and style of 'Texmaco Engineering Udyog Private Limited' ('TexUdyog'). It was formed to work on emerging opportunities in the field of Heavy Engineering and structural works. TexUdyog is yet to commence its business operation.

v. Texmaco Transtrak Private Limited

Post signing of an arrangement with CAF, Spain, the technology provider for electronic interlocking and Train Protection and Warning Systems, Texmaco Transtrak Private Limited has taken up the approval process with RDSO.

The approval process of the prototype has been delayed pending RDSO inspection, which is likely to take place once normalcy is restored.

vi. **Texmaco Rail Systems Private Limited**

Texmaco Rail Systems Private Limited was incorporated to identify the evolving areas in the field of signalling equipment which will strengthen your Company's presence in the signalling business of the Rail EPC Division.

Associate

Texmaco Defence Systems Private Limited

During FY'21, Texmaco Defence Systems Private Limited ('Texmaco Defence') has signed few MoUs for exploring the opportunities in the Indian defence market. At Aero India 2021 held at Bengaluru, Texmaco Defence made exclusive arrangements for new ventures to contribute towards National Defence. It is further exploring opportunities in the Civil Aviation & Railways as well as in the Non-Defence and Export sectors. Texmaco Defence looks forward to contribute to the Government's initiatives viz. the AatmaNirbhar Bharat Abhiyan & Make in India.

Joint Ventures

i. **Touax Texmaco Railcar Leasing Private Limited**

The impact of the pandemic, though not directly, was felt by the JV company. The contraction in orders will not be quantified immediately, considering the length of time, in each contract prescribed for delivery of the ordered rake. However, most customers have seen a sizeable contraction in business. The silver lining is, there are signs that the worst is all set to over. The Pandemic resulted in both a reduction in offtake by customers and a sizeable reduction in liquidity & funds available for revenue expenditure. Lease rentals being one of them, is likely to be postponed unlike critical expenses like wages and raw material. Hence, many firming up contracts have been pushed into the coming year.

A huge plus, however, from the pandemic is the growth of the rail sector. Most industries had their raw material stuck on roads all over India during the lockdown period. The Indian Railways operated at maximum capacity and ran point-to-point with commodity-specific trains. The Indian Railway initiative to get back its share from the road sector bodes well for the JV company. The IR 'Freight Business Development Portal' is a huge success. There is a substantial increase in enquiries for bulk wagons. There may, however, not be a sizeable increase in demand from the container sector in the immediate future.

The JV company has now 15 rakes in operation and 2 under production. The JV company is currently in discussion for leasing of cement, bulk cargo, auto car rakes, etc. in the current financial year.

The turnover of the JV company during the FY'21 was INR 288 mn.

ii. **Wabtec Texmaco Rail Private Limited**

Wabtec Texmaco Rail Private Limited, the JV company, achieved a turnover of INR 387 mn during the FY'21. Like a majority of companies across the globe, the business and operations of the JV company also got adversely impacted during FY'21 to a great extent due to the pandemic. All necessary directives of the authorities to contain the spread of the infection were implemented and continues to be followed even after opening up of the operations at factory from a nationwide lockdown enforced by the Government of India.

The business started showing an improvement from the Q3 of FY'21. The demand for Receiver Assemblies, which accounts for a major portion of the JV company's turnover, has increased more than double from October 2020. Orders from SE Railways for supply of Mark 325 Draft Gears, with Followers, were successfully executed within a record time.

The first order for Bridge Plates used on Automobile carrying wagons was also successfully executed during the year on a rake manufactured by Texmaco Rail for a leading global automobile logistics company. The first trial order received for CSP Coilguard used on steel coil carrying wagons is at presently under execution. The JV company managed to retain the status of leadership in the Wheel Chock market in India. The demand for all these new products is expected to grow significantly during FY'22.

The JV company expects to achieve improved business during FY'22 on back of the economy showing early signs of recovery and increased demand from the Indian Railways and the wagon builders.

EXPORTS

The Company is actively pursuing new opportunities in the field of exports. The Steel Foundry Division of your Company continued to excel in export totalling to INR 915.18 mn compared to INR 1124 mn of previous year in spite of the global slowdown due to the COVID-19 pandemic. The execution of the projects in the neighbouring countries by the HME Division of your Company has picked up during the year.

The Rail EPC Division of your Company is well poised to seize the opportunities in the export field.

R & D ACTIVITIES

A. Rolling Stock Division

Rolling Stock Division is focussed on development of wagon with optimized solution with new technology and use of new materials.

- i) The division is working on new taller autocar wagon with innovative solutions for carrying wide range of automobiles (two wheeler, three wheeler, car, LCV, HCV) and improving the ease of its operation. In existing BCACBM wagon, side opening arrangement has been developed for two wheeler loading and in this respect, two rakes have been supplied.
- ii) The division is working with industry partners to use new materials in wagons to bring down tare weight and improving pay load capacity.

B. Steel Foundry Division

The R&D Centre of the Company is registered and recognised by the Department of Scientific and Industrial Research (DSIR), Government of India. It carries out research and innovation for the development of various products & processes. It has helped the Company to develop new products, improve product life through process innovations, develop light & efficient designs for higher and faster transportation of goods & specialised cargos. This has enabled the Company in saving precious energy and resources while improving cost effectiveness. The metallurgical laboratories of your Company, an integral part of the R&D Centre, has already received ISO/IEC 17025:2017 certification from National Accreditation Board for Testing and Calibration Laboratories (NABL), which is approved by International Laboratory Accreditation Cooperation.

a) New Product Development:

- 1) A new design of bogie castings, two new designs of yoke castings and a new type of Follower have been developed for the North American market by unique metallurgical and process improvement. This has enabled the Company to expand its export footprint in the United States.
- 2) Two new designs of high wear resistance components have been developed for ground excavating applications, through unique metallurgical process improvement, characterised by high hardness as well as high impact toughness.

b) New Process Development:

New method designs were developed for Centre Plate and Traction Link castings that resulted in remarkable improvement with respect to solidity and surface finish. A substantial cost saving in the final finishing operation was thus achieved.

Apart from the above, the R&D Division of the Company has also undertaken the following projects:

- i) development of a computational model to simulate the mould filling operation, flow simulation, solidification pattern and shrinkage prediction for different components.

- ii) development of a computational model to simulate heat treatment cycles and resulting thermal stresses across different section thicknesses in different components.
- iii) analysis of different types of failures in various components by correlation of parameters of method design, moulding, core making, steel-making, pouring and heat treatment operations with the casting physical properties to identify the probable root cause of failure and propose suitable corrective / preventive actions for their minimisation/elimination. These studies have helped in improvement of existing products and processes.
- iv) the R&D department has further undertaken collaborative projects with reputed institutes such as Birla Institute of Technology and Science (BITS – Pilani) to assist in improving the quality and life cycle of the products.

IT SERVICES

IT Department of your Company has facilitated in creating a more cohesive and closely connected Organisation by implementing video conferencing solution for inter locations communication and has minimised travel. The Company is maintaining Oracle ERP business solution for its business operations. The IT team continues to leverage new technologies to increase its efficiency and effectiveness to support digitisation and cyber security system to meet the business goals of the company.

HUMAN RELATIONS

Your Company claims that its employees and workmen are its greatest resources. Human Resources ('HR') of your Company facilitates the management and development of its biggest assets, i.e. employees, workmen, ultimately accelerating their performance.

HR plays a significant role in developing a positive business culture and improving employee engagement and productivity. The HR function also takes the lead on employee wellness and personal development.

People, culture and business success go hand-in-hand. HR, therefore, helps in building the brand image of the Company as an employer which is influential in attracting talent. HR continues to play an important role, especially during the ongoing economic uncertainty caused due to the COVID-19 pandemic, by keeping the employee morale high and strengthening their mental well-being.

Performance management, training and development, recruitment and on boarding, employees relations and

reinforcing the values of the business are all essential elements of business culture covered by HR.

An effective performance management system enables managers to offer support to employees who need it and identify future superstars.

It is widely recognised that employee development contributes towards better employee engagement, increased productivity, reduced employee turnover and a more positive work culture. Investing in our employees strengthens our organisation and gives our business a competitive edge. It drives employee engagement, job satisfaction and staff retention, and it defines business success. HR continues to play a key role in developing, reinforcing and improving the culture of its organisation.

OPPORTUNITIES & THREATS

The Government's focus and added measures taken in the recent Budget for modernisation under various segments of Railway infrastructure and services – coaches and passenger services, electric locomotives, electrification, signalling, etc., will strengthen the working of the Rail EPC and Rolling Stock Divisions of your Company. The growing pace of electrification including track renewals, bridge works, and doubling of tracks adds value to your Company's operations.

In the Budget 2021-22, the Government has also announced the National Rail Plan for India and record budgetary allocation of INR 1.10 lakh crore is provided towards development of Indian Railways. Considering the initiatives and emphasis by the Government, the prospects for your Company seem positive.

Indian Railways' determined approach on building new DFCs consisting of 263.7 km & 274.3 km in PPP mode will provide added business opportunity for growth & development of the business of your Company. The Indian Railways initiative to prioritise design train operations will provide newer opportunities to companies working in Rail segment. Railways focus on introduction of safety & security measures across India would further add upto the windows of opportunities for the Company in the Rail segment.

Further, in its effort to strengthen the urban mobility system Pan India, the Government has declared that along with the development of infrastructure, about 1,016 km of metro and Regional Rapid Transit System is under construction in 27 cities and also introduced the product for two new technologies i.e., 'MetroLite' and 'MetroNeo' for Tier-2 cities and peripheral areas of Tier-1 cities which would further add to newer opportunities in the segment.

The sluggishness in the global economy owing to the continuing COVID-19 pandemic & its spread across the nation has impacted every segment of the economy as well as businesses and your Company is not left untouched. Despite the overall challenging situation, the Company managed to provide satisfactory results

and your Company is confident of overcoming any substantial impact with improved efficiency in its operations.

The challenges faced in project implementation by the infrastructure segment company putting their flames under tremendous stress would continue to be a challenge in the growth plan envisaged by your Company.

CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility ('CSR') has become increasingly important with economic globalisation.

Your Company, through its CSR drive, endeavours the sustainable development of the society at large.

Your Company, believes that CSR is integrated with the corporate values and with this notion, the Company's CSR philosophy revolves around mechanisms for creating employability, good health & well-being, environmental protection and women's empowerment.

The Company has taken few important initiatives to serve the society. With the motto of promoting education and training the youth to be capable of being employed with the corporates, your Company continues to promote & provide education and vocational skills through 'Texmaco George Telegraph - Centre of Excellence', a vocational training institute which was set up within the Company's premises, partnered with the National Skill Development Corporation.

Your Company, with its pre-determined objective has been continuously trying to educate underprivileged localities and the deprived children.

To serve its neighbourhood in the field of health & well-being, 'Texmaco Arogyam Physio Centre' a well-equipped Health Hub established within the Company's premises, which marked its 5th anniversary this year, comprises competent doctors and has been providing services of physiotherapy, alternative therapy, acupuncture, gym, yoga, etc. Despite the pandemic, the Centre, with its ceaseless support, helped the neighbourhood people with therapies which helped them in garnering a sense of positivity and well-being.

The Company continues to undertake the drive of campaigning towards general awareness for protection of the community against COVID-19.

Apart from the above, the Company continues to provide financial aid to the underprivileged for promoting health and education.

The Company has spent in excess of the prescribed threshold under the Act on the CSR activities for FY'21.

The Annual Report on CSR activities is enclosed as **Annexure A** and forms a part of this Report.

GREEN INITIATIVE

Your Company continues to embrace a sustainability initiative with the aim of going green and minimising the impact on the environment. Your Company had already adopted the green initiative by sending the Annual Report, Notices, other communication, etc., through e-mail to the Shareholders, whose e-mail addresses are registered with relevant Depository Participants / RTA / Company. Shareholders are requested to support this initiative by registering / updating their e-mail addresses for receiving Annual Report, Notices, other communication, etc. through e-mail. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') and the Securities and Exchange Board of India ('SEBI') had issued relaxations from sending printed copy of Annual Report, Notice of the Annual General Meeting ('AGM'), etc. to the Shareholders for the AGM held in the year 2020, which continues for the AGM in 2021 as well.

In continuation with the Green Initiative and in view of the above-mentioned relaxations, your Company is sending the Annual Report & Notice of the AGM along with other documents required to be annexed thereto to the Shareholders through e-mail to their registered e-mail addresses. Such documents are also available on the website of the Company www.texmaco.in

Further those Shareholders who have not yet registered their e-mail addresses are requested to follow the procedure as mentioned in the explanatory note to the Notice calling AGM to receive the Annual Report & the Notice of the AGM through electronic mode and to enable their participation in the AGM.

PARTICULARS OF EMPLOYEES

The number of employees as at 31st March 2021 was 2403. In terms of the provisions of Section 197(12) of the Act, read with Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is enclosed as **Annexure B** and forms part of this Report.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are enclosed as **Annexure C** and forms part of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Disclosures relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Act, read with Rule 8 of the Companies (Accounts) Rules, 2014, are enclosed as **Annexure D** and forms a part of this Report.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Meetings of the Board

During the year under review, 5 (five) Board Meetings were held on the following dates:

- 17th June 2020
- 8th September 2020
- 19th October 2020
- 29th January 2021
- 1st March 2021

Change in Directors and Key Managerial Personnel

During the FY'21, the re-appointments of Mr Saroj Kumar Poddar as Executive Director and Chairman, Mr Akshay Poddar as Non-Executive & Non-Independent Director and re-designation of Mr Indrajit Mookerjee as Managing Director of the Company, were approved at the Annual General Meeting ('AGM') of the Company held on 30th September 2020.

Further, the Board of Directors ('Board') on the recommendation of the Nomination and Remuneration Committee, had appointed Mr U. V. Kamath, Chief Executive- Bright Power unit, Rail EPC Division as Executive Director w.e.f. 1st August 2020, who tendered his resignation w.e.f. 8th September 2020. He continues to act as Chief Executive- Bright Power unit, Rail EPC Division of the Company.

Further, the Board on the recommendation of the Nomination and Remuneration Committee, had approved the appointments of Mr Ashish Kumar Gupta as Executive Director and designated as Deputy Managing Director w.e.f. 17th November 2020 and Mr Virendra Sinha & Ms Rusha Mitra as Independent Directors w.e.f. 17th February 2021. All these aforesaid appointments were approved by the shareholders at the Extra Ordinary General Meeting ('EGM') of the Company held on 25th March 2021.

Ms Mridula Jhunjhunwala ceased to hold office as Independent Director of the Company w.e.f. close of business on 19th March 2021 upon completion of her tenure as approved by the Shareholders.

Messrs Damodar Hazarimal Kela and Ashok Kumar Vijay, Executive Directors retire by rotation and being eligible, have offered themselves for re-appointment at the ensuing AGM of the Company.

Further, the present tenure of Mr Kela expires on 24th September 2021 and in view of his visionary leadership and experience, the Board on the recommendation of the Nomination and Remuneration Committee has approved his re-appointment, for a period of 3 (three) years subject to the approval of the Shareholders.

The above recommendations of the Board are being placed at the ensuing AGM for the approval of the Shareholders.

Board Evaluation

Your Company has in place a Policy for performance evaluation of the Board, Committees of the Board and individual Directors, by fixing certain criteria, duly approved by the Nomination and Remuneration Committee and adopted by the Board. The criteria for the evaluation includes their functioning as Members of the Board or Committees of the Board, execution and performance of specific duties, etc.

A structured questionnaire, which cover various aspects of the Board functioning such as Director's strength and contribution, specific duties, obligations, etc. evolved through discussions within the Board, has been used for this purpose. Further, on the basis of performance review by Independent Directors at their meeting held on 18th March 2021 and recommendations of the Nomination and Remuneration Committee, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors. Furthermore, the evaluation of the Independent Directors was performed by the Board. The evaluation criteria comprised assessing the various parameters including oversight and effectiveness of the Board, performance of the Directors, expertise /skills / competencies as possessed by the Directors in the context of the business of your Company, contribution to the strategic planning, etc.

Further, the Board ensured that the evaluation of Directors was carried out without the participation of the Director who was subject to evaluation.

Criteria for Appointment of Directors and Remuneration Policy

The Nomination and Remuneration Committee has approved the criteria to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board

of eminent Qualified Professionals, entrepreneurs with diverse backgrounds and experience in business, governance, education and public service. The criteria include the matrix of skills / expertise / competencies as specified by the Board for identifying individuals to serve as a Director on the Board.

Your Company has in place a well-defined Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company. The Nomination and Remuneration Committee periodically reviews the policy to ensure that it is aligned with the requirements under the applicable laws. During the year under review, there has been no change in the policy.

The policy ensures equity, fairness and consistency in rewarding the employees on the basis of performance against set of objectives. The policy is available on the Company's website. The weblink for accessing such policy is:

https://www.texmaco.in/webfiles/doc/Investors_Information/REMUNERATION_POLICY_TexRail.pdf

Declaration by Independent Directors

All Independent Directors of your Company have given the declaration that they meet the criteria of independence as laid down under the Act and Listing Regulations.

The Board of Directors of your Company took on record the declarations submitted by the Independent Directors after undertaking due assessment of their independence from the Management. The Independent Directors of your Company have also confirmed their registration with the Independent Directors' databank maintained by the Indian Institute of Corporate Affairs. The Independent Directors will undertake the proficiency test, as may be required, under the Companies (Appointment and Qualification of Directors) Rules, 2014.

The Board is of the opinion that all the Independent Directors possess the requisite integrity, expertise and experience to fulfil their duties to act as such.

AUDIT COMMITTEE AND AUDITORS

Composition of Audit Committee

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

Statutory Auditors

Messrs L. B. Jha & Co., Chartered Accountants, who had been appointed as the Statutory Auditors at the 19th AGM in the year 2017 for a period of 5 (five) years hold office until the conclusion of the 24th AGM of the Company to be held in the year 2022.

Branch Auditors

The Branch Auditors Messrs S.S. Kothari Mehta & Co. continues to act as such until the conclusion of the 24th AGM of the Company to be held in the year 2022.

Cost Auditors

Your Company has appointed Messrs DGM & Associates, Cost Accountants, for conducting the Cost Audit for FY'21 in terms of the provisions of the Act and the Companies (Cost Records and Audit) Rules, 2014.

The Board on the recommendation of the Audit Committee, at its Meeting held on 14th May 2021 has approved the re-appointment of Messrs DGM & Associates, Cost Accountants (Firm Registration No. 000038), as the Cost Auditors to conduct the Audit of the Cost Records of the Company for the FY'22 at a remuneration of INR 2,50,000 (Rupees Two Lakh Fifty Thousand) plus applicable taxes and out-of-pocket expenses as incurred from time to time. The proposal for the ratification of the remuneration payable to Messrs DGM & Associates is being placed at the ensuing AGM for the approval of Shareholders.

In terms of the provisions of Section 148 of the Act read with the Companies (Cost Records and Audit) Rules, 2014, your Company is required to maintain cost records and accordingly, such accounts and records are made and maintained.

Secretarial Auditor

Your Company has appointed Messrs S. R. & Associates, Practicing Company Secretaries, for conducting the Secretarial Audit of the Company for FY'21 in terms of the provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

The Secretarial Audit Report in Form MR-3 is enclosed as **Annexure E** and forms a part of this Report.

Whistle Blower Policy

The details on the Whistle Blower Policy are provided in the Report on Corporate Governance as attached to this Report.

INTERNAL FINANCIAL CONTROLS AND RISK MANAGEMENT

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

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

The objectives pertaining to Risk Management are to monitor and review the risk management plan of the Company including identification therein of elements of risks, if any, and such other related functions. The Company has in place a Risk Management Policy in order to mitigate the losses which might be incurred due to non-systematic attendance of certain issues. The Risk Management Policy which has been adopted by the Company has in its scope, the establishment of a process for risk assessment, identification of risks both internal & external, cyber security risk and a detailed process for evaluation and mitigation of risks and is reviewed periodically by the Audit Committee to ensure its effectiveness. During the FY'22, the Company has formed a Risk Management Committee, the details of which are provided in the Report on Corporate Governance as attached to this Report.

DISCLOSURES

(a) There has been no change in the nature of business of the Company during the year under review. Further, in order to expand its horizons, the Company is planning to explore into newer fields of upcoming opportunities in defence segment and for which the Company has obtained the approval of the shareholders to the altered object clause of the Memorandum of Association of the Company.

The alterations as to the Object Clause was approved at the EGM held on 25th March 2021.

(b) There are no significant and material orders passed by the Regulators/ Courts that would impact the going concern status of the Company and its future operations.

(c) There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of financial year and the date of this Report.

(d) The Reports of the Auditors do not contain any qualification / modification and hence no explanation is required.

(e) The Board had earlier approved the Rights Issue in April 2019 for an issue size not exceeding INR 2000 mn. However, due to steep decline in the market price of the shares of the Company and plummeting GDP & Economy, the Board at its Meeting held on 8th September 2020 had withdrawn the Rights Issue.

(f) Share Capital

During the year, the Board of the Company has proposed the issuance of Equity Shares by way of Preferential Issue to Messrs Zuari Global Limited, Adventz Finance Private Limited & Mr Saroj Kumar Poddar (as an individual),

for an amount not exceeding INR 2000 mn, which was approved by the Members of the Company at the AGM held on 30th September 2020. In terms of the approval, your Company has allotted 93,54,839 & 1,61,29,031 Equity Shares of face value of INR 1/- each at a price of INR 31/- each to Adventz Finance Private Limited and Mr Saroj Kumar Poddar (as an individual) respectively by way of preferential issue against conversion of loan availed by the Company from them. Consequent to the aforesaid allotment, the paid up capital of the Company has increased from 22,48,59,382 Equity Shares of INR 1/- each to 25,03,43,252 Equity Shares of INR 1/- each.

Further, the Board at its Meeting held on 1st March 2021 has proposed the issuance of Equity Shares by way of Preferential Issue to Messrs Zuari Global Limited and Adventz Finance Private Limited, for an amount not exceeding INR 1150 mn. Accordingly, an Extra Ordinary General Meeting of the Shareholders was convened on 25th March 2021, inter-alia, for issuance of Equity Shares to Messr Zuari Global Limited for an amount not exceeding INR 900 mn. However, the Shareholders had not approved the said proposal.

(g) **Deposits**

During the FY'21, the Company has not accepted any Deposit under the provisions of the Act.

(h) **Disclosures under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

An Internal Complaints Committee ('ICC') has been set up in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder to promote safe & healthy work environment and to redress complaints received regarding sexual harassment. The ICC meets at regular intervals. Your Company has in place a Policy on prevention of Sexual Harassment in accordance with the said Act and Rules.

During the year, no complaint was received by the ICC.

(i) **Disclosure with respect to compliance of Secretarial Standards**

The Company has duly complied with the necessary requirements of the Secretarial Standards relating to Board Meetings and General Meetings as issued by the Institute of Company Secretaries of India.

Dividend Distribution Policy

Your Company has in place a Dividend Distribution Policy in line with the requirements of the Listing Regulations. There has been no change in the policy during the year. The weblink for accessing such policy is: [https://www.texmaco.in/webfiles/doc/Investors Information/Dividend Distribution Policy.pdf](https://www.texmaco.in/webfiles/doc/Investors%20Information/Dividend%20Distribution%20Policy.pdf)

Corporate Governance

Report on Corporate Governance pursuant to the Listing Regulations is enclosed as **Annexure F** and forms a part of this Report.

Business Responsibility Report

Business Responsibility Report pursuant to the Listing Regulations is enclosed as **Annexure G** and forms a part of this Report.

Particulars of Loans, Guarantees and Investments

The details of Loans, Corporate Guarantees and Investments made during the financial year under the provisions of Section 186 of the Act have been disclosed in the Financial Statements of the Company.

Related Party Transactions

All related party transactions during the FY'21 were entered in the ordinary course of business and on arm's length basis.

An omnibus approval from the Audit Committee for the financial year is obtained for the transactions which are repetitive in nature. All related party transactions are reported to and approved by the Audit Committee / Board. The details of such transactions were also placed before the Audit Committee and the Board for their review, on a quarterly basis. During the year, there was no material related party transaction entered into by the Company and as such disclosure in Form AOC-2 is not required.

The Company has in place a policy on dealing with related party transactions and the same is disclosed on the Company's website. The weblink for accessing such policy is: [https://www.texmaco.in/webfiles/doc/Investors Information/RPTP.PDF](https://www.texmaco.in/webfiles/doc/Investors%20Information/RPTP.PDF)

During the year under review, there has been no change in the policy.

OTHER INFORMATION

Annual Return

The copy of the Annual Return is available on the website of the Company. The weblink for accessing Annual Return is: https://www.texmaco.in/webfiles/doc/annual_report/ART2021.pdf

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

Your Directors state that:

- (a) in the preparation of the Annual Financial Statements, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) such accounting policies are applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) proper and sufficient care had been taken 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;
- (d) the Annual Financial Statements of the Company have been prepared on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

For and on behalf of the Board

Dated: 14th May 2021
Place: Kolkata

S. K. Poddar
Chairman

List of Enclosures to the Report of the Board of Directors

| | |
|---|------------|
| Annual Report on Corporate Social Responsibility | Annexure-A |
| Particulars of Employees as per the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 | Annexure-B |
| Disclosure relating to Remuneration as per the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 | Annexure-C |
| Disclosures relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo | Annexure-D |
| Secretarial Audit Report | Annexure-E |
| Report on Corporate Governance | Annexure-F |
| Business Responsibility Report | Annexure-G |

ANNEXURE - A

Annual Report on Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

1. Brief outline on CSR Policy of the Company.

Our projects and initiatives are guided by the CSR Policy of the Company and reviewed closely by the CSR Committee, institutionalized and adopted by the Board of Directors as per Section 135 of the Companies Act, 2013. The policy is available on the website of the Company.

Driven by passion to make a difference to society, your Company is committed to upholding the highest standards of Corporate Social Responsibility. Your Company has continued its progress on community initiatives with renewed vigour and devotion.

2. Composition of CSR Committee:

| Sl. No. | Name of Director | Designation / Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---------|-----------------------------|--------------------------------------|--|--|
| 1. | Mr D. H. Kela, Executive | Chairperson | 1 | 1 |
| 2. | Mr Sunil Mitra, Independent | Member | 1 | 1 |
| 3. | Mr A. K. Vijay, Executive | Member | 1 | 1 |

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The weblink for accessing the composition of CSR Committee is:

https://www.texmaco.in/webfiles/doc/Investors_Information/Composition-of-Committee.pdf

The weblink for accessing CSR Policy & projects approved by the Board is:

https://www.texmaco.in/webfiles/doc/Investors_Information/CSR_POLICY_TEXRAIL.pdf

During the year under review, there has been no change in the policy.

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report). N.A.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

| Sl. No. | Financial Year | Amount available for set-off from preceding financial years (₹ in Lakhs) | Amount required to be set-off for the financial year, if any (₹ in Lakhs) |
|---------|----------------|--|---|
| 1 | 2018-19 | N.A. | N.A. |
| 2 | 2019-20 | | |
| 3 | 2020-21 | | |
| | Total | | |

6. Average net profit of the company as per section 135(5) - ₹ 365.63 Lakhs

7. (a) Two percent of average net profit of the company as per section 135(5) - ₹ 7.31 Lakhs
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.- NIL
 (c) Amount required to be set off for the financial year, if any- NIL
 (d) Total CSR obligation for the financial year (7a+7b-7c).- ₹ 7.31 Lakhs
8. (a) CSR amount spent or unspent for the financial year:

| Total Amount Spent for the Financial Year. (₹ in Lakhs) | Amount Unspent (₹ in Lakhs) | | | | |
|--|---|------------------|---|--------|------------------|
| | Total Amount transferred to Unspent CSR Account as per section 135(6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5) | | |
| | Amount | Date of transfer | Name of the Fund | Amount | Date of transfer |
| 11.61 | N.A. | | N.A. | | |

- (b) Details of CSR amount spent against ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | (9) | (10) | (11) | |
|---------|---------------------|---|---------------------|-------------------------|----------|------------------|---|---|--|--|--|-------------------------|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the Act | Local area (Yes/No) | Location of the project | | Project duration | Amount allocated for the project (₹ in Lakhs) | Amount spent in the current financial Year (₹ in Lakhs) | Amount transferred to Unspent CSR Account for the project as per Section 135(6) (₹ in Lakhs) | Mode of Implementation - Direct (Yes/No) | Mode of Implementation - Through Implementing Agency | |
| | | | | State | District | | | | | | Name | CSR Registration number |
| N.A. | | | | | | | | | | | | |

- (c) Details of CSR amount spent against other than ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|--------------|---------------------|---|---------------------|-------------------------|-------------------|---|--|--|-------------------------|
| Sl. No. | Name of the Project | Item from the list of activities in schedule VII to the Act | Local area (Yes/No) | Location of the project | | Amount spent for the project (₹ in Lakhs) | Mode of implementation - Direct (Yes/No) | Mode of implementation - Through implementing agency | |
| | | | | State | District | | | Name. | CSR registration number |
| 1. | Health | I | Yes | W.B. | North 24 Parganas | 4.92 | Yes | N.A. | N.A. |
| 2. | Education | II | Yes | W.B. | North 24 Parganas | 6.69 | Yes | N.A. | N.A. |
| Total | | | | | | 11.61 | | | |

- (d) Amount spent in Administrative Overheads-Nil
 (e) Amount spent on Impact Assessment, if applicable- N.A.
 (f) Total amount spent for the Financial Year (8b+8c+8d+8e)- ₹ 11.61 Lakhs
 (g) Excess amount for set off, if any- ₹ 4.30 Lakhs

| Sl. No. | Particular | Amount (₹ in Lakhs) |
|---------|---|---------------------|
| (i) | Two percent of average net profit of the company as per section 135(5) | 7.31 |
| (ii) | Total amount spent for the Financial Year | 11.61 |
| (iii) | Excess amount spent for the financial year [(ii)-(i)] | 4.30 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years [(iii)-(iv)] | 4.30 |

9. (a) Details of Unspent CSR amount for the preceding three financial years:

| Sl. No. | Preceding Financial Year | Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lakhs)* | Amount spent in the reporting Financial Year (₹ in Lakhs) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any | | | Amount remaining to be spent in succeeding financial years. (₹ in Lakhs) |
|---------|--------------------------|---|---|---|---------------------|-------------------|--|
| | | | | Name of the Fund | Amount (₹ in Lakhs) | Date of transfer. | |
| 1. | 2019-20 | - | 62.96 | - | - | - | N.A. |
| 2. | 2018-19 | - | 52.66 | - | - | - | |
| 3. | 2017-18 | - | 33.05 | - | - | - | |
| | Total | - | 148.67 | - | - | - | |

*The requirement of transferring to the unspent account has become applicable w.e.f. 22nd January 2021. The Company during the FY'21 has spent in excess of the required CSR amount.

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---------|------------|---------------------|---|------------------|---|--|---|--|
| Sl. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (₹ in Lakhs) | Amount spent on the project in the reporting Financial Year (₹ in Lakhs) | Cumulative amount spent at the end of reporting Financial Year (₹ in Lakhs) | Status of the project - Completed /Ongoing |
| N.A. | | | | | | | | |

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year.

(asset-wise details).

(a) Date of creation or acquisition of the capital asset(s).

(b) Amount of CSR spent for creation or acquisition of capital asset.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

} N.A.

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5)- N.A.

S. K. Poddar
Chairman

D. H. Kela
Chairman of CSR Committee

ANNEXURE - B

[Particulars of employees under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|--------------------------------|---|-------------|------------------|---|--------------------|--|--|
| Name | Designation | Age (Years) | Remuneration (₹) | Qualifications | Experience (Years) | Date of Commencement of Employment | Previous Employment |
| 1. Poddar Saroj Kumar | Executive Chairman | 75 | 2,74,37,284 | B.Com (Hons) | 52 | 01-01-2006 | M/s. Poddar Heritage Investments Limited |
| 2. Kamath Udyavar Vittal | Chief Executive – Rail EPC Division, Unit Bright Power | 56 | 2,00,31,854 | B. E. (Electrical) | 34 | 01-04-2017 (on Merger of Bright Power into the Company) | Square Automation |
| 3. Maheshwari Ramesh* | Corporate Advisor | 88 | 2,00,08,235 | M.Com., L.L.B. | 65 | 01-02-1962 | M/s. F & Cosler (India) Limited & Sister Concerns |
| 4. Kela Damodar Hazarimal | Executive Director & CEO (Steel Foundry) | 80 | 95,37,810 | B.E. (Metallurgy) | 55 | 14-11-2000 | M/s. Hindusthan Engineering & Industries Limited |
| 5. Subbanna Mohan Kumar Mysore | Chief Executive (Projects) - Rail EPC Division, Unit Kalindee | 55 | 79,40,835 | B.E. (Electrical) | 33 | 01-04-2014 (on Merger of Kalindee Unit into the Company) | M/s. L & T Limited |
| 6. Kottawar Arvind Dattatraya | COO – Rail EPC Division, Unit Bright Power | 54 | 68,55,217 | MIE (Electrical) C.Eng. | 34 | 27-06-2017 | Atkins Global, UK & India |
| 7. Kejriwal Prakash Chandra | Chief Financial Officer – Rail EPC Division, Unit Kalindee | 52 | 61,65,914 | FCA | 29 | 18-06-2011 | M/s. Duncans Tea Limited |
| 8. Mookerjee Indrajit® | Managing Director | 73 | 58,89,838 | B.Tech (Hons.) | 49 | 02-04-2020 | M/s. Lorch Welding Products Private Limited |
| 9. Chimpiri Satyaprasad | G.M. – (Projects) - Rail EPC Division, Unit Bright Power | 61 | 55,43,000 | B.A. | 39 | 01-04-2017 (on Merger of Bright Power into the Company) | M/s. ECS Industries Limited |
| 10. Venkataraman Ramesh | Sr. G.M. - Rail EPC Division, Unit Bright Power | 57 | 55,32,408 | Diploma in Electrical & Electronics, MBA – Fin. (IGNOU) | 35 | 05-08-2014 | M/s. Hythro Power Pvt. Ltd. |
| 11. Gupta Ashish Kumar | Deputy Managing Director | 50 | 52,08,133 | B. Tech (Electrical) | 28 | 17-11-2020 | M/s. Tata Martrade International Logistics Limited |

* Ceased to be Corporate Advisor w.e.f close of business on 30th September 2020

® Re-designated as Managing Director w.e.f. 2nd April 2020 (was appointed as Independent Director w.e.f. 9th September 2019).

Notes:

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

ANNEXURE - C

[Disclosure relating to remuneration as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- a. The ratio of remuneration of each of the Directors and Key Managerial Personnel to the median remuneration of the employees of the Company for the financial year ended 31st March 2021 is as below:

| Sl. No. | Name of Directors/KMP | Designation | Ratio of Remuneration to Median Remuneration of all the employees | Increase in remuneration over previous Financial Year (in%) |
|---------|--|--|---|---|
| i. | Mr S. K. Poddar | Executive Chairman | 141:1 | |
| ii. | Mr Indrajit Mookerjee [®] | Managing Director | 30:1 | |
| iii. | Mr A. K. Gupta [#] | Deputy Managing Director | 27:1 | |
| iv. | Mr D. H. Kela | Executive Director & CEO (SF) | 49:1 | |
| v. | Mr A. K. Vijay | Executive Director & CFO | 28:1 | |
| vi. | Mr U. V. Kamath [^] | Executive Director & CE (Bright Power) | 103:1 | |
| vii. | Mr A. C. Chakrabortti | Independent Director | 4:1 | |
| viii. | Mr D. R. Kaarthikeyan | Independent Director | 3:1 | |
| ix. | Mr Utsav Parekh | Independent Director | 2:1 | |
| x. | Mr Sunil Mitra | Independent Director | 3:1 | |
| xi. | Ms Mridula Jhunjunwala [*] | Independent Director | 3:1 | |
| xii. | Mr Virendra Sinha [§] | Independent Director | 1:1 | |
| xiii. | Ms Rusha Mitra [§] | Independent Director | 1:1 | |
| xiv. | Mr Akshay Poddar | Non-executive & Non-Independent Director | 3:1 | |
| xv. | Mr Ravi Varma | G.M. (Corp. Affairs) & Company Secretary | 11:1 | |
| b. | The percentage increase in the median remuneration of employees in the financial year ended March 2021. | | | NIL |
| c. | The number of permanent employees of the Company as on 31 st March 2021: | | | 2403 Nos. |
| d. | <p>- Median Remuneration and Average Remuneration of all employees have increased by: NIL.</p> <p>- There has been no change in the average remuneration of employees excluding Key Managerial Personnel. In order to ensure that remuneration reflects Company's performance, the variable pay is linked to organization and business unit's performance, apart from individual's performance.</p> <p>- There has been no change in the Remuneration of Key Managerial Personnel.</p> | | | |
| e. | The remuneration of Directors, Key Managerial Personnel and other employees is in accordance with the Remuneration Policy of the Company. The same can be accessed on the website of the Company at the link: https://www.texmaco.in/webfiles/doc/Investors_Information/REMUNERATION_POLICY_TexRail.pdf | | | |

[®] Re-designated as Managing Director w.e.f. 2nd April 2020

[#] Appointed w.e.f. 17th November 2020

[^] Appointed w.e.f. 1st August 2020 and resigned w.e.f. 8th September 2020

^{*} Ceased w.e.f. close of business on 19th March 2021

[§] Appointed w.e.f. 17th February 2021

ANNEXURE - D

[Information as per Section 134 of the Companies Act, 2013
read with the Companies (Accounts) Rules, 2014]

(A) Conservation of energy -

- i. The steps taken or impact on conservation of energy:

Installation and commissioning of Power Factor Improvement System continued during the year.

- ii. The steps taken by the Company for utilising alternate sources of energy:

Your Company has commissioned 50 KW solar panel on roof top of its Corporate Office and it is functioning well. TATA Solar Power and others are carrying out the survey for further addition of Solar Power generation.

- iii. The capital investment on energy conservation equipments:

Two nos. 11KV / 650KVA Transformer have been installed and commissioned. All Electrical heat treatment furnaces have been put / connected with new 440V bus.

(B) Technology absorption-

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

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

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

- iii. The expenditure incurred on Research and Development – ₹ 129.54 Lakhs

(C) Foreign exchange earnings ₹ 10,255.24 Lakhs and outgo ₹ 2,753.65 Lakhs.

ANNEXURE - E

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and
Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To

The Members

Texmaco Rail & Engineering Limited

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2021 complied with the statutory provisions listed hereunder and also that the Company has maintained proper Board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined books, papers, minute books, forms and returns filed and other records maintained by **TEXMACO RAIL & ENGINEERING LIMITED** for the financial year ended on 31st March 2021 according to the provisions of the following, in so far as they are applicable to the Company:

1. The Companies Act, 2013 ('the Act') and the rules made thereunder,;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;

5. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
 - f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, to the extent applicable.
6. The following other laws specially applicable to the Company:-
 - a) The Factories Act, 1948 read with Rules;
 - b) The Industrial Disputes Act, 1947 read with Rules;
 - c) The Environment (Protection) Act, 1986.

We have also examined compliance with the applicable Clauses/ Regulations of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc., mentioned above. The Company has received notices from Stock Exchanges for appointment of Independent Directors in view of new appointment of Deputy Managing Director on the Board of Directors of the Company. The Company has appointed two Independent Directors w.e.f. 17th February 2021.

We further report that:

- the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non – Executive Directors and Independent Directors. There is adequate number of Independent Directors on the Board of Directors of the Company as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the provisions of the Act. There were no changes in the composition of the Board of Directors that took place during the period under review except the appointments of Mr Ashish Kumar Gupta as Deputy Managing Director w.e.f. 17th November 2020 and Mr Virendra Sinha and Ms Rusha Mitra as Independent Directors w.e.f. 17th February 2021; completion of term of Ms Mridula Jhunjunwala as Independent Director of the Company w.e.f. 19th March 2021 and redesignation of Mr Indrajit Mookerjee as Managing Director of the Company w.e.f. 2nd April 2020. Further, Mr U. V. Kamath was appointed as Executive Director w.e.f. 1st August 2020 and he resigned w.e.f. 8th September 2020.

Place : Kolkata
Dated : 14th May 2021

- adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed Notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the Meeting and for meaningful participation at the Meeting.
- unanimously/ majority decision is carried through while the dissenting member’s views are captured and recorded as part of the minutes.

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

We further report that during the audit period, the Company has raised capital by issuing 2,54,83,870 (Two crores fifty four lakhs eighty three thousand eight hundred and seventy only) Equity Shares having face value of ₹ 1/- each at a premium of ₹ 30/- each through preferential issue. Consequent to the allotment, the paid up capital of the Company has increased from 22,48,59,382 Equity Shares of ₹ 1/- each to 25,03,43,252 Equity Shares of ₹ 1/- each.

We further report that during the audit period, the Company has enlarged its Objects Clause and amended the existing Memorandum and Articles of Association.

We further report that during the audit period, the Company has withdrawn its proposal of Rights Issue which was earlier approved by the Board at its Meeting held on 26th April 2019. The said withdrawal was approved by the Board at its Meeting held on 8th September 2020.

For S R & Associates
GEETA ROY CHOWDHURY
Partner

Unique Code of Partnership Firm: **P2008WB016700**
Membership No: **FCS: 7040; C.P. No.: 7741**
Unique Code of Number: **12007WB599800**
UDIN: **F007040C000299860**

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

Annexure

To
The Members
Texmaco Rail & Engineering Limited

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

For S R & Associates
GEETA ROY CHOWDHURY
Partner

Unique Code of Partnership Firm: **P2008WB016700**
Membership No: **FCS: 7040; C.P. No.: 7741**
Unique Code of Number: **12007WB599800**
UDIN: **F007040C000299860**

Place : Kolkata
Dated : 14th May 2021

ANNEXURE - F

Report on Corporate Governance

1. Company's philosophy on Code of Governance

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

2. Board of Directors

The Company's Board of Directors ('Board') holds a fiduciary duty towards the stakeholders. Your Company's Board comprises 12 (twelve) Directors, representing the optimum mix of professionalism & knowledge with diverse experience and in compliance with the provisions of the Companies Act, 2013 ('Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). 6 (six) Directors of the current strength of the Board are Independent Directors as on 31st March 2021. The category of Directors, number of Directorships in other companies including the name of listed entities and their category thereof and the, number of Committees in which such Director is a Chairperson or Member are mentioned below:-

| Name of the Directors | Category of Directorship | No. of Directorships in other Companies** | Name of other listed entities where the person is a Director and the category of directorship | | No. of Chairpersonship/ Membership of Board Committees in Companies ^^ | |
|---|----------------------------------|---|---|--|--|--------|
| | | | Name | Category | Chairperson | Member |
| Mr S. K. Poddar (DIN: 00008654) | Executive Chairperson - Promoter | 11 | Texmaco Infrastructure & Holdings Limited | Non-Executive & Non Independent Director-Chairperson | - | - |
| | | | Chambal Fertilisers and Chemicals Limited | Non-Executive & Non Independent Director-Chairperson | - | - |
| | | | Zuari Agro Chemicals Limited | Non-Executive & Non Independent Director-Chairperson | - | - |
| | | | Zuari Global Limited | Non-Executive & Non Independent Director-Chairperson | - | - |
| Mr Indrajit Mookerjee ⁵ (DIN: 01419627) | Managing Director | 5 | - | - | - | 1 |
| Mr A. K. Gupta [#] (DIN: 07808012) | Deputy Managing Director | 0 | - | - | - | - |
| Mr A. C. Chakrabortti (DIN: 00015622) | Independent | 4 | Asian Hotels (East) Limited | Non-Executive & Independent Director | 2 | 2 |
| Mr D. R. Kaarthikeyan (DIN: 00327907) | Independent | 6 | Texmaco Infrastructure & Holdings Limited | Non-Executive & Independent Director | - | 3 |
| | | | Taj GVK Hotels and Resorts Limited | Non-Executive & Independent Director | - | - |
| | | | Lotus Eye Hospital and Institute Limited | Non-Executive & Independent Director | - | - |
| Mr Sunil Mitra (DIN: 00113473) | Independent | 8 | CESC Limited | Non-Executive & Independent Director | - | 7 |
| | | | Firstsource Solutions Limited | Non-Executive & Independent Director | - | - |
| | | | Century Plyboards (India) Limited | Non-Executive & Independent Director | - | - |

| Name of the Directors | Category of Directorship | No. of Directorships in other Companies** | Name of other listed entities where the person is a Director and the category of directorship | | No. of Chairpersonship/ Membership of Board Committees in Companies ^^ | |
|---|--|---|---|--|--|--------|
| | | | Name | Category | Chairperson | Member |
| Ms Mridula Jhunjhunwala* (DIN: 05339373) | Independent | N.A. | N.A. | N.A. | N.A. | N.A. |
| Mr Utsav Parekh (DIN: 00027642) | Independent | 11 | Texmaco Infrastructure & Holdings Limited | Non-Executive & Independent Director | 4 | 7 |
| | | | SMIFS Capital Markets Limited | Non-Executive & Non Independent Director-Chairperson | | |
| | | | Xpro India Limited | Non-Executive & Independent Director | | |
| | | | Spencer's Retail Limited | Non-Executive & Independent Director | | |
| | | | Eveready Industries India Ltd. | Non-Executive Director & Non Independent Director | | |
| Mr Virendra Sihna [^] (DIN: 03113274) | Independent | 2 | - | - | - | 1 |
| Ms Rusha Mitra [^] (DIN: 08402204) | Independent | 5 | Harrisons Malayalam Ltd | Non-Executive & Independent Director | 1 | 3 |
| | | | Lux Industries Limited | Non-Executive & Independent Director | | |
| | | | GKW Ltd | Non-Executive & Independent Director | | |
| Mr Akshay Poddar ⁺ (DIN: 00008686) | Non-executive & Non-independent - Promoter | 17 | Texmaco Infrastructure & Holdings Limited | Non-Executive & Non Independent Director | 1 | 3 |
| | | | Adventz Securities Enterprises Limited | Non-Executive & Non Independent Director | | |
| | | | Mangalore Chemicals & Fertilizers Limited | Non-Executive & Non Independent Director | | |
| | | | Zuari Agro Chemicals Limited | Non-Executive & Non Independent Director | | |
| | | | Gobind Sugar Mills Ltd. | Non-Executive & Non Independent Director | | |
| Mr D. H. Kela (DIN: 01050842) | Executive | 2 | - | - | - | 1 |
| Mr A. K. Vijay (DIN: 01103278) | Executive | 6 | - | - | - | 1 |
| Mr U. V. Kamath [€] (DIN: 00648897) | Executive | N.A. | N.A. | N.A. | N.A. | N.A. |

[§]Re-designated as Managing Director w.e.f. 2nd April 2020

[#]Appointed w.e.f. 17th November 2020

^{*}Ceased w.e.f. close of business on 19th March 2021

[^]Appointed w.e.f. 17th February 2021

⁺Mr Akshay Poddar is the son of Mr S. K. Poddar.

[€]Appointed w.e.f. 1st August 2020 and resigned w.e.f. 8th September 2020

^{**}Excluding Foreign Companies.

[^]Membership / Chairpersonship in Audit Committee and Stakeholders Relationship Committee, including those in the Company.

No Director of the Company was a member of more than 10 (ten) committees or chairperson of more than 5 (five) committees across the Public / Listed companies in which he / she was a Director as on 31st March 2021. For the purpose of determination of limit, chairpersonship and membership of the Audit Committee and the Stakeholders Relationship Committee had been considered. Further, the chairpersonship in the said committee(s) is also considered as the membership as disclosed in this Report.

The attendance of the Directors at the Board Meetings and at the last Annual General Meeting ('AGM') held during the FY'21 are given below:-

| Name of the Directors | Board Meeting Dates | | | | | AGM Date |
|--------------------------------------|----------------------------|--------------------------------|-------------------------------|-------------------------------|----------------------------|---------------------------------|
| | 17 th June 2020 | 8 th September 2020 | 19 th October 2020 | 29 th January 2021 | 1 st March 2021 | 30 th September 2020 |
| Mr S. K. Poddar (Chairman) | √ | √ | √ | √ | √ | √ |
| Mr Indrajit Mookerjee [§] | √ | √ | √ | √ | √ | √ |
| Mr A. K. Gupta [#] | NA | NA | NA | √ | √ | NA |
| Mr A. C. Chakrabortti | √ | √ | √ | √ | √ | √ |
| Mr D. R. Kaarthikeyan | √ | √ | √ | √ | √ | √ |
| Mr Sunil Mitra | √ | √ | √ | √ | √ | √ |
| Ms Mridula Jhunjhunwala [*] | √ | √ | √ | √ | √ | √ |
| Mr Utsav Parekh | √ | √ | √ | √ | √ | √ |
| Mr Akshay Poddar | √ | √ | √ | √ | √ | √ |
| Mr D. H. Kela | √ | √ | √ | √ | √ | √ |
| Mr A. K. Vijay | √ | √ | √ | √ | √ | √ |
| Mr U. V. Kamath [€] | NA | √ | NA | NA | NA | NA |
| Mr Virendra Sinha [^] | NA | NA | NA | NA | √ | NA |
| Ms Rusha Mitra [^] | NA | NA | NA | NA | √ | NA |

[§]Re-designated as Managing Director w.e.f. 2nd April 2020

[#]Appointed w.e.f. 17th November 2020

^{*}Ceased w.e.f. close of business on 19th March 2021

[€]Appointed w.e.f. 1st August 2020 and resigned w.e.f. 8th September 2020

[^]Appointed w.e.f. 17th February 2021

Skills/expertise/competencies identified by the Board

The skills/expertise/competencies as identified by the Board as required in the context of the business(es) and the sector(s) your Company operates into are as follows:-

- 1. Strategic Planning:** Your Company strives to achieve a competitive advantage in the market based on its strategic planning and research activities.
- 2. Sales & Marketing:** Your Company's overall sales performance has remarkably improved over the last few years, except for the period affected by the pandemic COVID-19. With regular market study and emphasis on consumerism, your Company seeks to achieve long-term marketing synergies.
- 3. Technology:** With a drive to enhance the technical base and modify the existing ones, your Company is well equipped

to set new benchmarks against the advanced technology available in the market.

- 4. Financial:** The Directors of your Company possess vast experience in handling financial management along with an understanding of accounting and financial statements to ensure that the Company can achieve proficiency in managing complex financial systems.
- 5. Governance:** Your Company strives to adopt best business practices in the sectors it operates into and in maintaining transparency with the stakeholders. Practicing good Corporate Governance has been your Company's backbone and a marked accolade.
- 6. Global Presence:** With a view to become a global leader, your Company has tied-up with the global players to expand the reach of its product portfolio worldwide.

Director's Area of Expertise: All the Directors on the Board possess most of the skills/ expertise/ competencies identified, however their area of core expertise is given as below:

| Name of the Directors | Areas of expertise | | | | | |
|-----------------------|--------------------|-------------------|------------|-----------|------------|-----------------|
| | Strategic Planning | Sales & Marketing | Technology | Financial | Governance | Global Presence |
| Mr S. K. Poddar | √ | √ | √ | √ | √ | √ |
| Mr A. C. Chakrabortti | √ | | | √ | √ | √ |
| Mr D. R. Kaarthekeyan | √ | | √ | √ | √ | |
| Mr Sunil Mitra | √ | | √ | √ | √ | √ |
| Mr Utsav Parekh | √ | √ | | √ | √ | √ |
| Mr Virendra Sinha | √ | √ | | √ | √ | √ |
| Ms Rusha Mitra | √ | | | | √ | √ |
| Mr Akshay Poddar | √ | √ | √ | √ | √ | √ |
| Mr Indrajit Mookerjee | √ | √ | √ | | √ | √ |
| Mr A. K. Gupta | √ | √ | √ | | √ | √ |
| Mr D. H. Kela | √ | √ | √ | | √ | √ |
| Mr A. K. Vijay | √ | √ | | √ | √ | √ |

3. Audit Committee

The role of the Audit Committee of the Company inter-alia includes oversight of the financial reporting process including its quality and integrity; review of controls and financial statements; monitoring of legal and regulatory compliances; review of the auditors' independence and the performance of Company's internal audit function.

Terms of Reference and Composition

The terms of reference of the Committee cover the matters specified for the Audit Committee under Section 177 of the Act and the Listing Regulations.

The Audit Committee comprises 3 (three) Directors. The Company Secretary of the Company act as the Secretary to the Audit Committee. During the FY'21, the Committee met 4 (four) times. The details of the Meetings of the Audit Committee and the attendance of the Directors at the Meetings held during the financial year are given below:

| Name & Category of the Directors | Meeting Dates | | | |
|---|----------------------------|--------------------------------|-------------------------------|-------------------------------|
| | 17 th June 2020 | 8 th September 2020 | 19 th October 2020 | 29 th January 2021 |
| Mr A. C. Chakrabortti, <i>Chairperson, Independent</i> | √ | √ | √ | √ |
| Mr D. R. Kaarthekeyan, <i>Independent</i> | √ | √ | √ | √ |
| Ms Mridula Jhunhunwala*, <i>Independent</i> | √ | √ | √ | √ |
| Mr Indrajit Mookerjee [§] , <i>Executive</i> | NA | √ | √ | √ |

*Ceased w.e.f. close of business on 19th March 2021.

§Appointed w.e.f. 17th June 2020.

Mr Utsav Parekh was appointed as a member of the Audit Committee w.e.f 14th May 2021

4. Nomination and Remuneration Committee

The role of the Nomination and Remuneration Committee of the Company inter-alia includes review & evaluation of the Company's nomination process and to assist the Board in identifying, screening & reviewing individuals qualified to serve as Directors and KMP.

The Committee under the nomenclature 'Compensation Committee' has the responsibility for administering the Employee Stock Option Scheme of the Company.

Terms of Reference and Composition

The terms of reference of the Committee cover the matters specified for the Nomination and Remuneration Committee under Section 178 of the Act and the Listing Regulations.

The Nomination and Remuneration Committee comprises 3 (three) Directors. During the FY'21, the Committee met 3 (three) times. The details of the Meetings of the Nomination and Remuneration Committee and the attendance of the Directors at the Meetings held during the financial year are given below:

| Name & Category of the Directors | Meeting Dates | | |
|--|----------------------------|-------------------------------|--------------------------------|
| | 17 th June 2020 | 15 th October 2020 | 12 th February 2021 |
| Mr A. C. Chakrabortti, <i>Chairperson, Independent</i> | √ | √ | √ |
| Mr Akshay Poddar, <i>Non-executive & Non-independent</i> | √ | √ | √ |
| Mr Sunil Mitra, <i>Independent</i> | √ | √ | √ |
| Ms Mridula Jhunjunwala*, <i>Independent</i> | √ | √ | √ |

*Ceased w.e.f. close of business on 19th March 2021.

Remuneration of Directors

The Remuneration of Executive Directors is fixed by the Board as recommended by the Nomination and Remuneration Committee and approved by the Shareholders' at the General Meeting. Non-executive Directors are eligible for sitting fee and a commission not exceeding 1% of the net profits of the Company for each financial year, with a ceiling of ₹ 2,00,000/- per annum on commission for each such Director. The sitting fee for attending the Board Meeting or Audit Committee Meeting is ₹ 40,000/- each and the sitting fee for attending the other Committee/Sub-committee Meeting is ₹ 25,000/- each as approved by the Board.

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is available on the website of the Company. The web link for accessing such policy is:

[https://www.texmaco.in/webfiles/doc/Investors Information/REMUNERATION_POLICY_TexRail.pdf](https://www.texmaco.in/webfiles/doc/Investors%20Information/REMUNERATION_POLICY_TexRail.pdf)

There was no change in the policy during the FY'21.

The details of the remuneration paid to the Directors during the FY'21 are given below:

i) Non-executive Directors

| Name of the Directors | Sitting Fee for the year (in ₹) | Commission for the year (in ₹) | Total (in ₹) | No. of Equity Shares held in the Company |
|-------------------------|---------------------------------|--------------------------------|--------------|--|
| Mr A. C. Chakrabortti | 4,85,000 | 2,00,000 | 6,85,000 | 1,800 |
| Mr D. R. Kaarthikeyan | 3,85,000 | 2,00,000 | 5,85,000 | - |
| Mr Sunil Mitra | 3,75,000 | 2,00,000 | 5,75,000 | - |
| Ms Mridula Jhunjunwala* | 4,60,000 | 1,93,425 | 6,53,425 | - |
| Mr Utsav Parekh | 2,00,000 | 2,00,000 | 4,00,000 | - |
| Mr Virendra Sinha^ | 65,000 | 23,562 | 88,562 | - |
| Ms Rusha Mitra^ | 65,000 | 23,562 | 88,562 | - |
| Mr Akshay Poddar | 3,00,000 | 2,00,000 | 5,00,000 | 14,820 |

*Ceased w.e.f. close of business on 19th March 2021

^Appointed w.e.f. 17th February 2021

ii) Executive Directors

| Name of the Directors | Designation | Salary (in ₹) | Perquisites and Allowances** (in ₹) | Retirement Benefits (in ₹) |
|------------------------------------|--------------------------|---------------|-------------------------------------|----------------------------|
| Mr S. K. Poddar | Executive Chairman | 2,51,85,484 | 22,51,800 | As per Company's Rules |
| Mr Indrajit Mookerjee ⁵ | Managing Director | 39,54,360 | 19,35,478 ⁶ | |
| Mr A. K. Gupta [#] | Deputy Managing Director | 22,33,333 | 29,74,800 | |
| Mr D. H. Kela | Executive Director | 77,51,962 | 17,85,848 | |
| Mr A. K. Vijay | Executive Director | 38,47,715 | 16,31,872 | |
| Mr U. V. Kamath [€] | Executive Director | 66,00,000 | 1,34,31,854 | |

⁵Re-designated as Managing Director w.e.f. 2nd April 2020

[#]Appointed w.e.f. 17th November 2020.

[€]Appointed w.e.f. 1st August 2020 and resigned w.e.f. 8th September 2020

⁶Includes commission of ₹ 548/- paid to him during his tenure as Independent Director.

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

5. Stakeholders Relationship Committee

The role of the Stakeholders Relationship Committee inter-alia includes overseeing various aspects of interest of stakeholders and redressal of shareholders' / investors' grievances & complaints.

Terms of Reference and Composition

The terms of reference of the Committee cover the matters specified for the Stakeholders Relationship Committee under Section 178 of the Act and the Listing Regulations.

The Stakeholders Relationship Committee comprises 4 (four) Directors. During the FY'21, the Committee met once. The details of the Meeting of the Stakeholders Relationship Committee and the attendance of the Directors at the Meeting held during the financial year are given below:

| Name & Category of the Directors | Meeting Date |
|--|-------------------------------|
| | 15 th January 2021 |
| Mr Akshay Poddar, Chairperson, Non-executive & Non-independent | √ |
| Mr Sunil Mitra, Independent | √ |
| Mr D. H. Kela, Executive | √ |
| Mr A. K. Vijay, Executive | √ |

Mr Ravi Varma, Company Secretary is the Compliance Officer of the Company.

The grievances received are dealt by the Registrar &

Share Transfer Agent / Compliance Officer / Stakeholders Relationship Committee of the Company.

All the grievances received from the Shareholders are redressed within the stipulated time. Shareholders are requested to maintain their updated telephone / mobile number and email address with their respective Depository Participants or the Company's Registrar & Share Transfer Agent, as the case may be, to facilitate prompt redressal of their grievances. During the FY'21, 13 (thirteen) complaints were received from the Shareholders, which were resolved within the stipulated time period.

The Company has periodically submitted Investor Grievance Report pursuant to the Listing Regulations to the Stock Exchanges where the shares of the Company are listed.

There was no request for transfer or transmission of Equity Shares of the Company pending at the closure of the financial year.

6. Corporate Social Responsibility Committee

The role of the Corporate Social Responsibility Committee inter-alia includes the overall responsibility for identifying the areas of CSR activities, ascertaining and recommending the amount of CSR expenditure to be incurred on the identified CSR activities, formulating and monitoring the CSR policy from time to time and overseeing implementation of the CSR activities / programs of the Company.

Terms of Reference and Composition

The terms of reference of the Committee cover the matters specified for the Corporate Social Responsibility Committee under Section 135 of the Act.

The Corporate Social Responsibility Committee comprises 3 (three) Directors. During the FY'21, the Committee met once. The details of the Meeting of the CSR Committee and the attendance of the Directors at the Meeting held during the financial year are given below:

| Name & Category of the Directors | Meeting Date |
|---|-------------------------------|
| | 15 th January 2021 |
| Mr D. H. Kela, <i>Chairperson, Executive</i> | √ |
| Mr Sunil Mitra, <i>Independent</i> | √ |
| Mr A. K. Vijay, <i>Executive</i> | √ |

7. Risk Management Committee

The Company has formed the Risk Management Committee w.e.f. 14th May 2021 to review the risk management plan / process of your Company.

The role of the Risk Management Committee inter-alia includes managing the integrated risk and to assist the Board in developing, implementing & monitoring the risk management plan/ framework and policy of the Company.

Terms of Reference and Composition

The terms of reference of the Committee cover the matters as specified under the Act and under Listing Regulations.

The Risk Management Committee comprises 3 (three) Directors, namely Messrs D. R. Kaarthikeyan (Chairperson, Independent Director), Indrajit Mookerjee (Executive Director) and A. K. Vijay (Executive Director).

8. Independent Directors

During the FY'21, a separate Meeting of the Independent Directors of the Company was held on 18th March 2021. All the Independent Directors except Mr Utsav Parekh, attended the Meeting. The matters discussed at the Independent Directors Meeting, inter-alia, included the evaluation of the performance of Non-independent Directors including the Chairman of the Company. The Performance evaluation criteria for Independent Directors are mentioned in the Report of the Board of Directors.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16(1)(b) of the

Listing Regulations. In the opinion of the Board and on due assessment, the Independent Directors fulfill the conditions of independence as specified in the Act and the Listing Regulations.

9. Induction & Training of Board Members

To provide insight into the Company's operations and the roles and responsibilities of Independent Director, the Company periodically familiarises its Independent Directors through various presentations, briefings, meetings, etc.

The details of such programmes aimed to provide insights into the Company for familiarisation of Independent Directors with the Company, including their duties in the Company and related matters are available on the website of the Company. The weblink for accessing the above details are: https://www.texmaco.in/webfiles/doc/Investors_Information/FPFID.pdf

10. Whistle Blower Policy

The Company believes in promoting ethical behaviour and accordingly, there is a mechanism for reporting unethical behaviour, actual or suspected fraud or violation against the Company's Code of Conduct. The objective of the policy is to provide adequate safeguard measures against victimization. The Company has a Whistle Blower Policy in place, under which the employees are free to report any such grievances to Mr Ravi Varma, Company Secretary & Compliance Officer of the Company, who has been appointed as the Nodal Officer for this purpose. In appropriate cases, employees may also report to the Chairman of the Audit Committee. No personnel was denied access to the Chairman of the Audit Committee of the Company. The Policy is also placed on the website of the Company. The weblink for accessing such policy is: https://www.texmaco.in/webfiles/doc/Investors_Information/Whistle%20Blower%20Policy.pdf

11. Internal Control System

The Internal Control System of the Company is aimed at proper utilization and safeguarding of the Company's resources and to promote operational efficiency. The Internal Auditors of the Company as a part of their audit process periodically carry out a system & process audit to ensure timely redressal of preventive controls. The findings of the Internal Audit and consequent corrective actions initiated and implemented from time to time are placed before the Audit Committee for its review. The Audit Committee monitors the adequacy of the Internal Control System and the summary of the audit findings.

12. Policy on Material Subsidiary

The Company has a policy to determine its material subsidiary. The policy is also placed on the website of the Company. The weblink for accessing such policy is: https://www.texmaco.in/webfiles/doc/Investors_Information/Annexure%2010.pdf

As on the date of this Report, the Company, does not have any material subsidiary.

13. General Body Meetings

Details of the Annual General Meeting ('AGMs') held in the last three years are given below:

| Financial Year | Date and time of the AGM | No. of Special Resolutions approved at the AGM | Venue |
|----------------|--|--|--|
| 2019-20 | 30 th September 2020 at 2.00 p.m. | 6 | Held through Video Conferencing/ Other Audio Visual Means. The deemed venue of the Meeting was the Registered Office of the Company at Belgharia, Kolkata- 700 056 |
| 2018-19 | 9 th September 2019 at 2.00 p.m. | 7 | K. K. Birla Kala Kendra, Texmaco Estate, Belgharia, Kolkata- 700 056 |
| 2017-18 | 4 th September 2018 at 2.30 p.m. | 6 | Kolkata- 700 056 |

During the FY'21, an Extra Ordinary General Meeting ('EGM') was held on 25th March 2021 at 11.30 a.m. through Video Conferencing/ Other Audio Visual Means. The deemed venue of the Meeting was the Registered Office of the Company at Belgharia, Kolkata- 700056.

The Company had put the following Resolutions for approval by the shareholders at the EGM:

- Approval to create, offer, issue and allot on a preferential basis, to Zuari Global Limited, Promoter group, up to 2,88,00,000 Equity Shares of face value of ₹ 1/- each.

- Approval to amend the Memorandum of Association of the Company with respect to the Objects Clause (Clause III) and the existing Articles of Association of the Company to align with the provisions of the Act.

- Approval to the appointments of Mr A. K. Gupta as Executive Director and designated as Deputy Managing Director, Mr Virendra Sinha as an Independent Director and Ms Rusha Mitra as an Independent Director.

All the matters were duly approved by the shareholders except for the allotment of shares on preferential basis.

Whether Special Resolutions-

- were put through postal ballot last year - No
- are proposed to be conducted through postal ballot - No

14. Disclosures

During the FY'21, there are no materially significant related party transactions that may have potential conflict with the interest of the Company at large. Transactions carried out with the related parties are disclosed in Note No.1.41 to the Audited Financial Statements.

There were no strictures or penalties imposed either by the Securities and Exchange Board of India or the Stock Exchanges or any other Statutory Authorities for non-compliance of any matter related to the Capital Market during the last three years except for some delay in appointing Independent Directors during unexpected lockdown situation triggered by COVID-19 pandemic in the FY'21. BSE and NSE have levied fine on the Company against which the Company has made necessary applications for waiver of fine imposed and hopeful to get relief in view of genuine reasons behind it.

The Company does not classify as "Large Corporate" as on 31st March 2021 as per the criteria specified in the SEBI circular no. SEBI/ HO/ DDHS/ CIR/ P/2018/144 dated 26th November 2018.

Management Discussion and Analysis Report forms part of the Annual Report.

Further, the disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 & Related Party Transactions are mentioned in the Report of the Board of Directors.

15. Reconciliation of Share Capital Audit Report

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

16. Means of Communication

The Financial Results as taken on record and approved by the Board of Directors of the Company are published generally in English and Vernacular newspapers namely The Financial Express and Aajkaal. These results are sent immediately to the Stock Exchanges where the Equity Shares of the Company are listed. These results are also posted on the Company's website www.texmaco.in

The Press releases as issued from time to time are also sent to the Stock Exchanges for wider dissemination and are also posted on the Company's website www.texmaco.in

17. General Shareholder Information

| | |
|---------------------------------------|--|
| AGM: Date, Time & Venue | Friday 24th September 2021 at 11:00 a.m. (IST) The AGM will be conducted through Video Conferencing/ Other Audio Visual Means. The venue of the Meeting shall be deemed to be the Registered Office of the Company at Belgharia, Kolkata 700056. |
| Financial Calendar (Tentative) | 1 st April 2021 to 31 st March 2022 First Quarter Results – Second week of August 2021 Second Quarter Results – First week of November 2021 Third Quarter Results – First week of February 2022 Results for the year ending 31 st March 2022 - Last week of May 2022 |
| Date of Book Closure | Saturday, 18 th September 2021 to Friday, 24 th September 2021 (both days inclusive) |
| Dividend Payment Date | Early October 2021 |
| Listing on Stock Exchanges | 1. National Stock Exchange of India Ltd., Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051 2. BSE Limited, P.J.Towers, Dalal Street, Mumbai – 400 001 The Company has paid listing fees for the period 1 st April 2021 to 31 st March 2022. |
| CIN of the Company | L29261WB1998PLC087404 |
| Stock Code – | |
| National Stock Exchange of India Ltd. | TEXRAIL |
| BSE Limited | 533326 |
| Demat ISIN No. for NSDL / CDSL | INE621L01012 |

| Credit Ratings obtained by the Company | The Company has obtained Credit Rating from CARE Rating Limited and India Ratings & Research respectively with respect to the additional bank facilities which are as follows: | | |
|--|--|---|--------------------------|
| Sl. No. | Instrument Type | Rating/Outlook | Credit Rating Agency |
| 1 | Long Term Bank Facilities | CARE A-; Stable (Single A Minus; Outlook: Stable) | CARE Rating Limited |
| 2 | Short Term Bank Facilities | CARE A2 (A Two) | CARE Rating Limited |
| 3 | Long Term/ Short Term Bank Facilities | CARE A-; Stable / CARE A2 (Single A Minus; Outlook: Stable / A Two) | CARE Rating Limited |
| 4 | Fund Based Limits | IND A-/ RWN/IND A2+/RWN | India Ratings & Research |
| 5 | Term Loan | IND A-/RWN | India Ratings & Research |
| 6 | Non- Fund Based Limits | IND A-/RWN/IND A2+/RWN | India Ratings & Research |

High / Low market prices of the Company's Equity Shares of ₹1/- each traded on National Stock Exchange of India Ltd. and BSE Limited during the period April 2020 to March 2021 are furnished below:

| Period | National Stock Exchange of India Ltd. | | BSE Limited | |
|----------------|---------------------------------------|---------|-------------|---------|
| | High (₹) | Low (₹) | High (₹) | Low (₹) |
| April 2020 | 29.20 | 18.05 | 29.15 | 18.25 |
| May 2020 | 25.45 | 20.40 | 25.15 | 20.20 |
| June 2020 | 28.50 | 23.15 | 29.00 | 22.60 |
| July 2020 | 32.00 | 23.50 | 31.50 | 23.65 |
| August 2020 | 36.40 | 25.30 | 36.40 | 25.40 |
| September 2020 | 30.45 | 24.00 | 30.45 | 23.90 |
| October 2020 | 26.35 | 23.40 | 26.25 | 23.45 |
| November 2020 | 26.40 | 22.95 | 26.35 | 22.65 |
| December 2020 | 36.05 | 25.40 | 36.00 | 25.10 |
| January 2021 | 38.75 | 29.90 | 38.70 | 30.00 |
| February 2021 | 32.00 | 28.15 | 32.00 | 28.05 |
| March 2021 | 34.60 | 26.60 | 34.30 | 26.65 |

| | | |
|---|--|--|
| Registrar & Share Transfer Agent (RTA) | M/s. KFin Technologies Private Limited Selenium Tower B, Plot No.31 & 32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500032 | Toll Free No.: 1800 3094 001 E-mail: einward.ris@kfintech.com Website: https://www.kfintech.com/ |
|---|--|--|

Share Transfer System

In terms of the SEBI Circular No. SEBI/LAD-NRO/GN/2018/24 dated 8th June 2018 and subsequent clarification issued related thereto, the transfer of Equity Shares of the Company is executed in demat form only w.e.f. 1st April 2019. Accordingly, requests for transfer of Equity Shares held in demat form may be lodged with the relevant Depository Participants.

Distribution of Shareholding as on 31st March 2021

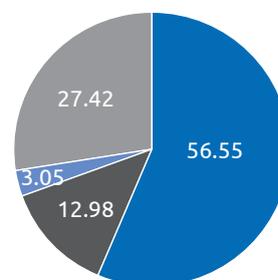
| No. of Equity Shares | No. of Folios | % | No. of Equity Shares | % |
|----------------------|---------------|---------------|----------------------|---------------|
| Upto 5000 | 85080 | 98.09 | 32641050 | 13.04 |
| 5001 to 10000 | 892 | 1.03 | 6625105 | 2.65 |
| 10001 to 20000 | 398 | 0.46 | 5763614 | 2.30 |
| 20001 to 30000 | 127 | 0.15 | 3114950 | 1.24 |
| 30001 to 40000 | 56 | 0.06 | 1953281 | 0.78 |
| 40001 to 50000 | 50 | 0.06 | 2314045 | 0.92 |
| 50001 to 100000 | 63 | 0.07 | 4442151 | 1.78 |
| 100001 and above | 72 | 0.08 | 193489056 | 77.29 |
| Grand Total | 86738 | 100.00 | 250343252 | 100.00 |

Shareholding pattern as on 31st March 2021

| Category | No. of Equity Shares | % |
|--------------------------------|----------------------|---------------|
| Promoters | 141560880 | 56.55 |
| Banks, Insurance Cos., and FIs | 119055 | 0.05 |
| Mutual Funds | 21484546 | 8.58 |
| NRI / OCB/FIIs | 10908080 | 4.35 |
| Bodies Corporate | 7623032 | 3.05 |
| Indian Public | 66338784 | 26.50 |
| Others | 2308875 | 0.92 |
| Total | 250343252 | 100.00 |

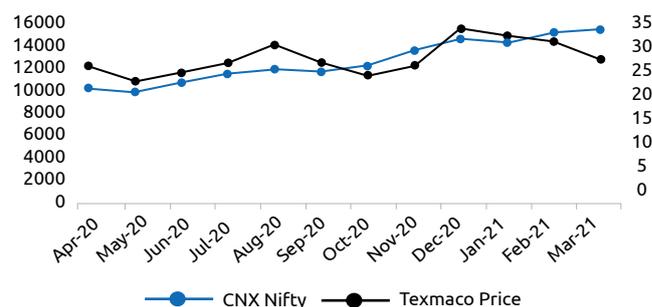
During the year, the Company has allotted 93,54,839 and 1,61,29,031 Equity Shares to Adventz Finance Private Limited and Mr Saroj Kumar Poddar (as an Individual) respectively on preferential basis in terms of the shareholders' approval at the Annual General Meeting held on 30th September 2020. Consequent to the allotment, the paid up equity share capital of the Company has increased from 22,48,59,382 Equity Shares of ₹ 1/- each to 25,03,43,252 Equity Shares of ₹ 1/- each.

The aforesaid allotment was made at ₹ 31 per equity share including a premium of ₹ 30 per equity share against the conversion of loan availed from Adventz Finance Private Limited and Mr Saroj Kumar Poddar.



■ Promoters ■ MFs, FIs, NRI ■ Bodies Corporate ■ Others

Texmaco Share Price vis a vis Nifty



Dematerialisation of Equity Shares as on 31st March 2021 and Liquidity

The Company's Equity Shares are compulsorily traded in dematerialised form and are available for trading on both the Depositories in India – NSDL and CDSL 24,95,06,187 Equity Shares of the Company representing 99.67% of the

Company's Equity Share Capital are in the dematerialised form on NSDL and CDSL as on 31st March 2021.

Statutory Auditors

During the FY'21, the Company and its subsidiaries had paid ₹ 27.53 Lakhs on consolidated basis to Messrs L. B. Jha & Co., the Statutory Auditors.

Code of Conduct and Ethics and Insider Trading

The Company has in place a Code of Conduct and Ethics ('Code') for the Board and Senior Management Personnel of the Company. The essence of the code is to conduct the business of the Company in an honest, fair and ethical manner, in compliance with the applicable laws and in a way that excludes considerations for personal advantage.

All Directors and Senior Management Personnel have affirmed compliance with the Code and a declaration to this effect, signed by the Managing Director, is attached to this report.

The Company has also in place the Code in accordance with the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, prohibiting Insider Trading in the Equity Shares of the Company.

Location of the Plants

The Company's Plants are located at Belgharia, Agarpara, Panihati and Sodepur in Dist. 24-Parganas (North), West Bengal and at Urla, Dist. Raipur, Chhattisgarh.

| | |
|-----------------------------------|---|
| Address for Correspondence | <p>Shareholders may contact</p> <p>Mr Ravi Varma, G. M. (Corp. Affairs), Company Secretary & Compliance Officer at the Registered Office of the Company for any assistance.</p> <p>Telephone No : (033) 2569-1500</p> <p>E-mail : ravi.varma@texmaco.in</p> <p>Shareholders holding Equity Shares in Electronic mode should address all their correspondence concerning their respective Depository Participants directly with them.</p> |
|-----------------------------------|---|

Investor Education and Protection Fund (IEPF)

Information under Sections 124 and 125 of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ('IEPF Rules') as specified thereunder in respect of Unclaimed Dividend, when due for transfer to the said Fund, is given below:

| Financial year ended | Date of declaration of Dividend | Last date for claiming Unpaid Dividend |
|----------------------|---------------------------------|--|
| 31.03.2020 | 30.09.2020 | 04.11.2027 |
| 31.03.2019 | 09.09.2019 | 14.10.2026 |
| 31.03.2018 | 04.09.2018 | 10.10.2025 |
| 31.03.2017 | 16.09.2017 | 21.10.2024 |
| 31.03.2016 | 26.09.2016 | 02.11.2023 |
| 31.03.2015 | 28.09.2015 | 02.11.2022 |
| 31.03.2014 | 04.09.2014 | 09.10.2021 |

Further, the IEPF Rules mandate the transfer of Equity Shares of Shareholders whose dividends remain unpaid / unclaimed for a continuous period of 7 (seven) years to the Demat Account of IEPF Authority. Communications are being sent to the concerned Shareholders advising them to write to RTA or to

the Company to claim the dividend. Shareholders may note that the Equity Shares as well as Unclaimed Dividends transferred to IEPF Authority can be claimed back as per the procedure prescribed under the IEPF Rules, which is also available on the website of the Company www.texmaco.in.

Annual Secretarial Compliance Report:

Messrs S. R. & Associates, Practicing Company Secretaries and the Secretarial Auditor of the Company has submitted the Annual Secretarial Compliance Report for the year ended 31st March 2021 to the Company, in terms of the SEBI circular no. CIR/CFD/CMD1/27/2019 dated 8th February, 2019.

18. Adoption of mandatory and non-mandatory requirements of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has complied with the applicable mandatory requirements specified in Regulations 17 to 27 and clauses(b) to (i) of sub - regulation (2) of Regulation 46 under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has adopted the following non-mandatory requirements:

(i) The Board:

The Company is headed by the Executive Chairman.

(ii) Shareholder Rights:

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

(iii) Modified / Unmodified opinion(s) in audit report :

The Statutory Auditors have given their Report with unmodified opinion on the Company's Financial Statements for the year ended 31st March 2021.

(iv) Reporting of Internal Auditor:

The Internal Auditor may report directly to the Audit Committee as and when required.

19. Certificate from Practicing Company Secretary

A Certificate from Messrs B. K. Barik & Associates, Practicing Company Secretaries, has been obtained confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such Statutory Authorities.

The aforementioned certificate is attached to this Report.

20. MD/EDs and CFO certification

The Managing Director, Executive Directors and the CFO of the Company have given a certificate to the Board confirming the correctness of the Financial Statements and adequacy of the internal control measures in terms of the Listing Regulations which is attached to this Report.

21. Retirement of Director by rotation and re-appointment

Mr D. H. Kela and Mr A. K. Vijay, Executive Directors of the Company are due for retirement by rotation and are eligible for re-appointment at the ensuing AGM. Further, the existing term of Mr Kela will expire w.e.f. 24th September 2021. The Board has recommended the re-appointments of Mr Kela and Mr Vijay as Executive Directors of the Company subject to the approval of the shareholders of the Company.

Brief particulars regarding Mr Kela and Mr Vijay are given in the Notice calling AGM of the Company.

Declaration by the Managing Director

To the Members

Texmaco Rail & Engineering Limited

In compliance with the requirements under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 relating to the Corporate Governance, we confirm that, on the basis of confirmations / declarations received, all the Directors and Senior Management Personnel of the Company have complied with the Code of Conduct and Ethics as adopted by the Board of Directors of the Company.

For Texmaco Rail & Engineering Limited

Indrajit Mookerjee
Managing Director

Place: Kolkata

Dated: 14th May 2021

Certificate of Non-Disqualification of Directors

[pursuant to Regulation 34(3) and Schedule V Para C sub-clause (10)(i) of the SEBI
(Listing Obligations and Disclosure Requirements) Regulations, 2015]

To,
The Members
Texmaco Rail & Engineering Limited
Belgharia, Kolkata-700056

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of M/s **Texmaco Rail & Engineering Limited** having CIN : L29261WB1998PLC087404 and having registered office at Belgharia Kolkata-700056 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31st March 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

| Sl. No. | Name of Director | DIN | Date of appointment in the Company |
|---------|---------------------------------|----------|------------------------------------|
| 1. | Saroj Kumar Poddar | 00008654 | 25-09-2010 |
| 2. | A. C. Chakrabortti | 00015622 | 25-09-2010 |
| 3. | D.R. Kaarthikeyan | 00327907 | 02-09-2011 |
| 4. | Sunil Mitra | 00113473 | 05-11-2012 |
| 5. | Mridula Jhunjunwala* | 05339373 | 20-03-2015 |
| 6. | Rusha Mitra^ | 08402204 | 17-02-2021 |
| 7. | Utsav Parekh | 00027642 | 04-09-2018 |
| 8. | Virendra Sinha^ | 03113274 | 17-02-2021 |
| 9. | Indrajit Mookerjee [§] | 01419627 | 09-09-2019 |
| 10. | A.K. Gupta# | 07808012 | 17-11-2020 |
| 11. | Akshay Poddar | 00008686 | 02-09-2011 |
| 12. | D. H. Kela | 01050842 | 01-01-2010 |
| 13. | A. K.Vijay | 01103278 | 01-01-2015 |

*Ceased w.e.f. the close of business on 19th March 2021

^Appointed w.e.f. 17th February 2021

§ Re-designated as Managing Director w.e.f. 2nd April 2020

#Appointed w.e.f. 17th November 2020

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the Management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For B. K. Barik & Associates
Company Secretaries

B.K. Barik
Practising Company Secretary
FCS: 5696, C.P. No. 3897
UDIN: F005696C000331483

Place: Kolkata
Dated: 14th May 2021

MD/EDs and CFO Certification

We certify that:

- a. we have reviewed Financial Statements and Cash Flow Statement for the year ended 31st March 2021 and that to the best of our knowledge and belief:
 - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with the 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 internal control systems of the Company pertaining to financial reporting. During the year, we have not come across any reportable instances relating to deficiencies in design or operation of such internal controls;
- d. we have indicated to the Auditors and the Audit Committee:
 - (1) that there are no significant changes in internal control over financial reporting during the year;
 - (2) that there are no significant changes in accounting policies during the year; and
 - (3) that there are no instances of significant fraud of which we have become aware.

For Texmaco Rail & Engineering Limited

Place: Kolkata
Dated: 14th May 2021

Indrajit Mookerjee
Managing Director

A. K. Gupta
Dy. Managing Director

D. H. Kela
Executive Director

A. K. Vijay
CFO

Auditor's Certificate on Corporate Governance

To the Members

Texmaco Rail & Engineering Limited

1. We, L B Jha & Co., Chartered Accountants, the Statutory Auditors of Texmaco Rail & Engineering Limited ('the Company'), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2021, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

Management's Responsibility:-

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Auditor's Responsibility:-

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the Books of Accounts and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion:-

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

For **L.B. Jha & Co.**,
Chartered Accountants
(Registration number: 301088E)

(D. N. Roy)

Partner
(Membership number: 300389)
UDIN: 21300389AAAER6242

Place: Kolkata

Date: 14th May 2021

ANNEXURE - G

Business Responsibility Report

SECTION A – GENERAL INFORMATION ABOUT THE COMPANY

| | | |
|-----|---|---|
| 1. | Corporate Identity Number (CIN) of the Company | L29261WB1998PLC087404 |
| 2. | Name of the Company | Texmaco Rail & Engineering Limited |
| 3. | Registered Address | Belgharia, Kolkata - 700 056 |
| 4. | Website | www.texmaco.in |
| 5. | E-mail ID | texrail_cs@texmaco.in |
| 6. | Financial Year reported | 2020-21 |
| 7. | Sector(s) that the Company is engaged in (industrial activity code-wise) | Rolling Stock, Hydro – Mechanical Equipment, Bridges and Other Steel Structures: NIC Code-302 Rail EPC: NIC Code-439 Steel Castings: NIC Code-243 |
| 8. | List three key products / services that the Company manufactures / provides (as in balance sheet) | Rolling Stock Rail EPC Steel Castings |
| 9. | Total number of locations where business activity is undertaken by the Company | |
| | i. Number of International Locations | One i.e. at Johannesburg, South Africa |
| | ii. Number of National Locations | Registered & Corporate Office: Belgharia, Kolkata – 700 056 Regional Offices: i. Delhi ii. Mumbai iii. Jaipur iv. Bengaluru Plant Locations: Kolkata, W.B.: i. Belgharia ii. Agarpara iii. Sodepur iv. Panihati Raipur, Chhattisgarh.: Urla |
| 10. | Markets served by the Company | National / International |

SECTION B – FINANCIAL DETAILS OF THE COMPANY

| | | |
|----|---|--|
| 1. | Paid up Capital (₹) | 25,03,43,252 |
| 2. | Total Turnover (₹) | 1,68,873.80 lakhs |
| 3. | Total Profit after Taxes (₹) | 1,186.63 lakhs |
| 4. | Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) | The Company during the year has incurred in excess of the prescribed threshold under the provision of the Companies Act, 2013 towards CSR. |

5. List of activities in which expenditure in point no. 4 above has been incurred:

- i) Health
- ii) Education

SECTION C – OTHER DETAILS

| | | |
|----|---|--|
| 1. | Does the Company have any Subsidiary Company/ Companies? | Yes. The Company has following subsidiaries, namely: i. Belur Engineering Private Limited ii. Texmaco Transtrak Private Limited iii. Texrail SA (Pty) Limited# iv. Texmaco Rail Systems Private Limited v. Texmaco Rail Electrification Limited vi. Texmaco Engineering Udyog Private Limited* |
| 2. | Do the Subsidiary Company / Companies participate in the Business Responsibility (BR) initiatives of the Parent Company? If yes, then indicate the number of such subsidiary company(ies)? | The Subsidiaries are encouraged to participate in the BR initiatives of the Company by adhering to the BR initiatives of the Company. |
| 3. | Do any other entity / entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%] | No |

Being deregistered on cessation of operations.

*Incorporated as a wholly-owned subsidiary w.e.f. 24th November 2020

SECTION D – BUSINESS RESPONSIBILITY ('BR') INFORMATION

Details of Directors Responsible for BR

The Executive Directors are empowered to look after the BR initiatives of the Company. In this respect, the Committee of the Executive Directors is responsible for the implementation and review of the BR Policy / Initiatives of the Company as required from time to time.

The details of the Committee members as on 31st March 2021 are as follows:

| Name | Designation | DIN |
|-----------------------|--------------------|----------|
| Mr Indrajit Mookerjee | Managing Director | 01419627 |
| Mr D. H. Kela | Executive Director | 01050842 |
| Mr A. K. Vijay | Executive Director | 01103278 |

Governance related to BR

The Business Responsibility performance of the Company is assessed periodically by the Management.

Your Directors have pleasure in presenting the 5th Business Responsibility Report of the Company, which forms a part of the Annual Report. This report is also available on the website of the Company i.e. www.texmaco.in

Principle 1: Ethics, Transparency and Accountability [P1]

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability:

Your Company believes that it is imperative to manage the business affairs in a fair and transparent manner with a firm commitment towards our values. This philosophy of your Company is based on the transparent governance and disclosure practices and adherence to the moral and professional conduct. Your Company believes that the market image and conduct with the stakeholders are vital in adding value to the organisation.

Your Company has a well-defined policy on ethics, bribery and anti-corruption which covers all individuals / associates working with it at all levels and grades, and the same extends to its subsidiaries for their adherence. The Policy on Code of Conduct and Ethics formulated by the Company applies to all its employees including the Directors, Key Managerial Personnel, Senior Executives, Officers and third parties including consultants, contractors, etc.

Your Company has in place a Whistle Blower Policy which allows the reporting of suspected fraud/act, etc. to the Nodal officer / Chairperson of the Audit Committee of the Company.

Your Company has a well defined mechanism for receiving, dealing and expeditious redressal of the complaints received from Stakeholders like Customers, Employees, Suppliers, etc.

As enumerated in the Corporate Governance Report, a total of 13 (thirteen) investor complaints were received during FY'21 and all of which were resolved within the prescribed time period. No Investor complaint was pending as on 31st March 2021.

Principle 2: Products Lifecycle Sustainability [P2]

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle:

Your Company ensures to design its products in a manner which caters to social responsibility of creating safe and environment friendly products. Creating sustainable products is a part of the Company's endeavour towards responsible product stewardship. It is the Company's diligent exertion to design or manufacture products taking cognizance of the environmental risks and concerns. Your Company has all the quality and inspection systems in place to ensure that all goods and services provided by the Company are safe and sustainable throughout their life cycle.

The Company's motto is to establish an abiding relationship with its external stakeholders including the customers, vendors, etc. and work towards building an inclusive growth environment. The Company places high premium on techno - commercial aspects and the Company's procedures with regard to finalising vendors emphasises on safe working practices, technical certifications, prevention of child labour and general housekeeping, etc. The selection procedure of the Company's transport vendors (Trucks and Containers) involves scrutiny at various levels like age of vehicle / container fleet, well laid out systems of mandatory inspections, and safe driving procedures.

Raw materials, components, stores and packing materials are generally procured from vendors close to the manufacturing units, wherever feasible. The Company has a zero tolerance policy on safety compromise. In addition, with an endeavour to boost the "Make In India" initiative, your Company ensures that most of the raw materials are sourced from within India / locally which again helps the growth of local vendors and society, and further contributes to the country's GDP. Local sourcing reduces costs, and provides local employment benefits. Many of the site activities of your Company are at remote and distant locations and the Company encourages the practice of procurement of goods and services from local producers and surrounding areas, as far as possible.

The Company ensures that majority of the scrap materials generated during the process of manufacturing are recycled. Adequate practices are adopted in order to mitigate the impact of other waste generations and these wastes are disposed off in due compliance with the local rules and regulations.

Principle 3: Employees' Well-being [P3]

Businesses should promote the well-being of all employees:

Your Company is motivated towards creating a healthy work environment powered by work ethics and professionalism. Moreover, major emphasis is laid on maintaining high standards of Safety, Health, Hygiene and Environment.

Your Company continuously strives to enhance the Quality of Life of its employees. To ensure a proper work life balance, the Company has created an extensive social infrastructure in its sprawling Estate, which comprises of an Air-conditioned Auditorium, Swimming Pool, Staff Club, Football Ground, Tennis Court, Eco Park and a Health Hub with Physiotherapy, Gym & Yoga Centre, Butterfly Park on the nature's lap with a soothing water body, and much more. This ensures that apart from work, our employees can participate in recreational activities as well. It has been a constant endeavour of your Company to ensure that the needs of the employees, both social and economic, are fulfilled to the best of their expectations.

Your Company takes a rigid stand against the barbaric practices relating to child labour, forced labour, involuntary labour and discriminatory employment. Your Company has been able to create an environment which promotes the concept of respecting every employee, at all levels and henceforth, your Company has not received any complaint with regard to sexual harassment during the period under review. The Company does not discriminate between the employees based on caste, creed, religion, etc and the merit of the employees is always considered as top priority for their promotion.

A noteworthy initiative of your Company can be marked in the creation of a 'Centre of Excellence' in collaboration with the premier University- BITS, Pilani, to promote academic study and research for industry-centric knowledge and skill up-gradation.

Your Company has implemented effective protocols to suitably handle the ongoing COVID-19 pandemic. Proper measures and actions are being taken to curb the spread of the virus amongst the employees, like regular sanitisation, temperature check at all entry points, incessant wearing of face masks, spreading awareness amongst the employees on how to minimise its spread, etc.

The details with respect to the employees of the Company have been mentioned hereunder:

| | |
|---|---|
| Total number of employees | 2403 |
| Total number of employees hired on temporary / contractual / casual basis | 2795 |
| Number of permanent women employees | 38 |
| Number of permanent employees with disabilities | 2 |
| Percentage of under mentioned employees that were given safety & skill up-gradation training in the last year | Permanent Employees – 5.74% |
| | Permanent Women Employees- 52.63% |
| | Casual/ Temporary/ Contractual Employees- 5.36% |
| | Employees with disabilities- 100% |

Principle 4: Stakeholder Engagement [P4]

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised:

Your Company fulfils its responsibility towards the stakeholders by giving greater emphasis on building long-term relationships with them. The stakeholders are one of the key drivers of business viability and long-term profitability.

The Company's major stakeholders have been mapped and the key categories are as below:

- i. Government and regulatory authority
- ii. Employee
- iii. Customer
- iv. Local community
- v. Investor and Shareholder
- vi. Supplier
- vii. Trade union
- viii. NGO

Your Company acknowledges its duty towards various stakeholders. Your Company has always made special efforts for the people and communities residing in the nearby vicinity of the plant locations to enable them to improve their living. Stakeholders are an important and an integral part of the Company, as they provide practical and financial support to the business. Internal and external stakeholders engagement and partnership is essential to the Company's growth. Your Company believes that deployment of the community in the areas of health, education, skill development, sanitation, livelihood etc., constitute a prominent part of

Corporate Social Responsibility ('CSR') and thus it forms part of the CSR initiatives undertaken by the Company. The Company's CSR policy has its attention towards the disadvantaged, vulnerable and marginalised stakeholders. The ongoing COVID – 19 pandemic has affected the world at large. Your Company being a responsible corporate citizen took various measures for the safety of its employees, workmen and its surroundings. These initiatives include creating awareness with regard to hygiene, social distancing and COVID appropriate behaviour.

Principle 5: Human Rights [P5]

Businesses should respect and promote human rights:

The essence of the Company's governance practices rests upon the key factors viz. environmental management, employee welfare, employee & community relations, standardized working conditions, social equity, gender balance, human rights, good governance, and anti-corruption measures. The Company does organise training programmes and workshops for employees from time to time. The programmes for the new joiners also include brief on the prevention of sexual harassment and the Code of Conduct and Ethics.

All policies of the Company take into account the Human Rights of not only employees but also people likely to be affected by the operations of the Company. The internal policies of your Company on Code of Conduct and ethics and CSR recognizes the key aspects of human rights which lays down the acceptable behaviour of the employees and provides for stringent disciplinary actions in case of violations of these policies. The policies of your Company are in line with national standards and relevant international standards for its operations and business pursuits. There were no complaints reported relating to above during the FY'21.

Principle 6: Environment [P6]

Businesses should respect, protect and make efforts to restore the environment:

Your Company recognizes that environmental conservation is one of the important issues of our community. Hence, the importance of maintaining a high standard of environmental care in conducting our activities is well-observed.

As part of its endeavour of contributing towards sustainable environment development across all operations, your Company focuses on various initiatives like adoption of eco-friendly waste disposal. Your Company is concerned of the global climatic changes and strives to maintain the ecological balance and biodiversity. Your Company undertakes tree plantation drives and attempts to maintain abundant greenery with in its work premises and surroundings. Your Company is committed to "Maintaining the Environmental Management System to ISO 14001 Standard". To achieve our environmental commitments, your Company is involved in conserving resources, minimizing waste and seeking continual improvement of processes to protect the environment.

There were no pending or unresolved show cause/ legal notices from CPCB / SPCB, as at 31st March 2021.

Principle 7: Policy Advocacy [P7]

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner:

Your Company's collaborations with industrial / commercial associations and academia demonstrates its approach towards addressing sustainability challenges faced by the society.

Your Company aims to create an environment that encourages supportive deliberations made in a responsible way. Your Company has its representation in several business & industrial associations such as Federation of Indian Chambers of Commerce and Industry, Confederation of Indian Industry, Indo-American Chamber of Commerce, International Chamber of Commerce, PHD Chamber of Commerce and Industry, The Owners Forum, etc.

Your Company ensures that these platforms are effectively utilised with an intention of mutual learning and contribution in development of processes and to address key issues which affect the industry. Your Company gives attention to the Customer feedback and the same are collated for its product development, research activities and technological advancements.

Principle 8: Inclusive Growth [P8]

Businesses should support inclusive growth and equitable development:

Human Relations has empowered the employees to work with professionalism bonded with integrity. The endeavour continues towards improving the Quality of Life of the people and motivating them to deliver their best while contributing towards a strong economy.

The process of empowerment of employees includes learning and development, sharing of common goals and vision with the Management and real commitment to achieve the goals. The Company's philosophy focuses on acquisition of skills relating to international qualities of economic, political, and social development.

In order to curb down the negative impacts of diversity of Human Resources Management, your Company has adopted practices and policies enabling its employees to face the challenges of fast paced industrialization and globalization of business.

Principle 9: Customer Value [P9]

Businesses should engage with, and provide value to their customers and consumers in a responsible manner:

Understanding the customer needs is a key step in the Company's endeavour towards developing an efficient product stewardship programme. Your Company ensures that utmost care is taken towards customer safety throughout the life cycle of the product.

The Company displays requisite product information as mandated under the applicable law(s) for the purpose of granting the right to information to its customers. It is ensured that product information provides adequate information relating to safety, operation and maintenance of the products to the customers.

Customer satisfaction is your Company's goal, driving it to ensure its products deliver performance that continually meets customer requirements. To understand customers better, the Company follows several modes of engagement such as customer surveys, direct feedback, visits by managers / plant personnel and production facilities visit organised for customers.

The Company also conducts one-to-one meetings with customers in order to enable efficient communication and redressal of customers' grievances, if any.

There was no case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and /or anti-competitive behaviour during the last five years and hence, there were no such pending cases as at 31st March 2021.

Principle-wise BR Policy / Policies [Reply in Yes (Y) / No (N)]

Respect and integrity for its people, environment and other businesses have always been the major motive of your Company while fulfilling its responsibilities. Your Company believes in maintaining the highest standards of corporate behaviour towards people / entities we work with, the communities we have a connect with, and the environment we thrive on.

| Sl No. | Questions | P1 | P2 | P3 | P4 | P5 | P6 | P7 | P8 | P9 |
|--------|--|---|----|----|----|----|----|----|----|----|
| 1. | Do you have policy / policies for... | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 2. | Has the policy been formulated in consultation with the relevant stakeholders? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 3. | Does the policy conform to any national / international standards? If yes, specify? | The policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs. | | | | | | | | |
| 4. | Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 5. | Does the Company have a specified Committee of the Board / Director / Official to oversee the implementation of the policy? | The Committee of Executive Directors, which is empowered to look after the BR initiatives of the Company, periodically reviews the policies whenever required. | | | | | | | | |
| 6. | Indicate the link for the policy to be viewed online | View restricted to employees | | | | | | | | |
| 7. | Has the policy been formally communicated to all relevant internal and external stakeholders? | The policies have been communicated to key internal stakeholders of the Company. The communication is under an on-going process to cover all stakeholders at the utmost possible. | | | | | | | | |
| 8. | Does the Company have in-house structure to implement the policy / policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 9. | Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy / policies? | Y | Y | Y | Y | Y | Y | Y | Y | Y |
| 10. | Has the Company carried out independent audit / evaluation of the working of this policy by an internal or external agency? | The policies are evaluated from time to time and updated whenever required. | | | | | | | | |

Independent Auditor's Report

To
The Members of
TEXMACO RAIL & ENGINEERING LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of TEXMACO RAIL & ENGINEERING LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, the Statement of Changes in Equity for the year then ended on that date and notes to the financial statements including a summary of significant accounting policies and other explanatory information in which are incorporated the returns for the year ended on that date audited by the branch auditor of the Kalindee unit (herein after referred to as "Standalone Financial Statements").

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 Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

3. Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report in respect of the units audited by us.

| Key Audit Matter | Procedures Performed |
|---|--|
| <p>Investment in Subsidiaries/ Joint Ventures and Associates</p> <p>The impairment review of unquoted equity instruments and debt, with a carrying value of ₹ 5278.60 lakhs, is considered to be a risk area due to the size of the balances as well as the judgmental nature of key assumptions, which may be subject to management override. The carrying value of such unquoted equity instruments and debt is at risk of recoverability.</p> | <p><u>Principal Audit Procedures</u></p> <p>Besides obtaining an understanding of Management's processes and controls with regard to testing the impairment of the unquoted equity instruments in loss making subsidiaries and joint ventures. Our procedures included the following:</p> <ul style="list-style-type: none"> • Understood the management's underlying assumptions and appropriateness of the valuation used; • Compared the Company's assumptions with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates; |

| Key Audit Matter | Procedures Performed |
|--|---|
| <p>Contingent Liabilities</p> <p>The Company operates in a complex tax environment and is required to discharge direct and indirect tax obligations under various legislations such as Income Tax Act, 1961, the Finance Act, 1994, Goods and Services Tax Acts and VAT Acts of various states.</p> <p>The tax authorities under these legislations have raised certain tax demands on the Company in respect of the past periods. The Company has disputed such demands and has appealed against them at appropriate forums. As at March 31, 2021 the Company has an amount of ₹ 17, 829.22 Lakhs involved in various pending tax litigations.</p> <p>Ind AS 37 requires the Company to perform an assessment of the probability of economic outflow on account of such disputed tax matters and determine whether any particular obligation needs to be recorded as a provision in the books of account or to be disclosed as a contingent liability. Considering the significant degree of judgement applied by the management in making such assessments and the resultant impact on the financial statements, we have considered it to be an area of significance for our audit.</p> | <p>Principal Audit Procedures</p> <p>In assessing the exposure of the Company for the tax litigations, we have performed the following procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of the process laid down by the management for performing their assessment taking into consideration past legal precedents, changes in laws and regulations, expert opinions obtained from external tax / legal experts (as applicable); • Assessed the processes and entity level controls established by the Company to ensure completeness of information with respect to tax litigations; • Along with our tax experts, we undertook the following procedures: • Reading communications with relevant tax authorities including notices, demands, orders, etc., relevant to the ending litigations, as made available to us by the management; • Testing the accuracy of disputed amounts from the underlying communications received from tax authorities and responses filed by the Company; • Considered the submissions made to appellate authorities and expert opinions obtained by the Company from external tax / legal experts (wherever applicable) which form the basis for management's assessment; • Assessed the positions taken by the management in the light of the aforesaid information and based on the examination of the matters by our tax experts. • Read the disclosures included in the financial statements in accordance with Ind AS 37. |

No Key Audit Matters have been communicated to us in respect of one unit which is audited by the Branch Auditor

Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis; Board's Report including Annexures to Board Report, Business Responsibility Report, Corporate Governance and Shareholders' Information but does not include the standalone financial statements and our auditor's report thereon. The aforesaid documents are expected to be made available to us after the date of this auditor's report.
5. Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
6. In connection with our audit of the standalone financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
7. When we read the aforesaid documents, if we conclude that there is a material misstatement therein, we are required to communicate the matters to those charged with governance.

Management's Responsibility for the Standalone Financial Statements

8. 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, changes in equity 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. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

9. In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
10. The Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use

of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
 14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
 15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
 16. Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

Other Matters

17. We did not audit the financial statements of one unit included in the standalone Ind AS financial statements of the Company whose financial statements reflect total assets ₹ 95376.37 lakhs as at 31st March, 2021 and total revenues of ₹ 58773.72 lakhs, total loss of ₹ 1914.94 lakhs, total comprehensive loss of ₹ 1750.52 lakhs and cash flows (net) of ₹ 560.22 lakhs for the year ended on that date. The financial statements of this unit has been audited by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this unit, is based solely on the report of such branch auditor.

Our Opinion on the Standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matter.

Report on Other Legal and Regulatory Requirements

18. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
19. 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 report on the accounts of the unit of the Company audited under section 143(8) of the Act by branch auditor has been sent to us and has been properly dealt with by us in preparing this report.
 - (d) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income) and the Cash Flow Statement, Statement of Changes in Equity dealt with by this report are in agreement with the books of account and with the returns received from the unit not visited by us.
 - (e) 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.
 - (f) On the basis of the written representations received from the directors as on 31st March, 2021 taken on

record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act;

- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

According to the information and explanations given to us and the records of the Company examined by us, the managerial remuneration paid or provided to one Executive Director is in excess of the prescribed limits mandated by the provisions of section 197 read with Schedule V of the Act for which the Company is in the process of taking approval from shareholder through a Special Resolution in the ensuing Annual General Meeting.

- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of

the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 1.37 of the standalone financial statements.
- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For **L. B. Jha & Co.**
Chartered Accountants
Firm Registration No: 301088E

(D.N. Roy)
Partner

Place: Kolkata
Date: 14.05.2021

Membership No. 300389
UDIN:21300389AAAAES5418

ANNEXURE- A: TO THE INDEPENDENT AUDITOR'S REPORT to the Members of TEXMACO RAIL & ENGINEERING LIMITED

[Referred to in paragraph 18 of the Auditors' Report of even date]

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, plant and equipments.
 - (b) As explained to us, the company has a system of verifying all its major Property, Plant & Equipments over a period of three years. The Property, Plant and Equipment so scheduled for verification during this year have been physically verified. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.
 - (c) According to the information and explanations given to us and the records of the Company examined by us, the title deeds of the immovable properties of the Company are held in the name of the Company except the immovable properties which were owned by companies demerged/merged with the Company under the scheme of arrangements approved by the appropriate authorities which are still held in the name of the erstwhile companies.
2. The inventory has been physically verified by the management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.
3. (a) According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has granted unsecured loans to subsidiary companies and its associate, which are parties covered in the register maintained under section 189 of the Companies Act, 2013. The terms and conditions of these loans in our opinion are not prima-facie prejudicial to the interests of the Company.
 - (b) There is no stipulation regarding recovery of loans as these loans are repayable on demand.
- (c) The aforesaid loans being repayable on demand, there is no amount overdue for more than ninety days in respect of recovery of principal and interest of the above loans.
4. According to the information and explanations given to us and the records of the Company examined by us, the provisions of section 185 and 186 of the Companies Act, 2013, have been complied with in respect of loans, investments guarantees and securities given by the Company.
5. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under.
6. We have broadly reviewed the books of accounts maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out any detailed examination of such records and accounts.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and services tax, cess and any other statutory dues, as applicable, with the appropriate authorities.
 - (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Customs, Central Excise, Service Tax, Entry Tax, Income Tax and Value Added Tax, as at 31st March 2021 which have not been deposited on account of a dispute are as follows:

| Name of the statute | Nature | Amount (₹ in lakhs) | Period to which the amount relates | Forum where the dispute is pending |
|--|----------------|------------------------|--|---|
| Customs Act, 1962 | Custom | 111.67 | 01/12/1998 to 30/06/2000 | Commissioner CE. |
| The Central Excise Act, 1944 | Excise | 1,019.06 | 1986-87 to 2013-14 | Appeal filed before the CESTAT |
| The Central Excise Act, 1944 | Excise | 25.69 | 1986-87 to 2013-14 | Commissioner Appeal |
| The Central Excise Act, 1944 | Excise | 118.43 | 1995-96 to 2007-08 | Supreme Court |
| Finance (Service Tax) Act, 1994 | Service Tax | 5,740.36 | 2003-04 to 2010-11 | Appeal filed before the CESTAT |
| Entry Tax Act | Entry Tax | 41.81 | 2011-12 to 2016-17 | Commissioner Appeal |
| Income Tax Act, 1961 | Income Tax | 625.41 | AY 2009-10 to 2018-19 | Commissioner Appeal |
| Value Added Tax Act | Vat | 204.71 | 2003-04 to 2005-06 | Addl. Commissioner |
| Value Added Tax Act | Vat | 4,578.23 | 2008-09 to 2011-12 | Appellate and Revisional Board. |
| Value Added Tax Act | Vat | 2,236.81 | 2011-12 to 2015-16 | West Bengal Taxation Tribunal. |
| Central Sales Tax Act | CST | 245.02 | 2003-04 to 2014-15 | Addl. Commissioner |
| Central Sales Tax Act | CST | 1,515.00 | 2006-07 to 2013-14 | Appellate and Revisional Board. |
| Maharashtra Value Added Tax Act 2002 | Sales Tax | 220.64 | 2012-13 to 2013-14 | Dy. Commissioner of Sales Tax, Mumbai |
| Odisha VAT ACT 2004 | Sales Tax | 6.51 | 2013-14 to 2016-17 | Sales Tax, Bhubaneswar-III Circle |
| West Bengal Value Added Tax Act, 2003 | Sales Tax | 75.25 | 2012-13 | Senior Joint Commissioner, Commercial Taxes, Kolkata South Circle |
| West Bengal Value Added Tax Act, 2003 | Sales Tax | 15.75 | 2014-15 | Deputy Commissioner, Commercial Taxes, Ballygunge Charge, Kolkata |
| Income Tax Act, 1961 | Income Tax | 30.57 | AY 2009-10 | High Court, Bombay |
| The West Bengal VAT Act, 2003 | Vat | 12.63 | AY 2012-13 | Appellate Authorities, West Bengal |
| MP VAT Act, 2002 | Entry Tax | 2.53 | AY 2009-10 | Appellate Authorities, Bhopal |
| Value Added Tax Act | Vat | 33.03 | AY 2009-10 and AY 2015-16 | Appellate Authorities, Bhopal |
| Value Added Tax Act | Vat | 3.13 | AY 2009-10 | Second Appellate Authorities, Bhopal |
| Value Added Tax Act | Vat | 442.74 | AY 2016-17 and 2017-18 | West Bengal Taxation Tribunal |
| Central Sales Tax Act | CST | 55.68 | AY 2016-17 and 2017-18 | WB Appellate & Revision Board |
| Goods and Services Tax Act | GST | 0.56 | AY 2018-19 | Superintendent- Tadipatri |
| Central Sales Tax Act | Sales Tax | 4.07 | AY 2011-12 | DCCT, Singhbhum, Circle, Jamshedpur |
| Central Sales Tax Act | Sales Tax | 5.80 | AY 2015-16 | ETO, Gurgaon North. |
| Tamil Nadu VAT Act, 2006 | Sales Tax | 175.39 | AY 2010-11 to 2012-13 | Commercial Tax officer (Enforcement) Group-1, Office of the Asst. Commissioner (CT) (Enforcement) Cuddalore |
| Goods and Services Tax Act | Service Tax | 11.10 | Oct 16 to June 17 | Deputy Commissioner, East – II, Division CGST, Gurugram |
| Central Sales Tax Act | Sales Tax | 6.55 | 2017-2018 | Commercial Tax Officer, MAREDPALLY Circle, BEGUMPET Division, Hyderabad |
| Central Sales Tax Act | Sales Tax | 1.28 | 2017-18 | Deputy Commissioner Sales Tax |
| Goods and Services Tax Act | GST | 96.10 | FY 2017-2020 | Excise & Taxation officer Bhiwani |
| The Chhattisgarh Value Added Tax Act, 2005 | VAT | 66.96 | 2015-2016 | Assessment Commissioner Raipur |
| Finance (Service Tax) Act, 1994 | Service Tax | 7.11 | FY 2014-18 (Oct.2014 Onwards to June 17) | Assessment Commissioner Raipur |
| The Central Excise Act, 1944 | Central Excise | 17.65 | | Adjudating authority |
| Customs Act, 1962 | Custom | 75.99 | | Commissioner Appeal |
| | Total | 17,829.22 | | |

8. According to the information and explanation given to us and the records of the Company examined by us, the Company has not defaulted in repayment of dues of any of loans or borrowings to any banks.
- The Company has neither taken any loan from financial institutions or Government nor issued any debentures.
9. In our opinion, and according to the information and explanation given to us, on an overall basis, the money raised by Company during the year by way of term loan have been applied for the purpose for which they were obtained.
- The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
11. According to the information and explanations given to us and the records of the Company examined by us, the managerial remuneration paid or provided to One Executive Director is in excess of the prescribed limits mandated by the provisions of section 197 read with Schedule V of the Act for which the Company is in the process of taking approval from shareholder through a Special Resolution in the ensuing Annual General Meeting.
12. The related statutes are not applicable as the Company is not a Nidhi Company.
13. According to the information and explanations given to us and the records of the Company examined by us, the company has complied with the requirements of sections 177 and 188 of the Act with respect to its transactions with the related parties. Pursuant to the requirement of the applicable Accounting Standard, details of the related party transactions have been disclosed in Note 1.41 of the standalone financial statements for the year under audit.
14. The Company has made preferential allotment of shares during the year under audit. According to the information and explanation given to us and the records of the company examined by us, the company has complied with the requirements of section 42 of the Act in this regard and in our opinion, on an overall basis, the funds thus raised have been applied for the purposes these were raised.
15. According to the information and explanations given to us and the records of the Company examined by us, the Company has not entered into any non-cash transactions, with any director of the Company and the holding company or persons connected with them, involving acquisition of assets by or from them for consideration other than cash.
16. In our opinion, and according to the information and explanations given to us, not being a non-banking financial company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **L. B. Jha & Co.**
Chartered Accountants
Firm Registration No: 301088E

Place: Kolkata
Date: 14.05.2021

(D.N. Roy)
Partner
Membership No. 300389
UDIN:21300389AAAAES5418

ANNEXURE- B TO THE INDEPENDENT AUDITOR'S REPORT to the Members of TEXMACO RAIL & ENGINEERING LIMITED

[Referred to in paragraph 19 (g) of the Independent Auditor's Report of even date]

Report on the Internal Financial Control under Clause (i) of Sub – sections 3 of Section 143 of the Companies Act, 2013("the Act")

1. We have audited the internal financial controls over financial reporting of Texmaco Rail & Engineering Limited ("the Company") as of 31st March, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Control

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the "Guidance Note" and the Standard on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial control over financial reporting, assessing

the risk that a material Weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedure selected depends on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.

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

Meaning of Internal Financial Control over Financial Reporting

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

- 1) Pertain to the maintenance of the records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorization of management and directors of company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements. Inherent Limitations of Internal Financial Control over Financial Reporting

7. Because of inherent limitation of internal financial control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to errors or fraud may occur and not be detected. Also, projections of any evaluations of the internal financial control over financial reporting to future periods are subject to the risk that the internal financial control

over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the company considering, the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting, issued by ICAI.

Other Matters

9. Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal Financial Controls over financial reporting in so far as it relates to the Kalindee unit is based on the corresponding report of the branch auditor.

For **L. B. Jha & Co.**
Chartered Accountants
Firm Registration No: 301088E

Place: Kolkata
Date: 14.05.2021

(D.N. Roy)
Partner
Membership No. 300389
UDIN:21300389AAAAES5418

Balance Sheet as at 31st March, 2021

(₹ in Lakhs)

| Particulars | Note No. | As at 31.03. 2021 | As at 31 .03. 2020 |
|--|----------|----------------------|-----------------------|
| I ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Property, Plant & Equipment | 1.01 | 34,743.02 | 37,634.02 |
| (b) Right-of-Use Assets | 1.02a | 44.01 | 44.69 |
| (c) Capital work-in-progress | 1.02b | 396.44 | 360.46 |
| (d) Investment Property | 1.02c | 2,983.74 | 3,073.55 |
| (e) Other Intangible Assets | 1.03 | 57.57 | 104.14 |
| (f) Financial Assets | | | |
| (i) Investments | 1.04 | 9,213.96 | 6,620.53 |
| (ii) Loans | 1.05 | 568.11 | 724.78 |
| (iii) Bank Balance | 1.06 | 1,025.16 | 1,109.34 |
| (iv) Others | 1.07 | 178.53 | 103.60 |
| (g) Deferred Tax Assets (Net) | 1.08 | 8,217.66 | 8,212.30 |
| (h) Other Non current Assets | 1.09 | 503.26 | 762.55 |
| | | 57,931.46 | 58,749.96 |
| (2) Current Assets | | | |
| (a) Inventories | 1.10 | 30,928.30 | 53,704.99 |
| (b) Financial Assets | | | |
| (i) Investments | 1.11 | 3,546.91 | 3,335.86 |
| (ii) Trade Receivables | 1.12 | 61,135.21 | 64,453.84 |
| (iii) Cash & cash equivalents | 1.13 | 2,239.28 | 1,658.41 |
| (iv) Bank balances other than (iii) above | 1.14 | 8,270.02 | 6,684.65 |
| (v) Loans | 1.15 | 5,050.09 | 4,856.50 |
| (c) Current Tax Assets (Net) | 1.16 | 3,136.17 | 2,121.78 |
| (d) Other Current Assets | 1.17 | 91,920.48 | 93,089.97 |
| | | 206,226.46 | 229,906.00 |
| | | 264,157.92 | 288,655.96 |
| TOTAL ASSETS | | | |
| II EQUITY AND LIABILITIES | | | |
| (1) Equity | | | |
| (a) Equity Share capital | 1.18 | 2,503.43 | 2,248.59 |
| (b) Other Equity | 1.19 | 111,462.89 | 100,542.38 |
| (2) Non-Current Liabilities: | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 1.20 | 3,575.21 | 5,269.99 |
| (b) Provisions | 1.21 | 936.66 | 816.08 |
| (c) Other non current liabilities | 1.22 | 11,946.21 | 17,814.34 |
| | | 16,458.08 | 23,900.41 |
| (3) Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 1.23 | 72,690.04 | 69,710.54 |
| (ii) Trade Payables | 1.24 | - | - |
| (A) total outstanding dues of micro enterprises and small enterprises | | - | - |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises | | 42,996.55 | 55,412.12 |
| (iii) Other financial liabilities | 1.25 | 6,027.03 | 5,502.82 |
| (b) Other current liabilities | 1.26 | 8,846.33 | 14,617.47 |
| (c) Provisions | 1.27 | 3,173.57 | 16,721.63 |
| | | 133,733.52 | 161,964.58 |
| | | 264,157.92 | 288,655.96 |
| TOTAL EQUITY AND LIABILITIES | | | |
| Summary of significant accounting Policies & Notes | B | | |

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

For **L. B. Jha & Co.**

Chartered Accountants

Firm Registration No: 301088E

D.N. Roy

Partner

Membership No.300389

Place: B2/1, Gillander House

8, Netaji Subhas Road

Kolkata-700 001

Dated: 14th May, 2021

Ravi Varma
Company Secretary

Directors

S. K. Poddar

A. C. Chakrabortti

Indrajit Mookerjee

A. K. Gupta

D. H. Kela

A. K. Vijay

Statement of Profit and Loss for the year ended 31st March, 2021

(₹ in Lakhs)

| Particulars | Note No. | Year Ended 31.03. 2021 | Year Ended 31 .03. 2020 |
|---|----------|---------------------------|----------------------------|
| I Revenue from Operations | 1.28 | 168,873.80 | 183,179.98 |
| II Other Income | 1.29 | 3,177.53 | 2,725.68 |
| III Total Income (I +II) | | 172,051.33 | 185,905.66 |
| IV EXPENSES | | | |
| Cost of materials consumed | 1.30 | 101,320.04 | 130,551.17 |
| Changes in inventories of finished goods, Stock-in-Trade and work-in-progress | 1.31 | 16,844.13 | (8,499.68) |
| Employee benefit expenses | 1.32 | 11,613.50 | 12,776.56 |
| Finance costs | 1.33 | 10,296.93 | 9,689.15 |
| Depreciation and amortization expenses | 1.34 | 3,725.67 | 3,590.85 |
| Other expenses | 1.35 | 27,091.59 | 32,676.75 |
| Total expenses | | 170,891.86 | 180,784.80 |
| V Profit/ (loss) before tax | | 1,159.47 | 5,120.86 |
| VI Exceptional items | | - | 14,991.97 |
| VII Profit/(loss) before tax | | 1,159.47 | (9,871.11) |
| VIII Tax expense | | | |
| 1) Current Tax | | - | 747.00 |
| 2) MAT Credit Entitlement | | - | (258.00) |
| 3) Deferred Tax | | (5.36) | (3,665.30) |
| 4) Income Tax Paid Related to Earlier Years | | (21.80) | (110.78) |
| | | (27.16) | (3,287.08) |
| IX Profit/(loss) for the period | | 1,186.63 | (6,584.03) |
| X Other comprehensive income | 1.36 | | |
| A (i) Items that will not be reclassified to profit or loss | | 2,146.79 | (1,173.49) |
| B (i) Items that will be reclassified to profit or loss | | 166.76 | (212.38) |
| | | 2,313.55 | (1,385.87) |
| XI Total Comprehensive Income for the period | | 3,500.18 | (7,969.90) |
| XII Earnings per equity share (for continuing operations) | 1.42 | | |
| 1) Basic | | 0.52 | (2.93) |
| 2) Diluted | | 0.52 | (2.93) |
| Summary of significant accounting Policies & Notes | B | | |

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

For **L. B. Jha & Co.**

Chartered Accountants

Firm Registration No: 301088E

D.N. Roy

Partner

Membership No.300389

Place: B2/1, Gillander House

8, Netaji Subhas Road

Kolkata-700 001

Dated: 14th May, 2021

Ravi Varma

Company Secretary

Directors

S. K. Poddar

A. C. Chakrabortti

Indrajit Mookerjee

A. K. Gupta

D. H. Kela

A. K. Vijay

Statement of Cash Flow for year ended 31st March, 2021

(₹ in Lakhs)

| Particulars | Year Ended 31.03.2021 | Year Ended 31.03.2020 |
|--|--------------------------|--------------------------|
| A) Cash Flows From Operating Activities: | | |
| Net Profit before Taxation & Exceptional Items | 1159.47 | 5120.86 |
| Adjustments for: | | |
| Depreciation | 3725.67 | 3590.85 |
| Interest Paid | 10296.93 | 9689.15 |
| Bad Debt Written off | 51.18 | 98.44 |
| Provision and Excess Liabilities Written Back/Off | 0.94 | (18.09) |
| Interest Received | (1,084.09) | (1,270.72) |
| Income From Investments | (32.10) | (60.89) |
| Profit on Sale Of Investments-Current(Net) | - | (5.29) |
| Gain on Fair Value of bonds/Mutual | (211.05) | (281.34) |
| Loss/(Profit) on Sale Of Property, Plant and Equipment(Net) | 7.57 | (78.75) |
| | 12755.05 | 11663.36 |
| | 13914.52 | 16784.22 |
| Operating Profit before Working Capital Changes & Exceptional Items | | |
| (Increase)/Decrease in Trade & Other Receivables | 4,822.97 | (240.43) |
| (Increase)/Decrease in Inventories | 22,776.69 | (8699.06) |
| Increase/(Decrease) in Trade Payables & Other Liabilities | (36,498.62) | 12983.12 |
| | (8898.96) | 4043.63 |
| Cash Generated from Operations | 5015.56 | 20827.85 |
| Direct Taxes Paid | (992.60) | (1,662.49) |
| Cash Flow before Exceptional Items | 4022.96 | 19165.36 |
| Exceptional Items | - | (14,991.97) |
| Net Cash from Operating Activities | 4022.96 | 4173.39 |
| B) Cash Flows From Investing Activities | | |
| Sale/(Purchase) of Property, Plant & Equipments | (1,208.29) | (7684.26) |
| (Purchase)/Sale of Investments (Net) | (469.83) | 3452.22 |
| Consideration Paid for Acquisition | - | (2,324.62) |
| Bank Deposits(Includes having original maturity more than three months) | (1,501.19) | (3585.58) |
| Interest Received | 638.26 | 743.64 |
| Dividend Received | 32.10 | 60.89 |
| Net Cash used in Investing Activities | (2508.95) | (9337.71) |
| C) Cash Flows From Financing Activities | | |
| Receipt/(Payment) of Long Term Borrowings | (1,694.78) | 255.89 |
| Receipt/(Payment) of Short Term Borrowings | 2,979.51 | 16108.39 |
| Increase in Share Capital | 254.84 | 0.25 |
| Increase in Securities Premium | 7,645.15 | 9.84 |
| Interest Paid | (10,048.04) | (9444.95) |
| Dividend Paid | (236.58) | (785.38) |
| Dividend Tax Paid | - | (162.85) |
| Net Cash used in Financing Activities | (1099.90) | 5981.19 |
| D Changes in Foreign Currency Translation arising from Foreign Operations | | |
| Net Decrease in Cash and Cash Equivalents | 166.76 | (212.38) |
| Cash and Cash Equivalents at the beginning of the period | 580.87 | 604.49 |
| Cash and Cash Equivalents at the end of the period | 1658.41 | 1,053.92 |
| | 2239.28 | 1658.41 |
| Note: | | |
| (1) Details of Cash and Cash Equivalents as on | | |
| Balances with banks | | |
| Current Accounts | 2,112.48 | 1,591.88 |
| Cheques on hand | 51.04 | - |
| Cash on hand | 75.76 | 66.53 |
| | 2,239.28 | 1,658.41 |

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 (Statement of Cash Flow)

Notes referred to above form an integral part of the Financial Statements

In terms of our Report of even date attached herewith.

For **L. B. Jha & Co.**

Chartered Accountants

Firm Registration No: 301088E

D.N. Roy

Partner

Membership No.300389

Place: B2/1, Gillander House

8, Netaji Subhas Road

Kolkata-700 001

Dated: 14th May, 2021

Ravi Varma
Company Secretary

Directors

S. K. Poddar

A. C. Chakrabortti

Indrajit Mookerjee

A. K. Gupta

D. H. Kela

A. K. Vijay

Statement of Changes in Equity for Year Ended 31st March, 2021

a. Equity share capital

₹ In Lakhs

| Particulars | Issued, Subscribed Paid up Capital | Share Capital Suspense | Total |
|---|---------------------------------------|---------------------------|-----------------|
| Balance as at 01.04.2019 | 2,200.50 | 47.85 | 2,248.35 |
| Add: Change in Equity Share Capital during the year | 48.09 | (47.85) | 0.24 |
| Balance as at 31.03.2020 | 2,248.59 | - | 2,248.59 |
| Add: Change in Equity Share Capital during the year | 254.84 | - | 254.84 |
| Balance as at 31.03.2021 | 2,503.43 | - | 2,503.43 |

b. Other equity

₹ In Lakhs

| Particulars | Reserves and Surplus | | | | | Other Comprehensive Income | | Total |
|--|----------------------|----------------------------------|--------------------|---|----------------------|---|--|-------------------|
| | Capital reserve | Securities premium account | General Reserve | Share Option Outstanding Account | Retained earnings | Equity instruments/ retained benefits/ income in Associates and Joint Ventures through other comprehensive income | Exchange differences on translating the financial statements of a foreign operation | |
| Balance as at 1st April, 2019 | 3,951.22 | 39,924.86 | 47,220.92 | 1,184.38 | 17,633.65 | 1,706.32 | 155.56 | 111,776.91 |
| Income for the year | - | - | - | - | (6,584.03) | - | - | (6,584.03) |
| Other Comprehensive Income for the year | - | - | - | - | - | (1,191.09) | (212.38) | (1,403.47) |
| Adjustment of Goodwill in Business Combination | (2,324.62) | - | - | - | - | - | - | (2,324.62) |
| Dividend and Tax on Dividend | - | - | - | - | (949.85) | - | - | (949.85) |
| Remeasurement of the net defined benefit plan | - | - | - | - | - | 17.60 | - | 17.60 |
| Transfer to/from retained earnings | - | - | - | - | 17.60 | (17.60) | - | - |
| Transfer to General Reserve | - | - | - | - | - | - | - | - |
| Any other change (ESOP allotment) | - | 9.84 | - | - | - | - | - | 9.84 |
| Adjustment for share purchase agreement | - | - | - | - | - | - | - | - |
| Balance as at 31st March, 2020 | 1,626.60 | 39,934.70 | 47,220.92 | 1,184.38 | 10,117.37 | 515.23 | (56.82) | 100,542.38 |
| Income for the year | - | - | - | - | 1,186.63 | - | - | 1,186.63 |
| Other Comprehensive Income for the year | - | - | - | - | - | 2,123.60 | 166.76 | 2,290.36 |
| Issue of Equity Shares by conversion of loan (promotor's contribution) | - | 7,645.16 | - | - | - | - | - | 7,645.16 |
| Dividend on Equity Shares | - | - | - | - | (224.83) | - | - | (224.83) |
| Remeasurement of the net defined benefit plan | - | - | - | - | - | 23.19 | - | 23.19 |
| Transfer to/from retained earnings | - | - | - | - | 23.19 | (23.19) | - | - |
| Transfer to / from General Reserve | - | - | 200.00 | - | (200.00) | - | - | - |
| Balance as at 31st March, 2021 | 1,626.60 | 47,579.86 | 47,420.92 | 1,184.38 | 10,902.36 | 2,638.83 | 109.94 | 111,462.89 |

In terms of our Report of even date attached herewith.

For **L. B. Jha & Co.**

Chartered Accountants

Firm Registration No: 301088E

D.N. Roy

Partner

Membership No.300389

Place: B2/1, Gillander House

8, Netaji Subhas Road

Kolkata-700 001

Dated: 14th May, 2021

Ravi Varma

Company Secretary

Directors**S. K. Poddar****A. C. Chakrabortti****Indrajit Mookerjee****A. K. Gupta****D. H. Kela****A. K. Vijay**

Notes on Financial Statement

A. CORPORATE INFORMATION

Texmaco Rail & Engineering Limited, ("the Company") incorporated on 25th June 1998 has its Registered Office at Belgharia, Kolkata 700056. The Company is listed on the National Stock Exchange of India Limited, Bombay Stock Exchange Limited.

The Company manufactures a diverse range of products viz. Railway Freight Cars, Hydro-mechanical Equipment & Industrial Structural's, Loco Components and Loco Shells, Steel Girders for Railway Bridges, Steel Castings, and Pressure Vessels, etc. along with EPC contracts for Execution of Railway Track, Signaling & Telecommunication Projects, Rail Electrification & Automatic Fare Collection etc. on turnkey basis.

B. SIGNIFICANT ACCOUNTING POLICIES

(i) Statement of Compliance

These financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules as amended from time to time.

(ii) Basis of Accounting

These financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefits plans which are measured at fair values at the end of each reporting period. Historical cost is generally based on the value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Functional currency of the Company in Indian Rupees. These Financial Information are presented in Indian Rupees. All amounts have been rounded off to the nearest Lakhs and rounded off to two decimals except for Earnings Per Share and where mentioned otherwise.

All the assets and liabilities have been classified as current and non-current as per the company's normal operating cycle and criteria set out in schedule III (Division II) of the Companies Act 2013.

The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

(iii) Use of Estimates

The preparation of the Financial Statements in conformity with IND AS requires the management to make estimates,

judgments and assumptions. These estimates, judgment and assumptions affect the application of accounting policies and the reported amount of Assets and Liabilities and disclosure of contingent Liabilities on the date of the Financial Statements and reported amounts of revenues and expenses for the year.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities and fair value measurement of financial instruments have been discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in their respective policies.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each year. The policy has been explained under note B (xxii)

(iv) Property, plant and equipment

Property, plant and equipment are carried at the cost of acquisition or construction less accumulated depreciation. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Depreciation has been provided on straight line method in accordance with the life of the respective assets as prescribed in Schedule II of the Companies Act, 2013 except certain assets for which useful life of assets has been ascertained based on report of technical experts. All assets costing ₹ 5,000 or below are fully depreciated in the year of addition.

The Company, based on technical assessment made by technical expert and management estimate, depreciates Building and Plant & Equipment over estimated useful

Notes on Financial Statement

lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis. The estimated useful lives are as mentioned below:

- Buildings (Site Office) 3 years
- Buildings/Investment Property 30 to 60 years
- Roads 5 to 10 years
- Railway Sidings 15 to 30 years
- Electrical Machinery 10 to 20 years
- Plant & Equipment 5 to 17 years
- Furniture 10 years
- Office Equipment 5 years
- Computers 3 years
- Motor Vehicles 8 years
- Intangible Assets (Softwares) 6 years
- Leasehold Improvements 3 years

Capital work-in-progress

Capital work-in-progress / Intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost. Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as Capital Advances.

(v) Intangible Assets

Intangible Assets are recorded at the consideration paid for acquisition less accumulated amortization and accumulated impairment, if any. Amortization is recognized at Straight Line Basis over their estimated useful life. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Intangible assets are amortized on Straight Line Basis over a period of 6 years.

(vi) Impairment of Non-Financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is

the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

(vii) Derivative Financial Instrument

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts. The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized to statement profit or loss immediately.

(viii) Financial Instrument

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not measured at fair value through profit or loss, are added/ deducted to the fair value on initial recognition.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

(a) Financial assets carried at amortized cost

A Financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b) Investment in Equity Instruments at fair value through other comprehensive income

Equity investments are initially measured at fair value plus transaction costs. Subsequently, they are measured

Notes on Financial Statement

at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'.

c) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

d) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

e) Investment in Subsidiaries and Joint Ventures

Investment in Subsidiaries and Joint Ventures are carried at cost in the Financial Statements.

f) Impairment

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortized cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognized if the credit quality of the financial asset has deteriorated significantly since initial recognition.

g) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(ix) Measurement of Fair Values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

Fair Values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or liability, the company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different level of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(x) Revenue Recognition

Sales revenue is measured at fair value of the consideration received or receivable and stated at net of GST, trade discounts, rebates but includes excise duty. Income from services is recognized as the services are rendered based on agreement/arrangement with the concerned parties. Export incentives, certain insurance and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

a. Revenue from Operations

Revenue from the sale of goods is recognized when the goods are delivered and titles have been passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- Rent Income/Lease Rentals

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b. Revenue from construction contracts

In accordance with Ind AS 115 "Revenue from Contracts with customers", Revenue is recognized from construction and service activities is recognized based on "over time" method and the company uses the input method to measure progress of delivery.

When the outcome of individual contracts can be estimated reliably, contract revenue and contract cost are recognized as revenue and expenses respectively by reference to the stage of completion at the reporting date. Costs are recognized as incurred and revenue is recognized on the basis of the proportion of total cost at the reporting date to the estimated total cost of the contract.

Estimates of the final out-turn on each contract may include cost contingencies to take account of the risk within each contracts that have been identified during the early stages of contract. The cost contingencies are reviewed on a regular basis throughout the contract life and are adjusted where appropriate. However, the natures of the risks on contracts are such that they often cannot be resolved until the end of the project and therefore may not reverse until the end of the Project. The estimated final out- turns on contracts are continuously reviewed, and in certain limited cases, recoveries from insurers are assessed, and adjustments made where necessary. No margin is recognized until the outcome of the contract can be estimated with reasonable certainty. Provision is made for all known or expected losses on individual contracts once each losses are foreseen.

Revenue in respect of variations to contracts and incentive payments is recognized when it is highly probable and agreed by the customer. Revenue in respect of claim is recognized only if it is highly probable not to reverse in future periods. Profit for the year includes the benefit of claims settled in the year to the extent not previously recognized on contracts completed in previous years.

In some old projects where substantial contract revenue has already been recognized in earlier periods, revenue is recognized as per Ind AS115 "Revenue from Contracts with customers" where income from operations is determined and recognized, based on the bills raised on technical evaluation of work executed based on joint inspection with customers including railways. The figures have been taken as per the management working on the basis of the work completed.

c. Other Income

Other income comprises of primarily of Interest Income, Dividend Income, Gain/ (Loss) on sale of Investments, Rental Income and Claims (if any).

Interest Income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

Dividend Income is recognized as and when right to receive payment is established provided, which is generally after the shareholders approves it in the Annual General Meeting.

Gain/ (Loss) on sale of Current/ Non Current Investments are recognized at the time of redemption/ Sale and at Fair value at each reporting period.

Rent Income/Lease rentals are recognized on accrual basis in accordance with the terms of agreements.

Insurance and other claims are accounted for as and when admitted by the appropriate authorities in view of uncertainty involved in ascertainment of final claim.

(xi) Employee Benefits

The Company's contribution to provident fund, pension fund, employees' state insurance scheme and super-annuation fund are charged on accrual basis to Statement of Profit & Loss.

a. Short term benefits:

Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

b. Defined contribution retirement benefits:

Payments to defined contribution retirement benefits are recognized as an expense when employees have rendered services entitling them to the contributions. Defined contribution plans are those plans where the Company pays fixed contributions to funds/ schemes managed by independent trusts or authority. Contributions are paid in return for services rendered by the employees during the year. The Company has no legal or constructive obligation to pay further

Notes on Financial Statement

contributions if the fund/scheme does not hold sufficient assets to pay/extend employee benefits. The Company provides Provident Fund facility to all employees. The contributions are expensed as they are incurred in line with the treatment of wages and salaries. The Company's Provident Fund is exempted under section 17 of Employees' Provident Fund and Miscellaneous Provision Act, 1952. Conditions for exemption stipulate that the Company shall make good deficiency, if any, in the interest rate declared by the trust vis-à-vis interest rate declared by the Employees' Provident Fund Organisation.

c. Defined benefit retirement benefits:

The cost of providing defined benefit retirement benefits are determined using the projected unit credit method, with independent actuarial valuations being carried out at the end of each reporting period. The Company provides gratuity to its employees.

Remeasurement, comprising actuarial gains and losses, return on plan assets excluding amounts included in net interest on the net benefit liability (asset) and any change in the effect of the asset ceiling (if applicable) are recognized in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in the comprehensive income are not reclassified to the statement of profit and loss but recognized directly in the retained earnings. Past service costs are recognized in the statement of profit and loss in the period in which the amendment to plan occurs. Net interest is calculated by applying the discount rate to the net defined liability or asset at the beginning of the period, taking into account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Defined benefit costs which are recognized in the statement of profit and loss are categorized as follows

- Service cost (including current service cost, past service cost as well as gains and losses on curtailments and settlements); and
- Net interest expense or income; and

The retirement benefit obligation recognized in the standalone Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reduction in future contributions to the plans.

The liability for termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

d. Voluntary Retirement Scheme Benefits

Voluntary retirement scheme benefits are recognized as an expense in the year they are incurred.

(xii) Employee Stock Option Scheme

In respect of Stock options granted pursuant to the Company's Employees Stock Option Schemes 2007, the intrinsic value of the options (excess of Market Price of the share over the exercise price of the option) is treated as discount and accounted as deferred employee's compensation cost over the vesting period.

(xiii) Custom Duty & Goods & Service Tax (GST)

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

(xiv) Research and Development

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

(xv) Valuation of Inventories

Raw materials, work-in-progress and finished products are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes purchase price non refundable taxes and duties and other directly attributable costs incurred in bringing the goods to the point of sale. Work-in-progress and finished goods include appropriate proportion of overheads and where applicable, excise duty. Cost are assigned to individual items of inventory on weighted average basis.

Stores and Spares are valued on the "weighted average" basis.

(xvi) Lease

a. Where the Company is the lessee

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

The company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-

Notes on Financial Statement

use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.

Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

b. Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as

an expense in the statement of Profit & Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of Profit & Loss.

Assets given under a finance lease are recognized as a receivable at an amount equal to the net investment in the lease. Lease income is recognized over the period of the lease so as to yield a constant rate of return on the net investment in the lease. Initial direct costs relating to assets given on finance leases are charged to statement of Profit & Loss.

(xvii) Foreign Currency Transactions and Exchange Differences

Transactions in currencies other than entity's functional currency (spot rates) are recorded at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies (other than derivative contracts) remaining unsettled at the end of the each reporting period are premeasured at the rates of exchange prevailing at that date. Exchange difference on monetary items are recognized in the statement of Profit & Loss in the period in which they arise. Non-monetary items carried at historical cost are translated using exchange rates at the dates of the initial transaction.

(xviii) Provisions, Contingent Liabilities and Contingent Assets

a. Provisions & Warranties

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliable.

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Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognized at the date of sale of the relevant products, at the management's best estimate of the expenditure -required to settle the Company's warranty obligation.

b. Onerous contracts

An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Present obligation arising under onerous contracts are recognized and measured as provisions.

c. Contingent liabilities

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or is a present obligation that arises from past events but is not recognized because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognized. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are no probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the standalone financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

d. Contingent Assets

Contingent Assets are neither recognized nor disclosed except when realization of income is virtually certain.

(xix) Cash & Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of less than three months or less from the date of purchase, to be cash equivalents. Cash

and cash equivalents consist of balance with banks which are unrestricted for withdrawal and usage.

(xx) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

(xxi) Segment Reporting

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

(xxii) Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

a. Current income taxes

The current income tax expense includes income taxes payable by the Company and its branches in India and overseas. The current tax payable by the Company in India is Indian income tax payable on worldwide income. Current income tax payable by overseas branches of the Company is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction

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and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

b. Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

(xxiii) Government Grant

The Company may receive government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria. Government grants are recognized when there is reasonable assurance that the grant will be received, and the Company will comply with the conditions attached to the grant. Accordingly, government grants:

- (a) related to or used for assets are included in the Balance Sheet as deferred income and recognized as income over the useful life of the assets.

- (b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.

- (c) by way of financial assistance on the basis of certain qualifying criteria are recognized as they become receivable. In the unlikely event that a grant previously recognized is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognized is expensed in the Statement of Profit and Loss.

(xxiv) Earnings Per Share

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

(xxv) Cash Flow Statement

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

(xxvi) Exceptional Item

When items of income and expenses within statement of profit and loss from ordinary activities are of as such size, nature and or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

(xxvii) Accounting for interests in Joint Ventures

Interests in joint ventures are accounted as follows:

| Type of joint venture | Accounting treatment |
|-------------------------------|---|
| Jointly controlled operations | Company's share of revenues, common expenses, assets and liabilities are included in revenues, expenses, assets and liabilities respectively on line by line basis. |

Notes on Financial Statement

| Type of joint venture | Accounting treatment |
|-----------------------------|---|
| Jointly controlled assets | Share of assets, according to nature of the assets, and share of the liabilities are shown as part of gross block and liabilities respectively. Share of expenses incurred on maintenance of the assets is accounted as expense. Monetary benefits, if any, from use of the assets are reflected as income. |
| Jointly controlled entities | (a) Integrated joint ventures: |
| | (i) Company's share in profits or losses of integrated joint ventures is accounted on determination of the profits or losses by the joint ventures. |
| | (ii) Investments in integrated joint ventures are carried at cost net of Company's share recognized in profits or losses. |
| | (b) Incorporated jointly controlled entities: |
| | (i) Income on investments in incorporated jointly controlled entities is recognized when the right to receive the same is established. |
| | (ii) Investment in such joint ventures is carried at cost after providing for any diminution in value of investment which is other than temporary in nature. |

(xxviii) Recent Pronouncement

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes on Financial Statement

Note 1.01: Property, Plant and Equipment

(₹ in Lakhs)

| Description of Assets | Gross Block | | | | Depreciation | | | | Net Block | |
|---|------------------|---------------------------|---------------------|------------------|------------------|-----------------|---------------------|------------------|------------------|--|
| | As at 01.04.2020 | Additions during the year | Sales / Adjustments | As at 31.03.2021 | As at 01.04.2020 | During the Year | Sales / Adjustments | As at 31.03.2021 | As at 31.03.2021 | |
| Note: 1.01 | | | | | | | | | | |
| Property, Plant & Equipment: | | | | | | | | | | |
| Land | 1,508.01 | - | - | 1,508.01 | 150.80 | 0.02 | - | 150.82 | 1,357.19 | |
| Buildings | 10,464.21 | 144.42 | - | 10,608.63 | 1,118.80 | 404.80 | - | 1,523.60 | 9,085.03 | |
| Roads | 183.51 | 12.98 | - | 196.49 | 98.51 | 15.10 | - | 113.61 | 82.88 | |
| Railway Sidings | 217.71 | 1.41 | - | 219.12 | 48.24 | 9.77 | - | 58.01 | 161.11 | |
| Plant & Machinery | 32,139.76 | 1,078.57 | 944.43 | 32,273.90 | 7,333.62 | 2,738.23 | 217.31 | 9,854.54 | 22,419.36 | |
| Electrical Machinery | 656.70 | 28.56 | 19.05 | 666.21 | 232.68 | 50.52 | 13.70 | 269.50 | 396.71 | |
| Office Equipments | 934.21 | 51.26 | 12.92 | 972.55 | 510.13 | 158.28 | 11.40 | 657.01 | 315.54 | |
| Furniture & Fittings | 694.21 | 14.87 | (8.40) | 717.48 | 320.30 | 58.79 | (5.15) | 384.24 | 333.24 | |
| Vehicles | 971.76 | 127.20 | 180.89 | 918.07 | 322.98 | 134.56 | 131.43 | 326.11 | 591.96 | |
| Total | 47,770.08 | 1,459.27 | 1,148.89 | 48080.46 | 10136.06 | 3,570.07 | 368.69 | 13337.44 | 34743.02 | |
| Note: 1.02 | | | | | | | | | | |
| a) Right to Use | 45.37 | - | - | 45.37 | 0.68 | 0.68 | - | 1.36 | 44.01 | |
| b) Capital Work in Progress (CWIP) | 360.46 | 500.98 | 465.00 | 396.44 | - | - | - | - | 396.44 | |
| c) Investment Property | 3,638.16 | - | - | 3,638.16 | 564.61 | 89.81 | - | 654.42 | 2,983.74 | |
| Total | 4043.99 | 500.98 | 465.00 | 4079.97 | 565.29 | 90.49 | - | 655.78 | 3424.19 | |
| Note: 1.03 | | | | | | | | | | |
| Intangible Assets: | | | | | | | | | | |
| Software | 494.15 | 18.54 | - | 512.69 | 390.01 | 65.11 | - | 455.12 | 57.57 | |
| Total | 494.15 | 18.54 | - | 512.69 | 390.01 | 65.11 | - | 455.12 | 57.57 | |
| Grand Total | 52,308.22 | 1,978.79 | 1,613.89 | 52,673.12 | 11,091.36 | 3,725.67 | 368.69 | 14,448.34 | 38,224.78 | |

Note-1) ₹ 13.75 lakhs being cost of Electrical Machinery regrouped to Furniture & Fittings.

2) ₹ 8.66 lakhs being accumulated depreciation regrouped from Electrical Machinery to Furniture & Fittings.

3) ₹ 0.53 lakhs being cost of Electrical Machinery regrouped to Plant & Machinery.

4) ₹ 0.27 lakhs being accumulated depreciation regrouped from Electrical Machinery to Plant & Machinery.

Note 1.01: Property, Plant and Equipment

Previous Year

(₹ in Lakhs)

| Description of Assets | Gross Block | | | | Depreciation | | | | Net Block | |
|---|------------------|--------------------------|---------------------|------------------|------------------|-----------------|---------------------|------------------|------------------|--|
| | As at 01.04.2019 | Addition during the year | Sales / Adjustments | As at 31.03.2020 | As at 01.04.2019 | During the Year | Sales / Adjustments | As at 31.03.2020 | As at 31.03.2020 | |
| Note: 1.01 | | | | | | | | | | |
| Property, Plant & Equipment: | | | | | | | | | | |
| Equipment: | | | | | | | | | | |
| Land | 1,543.33 | - | 35.32 | 1,508.01 | 129.88 | 20.92 | - | 150.80 | 1,357.21 | |
| Buildings | 13,363.99 | 711.27 | 3,611.05 | 10,464.21 | 1,197.48 | 403.61 | 482.29 | 1,118.80 | 9,345.41 | |
| Roads | 177.63 | 5.87 | (0.01) | 183.51 | 77.77 | 20.74 | - | 98.51 | 85.00 | |
| Railway Sidings | 217.71 | - | - | 217.71 | 38.53 | 9.71 | - | 48.24 | 169.47 | |
| Plant & Machinery | 25,330.00 | 6,924.11 | 114.35 | 32,139.76 | 4,883.67 | 2,555.65 | 105.70 | 7,333.62 | 24,806.14 | |
| Electrical Machinery | 672.62 | 3.02 | 18.94 | 656.70 | 200.25 | 50.79 | 18.36 | 232.68 | 424.02 | |
| Office Equipments | 836.74 | 99.25 | 1.78 | 934.21 | 335.25 | 175.78 | 0.90 | 510.13 | 424.08 | |
| Furniture & Fittings | 654.82 | 39.39 | - | 694.21 | 263.29 | 57.01 | - | 320.30 | 373.91 | |
| Vehicles | 889.73 | 126.73 | 44.70 | 971.76 | 255.01 | 134.07 | 66.10 | 322.98 | 648.78 | |
| Total | 43,686.57 | 7,909.64 | 3,826.13 | 47770.08 | 7381.13 | 3,428.28 | 673.35 | 10136.06 | 37634.02 | |
| Note: 1.02 | | | | | | | | | | |
| a) Right to Use | - | 45.37 | - | 45.37 | - | 0.68 | - | 0.68 | 44.69 | |
| b) Capital Work in Progress (CWIP) | 978.95 | 2,086.77 | 2,705.26 | 360.46 | - | - | - | - | 360.46 | |
| c) Investment Property | - | 3,638.16 | - | 3,638.16 | - | 89.81 | (474.80) | 564.61 | 3,073.55 | |
| Total | 978.95 | 5770.30 | 2705.26 | 4043.99 | - | 90.49 | (474.80) | 565.29 | 3478.70 | |
| Note: 1.03 | | | | | | | | | | |
| Intangible Assets: | | | | | | | | | | |
| Software | 463.41 | 30.74 | - | 494.15 | 317.93 | 72.08 | - | 390.01 | 104.14 | |
| Total | 463.41 | 30.74 | - | 494.15 | 317.93 | 72.08 | - | 390.01 | 104.14 | |
| Grand Total | 45,128.93 | 13,710.68 | 6,531.39 | 52,308.22 | 7,699.06 | 3,590.85 | 198.55 | 11,091.36 | 41,216.86 | |

Note: Gross Block addition includes fixed assets (Net of depreciation) acquired during the year of Urla Unit of M/s Simplex Steels Limited as per agreement dated 26th April 2019

Notes on Financial Statement

Note 1.04 Non Current Investments

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|---|---------------------|---------------------|
| OTHER THAN TRADE INVESTMENTS | | |
| Fully paid-up | | |
| Investments in Equity Instruments (Quoted) (At Fair Value) | | |
| Texmaco Infrastructure & Holdings Limited 23,49,809 (2020: 23,49,809) Shares of ₹ 1 each | 1644.86 | 727.26 |
| Chambal Fertilisers & Chemicals Limited 10,00,000 (2020: 10,00,000) Shares of ₹ 10 each | 2,290.50 | 1,084.50 |
| Investments in Equity Instruments of Subsidiary Company (Unquoted)(At Cost) | | |
| Belur Engineering Private Limited 1,00,000 (2020: 1,00,000) Shares of ₹ 10 each | 10.00 | 10.00 |
| Texmaco Transtrak Private Limited 5,101 (2020: 5,101) Shares of ₹ 10 each | 0.51 | 0.51 |
| Texmaco Rail Systems Private Limited 10,000 (2020: 10,000) Shares of ₹ 10 each | 1.00 | 1.00 |
| Texmaco Rail Electrification Limited 20,000 (2020: Nil) Shares of ₹ 10 each | 2.00 | - |
| Texmaco Engineering Udyog Private Limited 10,000 (2020: Nil) Shares of ₹10 each | 1.00 | - |
| Investments in Equity Instruments of Associate Company (Unquoted)(At Cost) | | |
| Texmaco Defence System Private Limited 41,000 (2020: 41,000) Shares of ₹ 10 each | 4.10 | 4.10 |
| Investments in Equity Instruments of Joint Ventures (Unquoted)(At Cost) | | |
| Touax Texmaco Railcar Leasing Private Limited 1,26,49,999 (2020: 1,26,49,999) Shares of ₹10 each | 1,264.99 | 1,264.99 |
| Wabtec Texmaco Rail Private Limited 32,81,700 (2020:32,81,700) Shares of ₹ 10 each | 328.17 | 328.17 |
| Investments in CCD of Joint Ventures (Unquoted)(At Cost) | | |
| Touax Texmaco Railcar Leasing Private Limited 36,66,825 (2020: 32,00,000) CCD of ₹ 100 each | 3,666.83 | 3,200.00 |
| TOTAL NON CURRENT INVESTMENTS | 9,213.96 | 6,620.53 |
| i) Aggregate amount of quoted investments | 3,935.36 | 1,811.76 |
| ii) Market Value of quoted investments | 3,935.36 | 1,811.76 |
| iii) Aggregate amount of unquoted investments | 5,278.60 | 4,808.77 |

Note 1.05 Loans (Non-Current)

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|-----------------------------------|---------------------|---------------------|
| Unsecured- Considered Good | | |
| Security Deposits | 568.11 | 724.78 |
| | 568.11 | 724.78 |

Notes on Financial Statement

Note 1.06 Bank Balance (Non-Current)

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--------------|---------------------|---------------------|
| Margin Money | 1,025.16 | 1,109.34 |
| | 1,025.16 | 1,109.34 |

Note 1.07 Other Non-Current Financial Assets

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--|---------------------|---------------------|
| (a) Share Application Money | - | 2.00 |
| (b) Term Deposit of more Than Twelve Months Maturity | 134.48 | 62.65 |
| (c) Interest Accrued on Deposits & Others | 44.05 | 38.95 |
| Total | 178.53 | 103.60 |

Note 1.08 Deferred Tax Assets (net)

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--|---------------------|---------------------|
| Deferred Income Tax Assets | | |
| (a) Carried Forward Losses | 2,752.69 | 181.27 |
| (b) Provisions & others | 5,085.21 | 7,586.53 |
| (c) MAT Credit | 4,906.92 | 4,501.19 |
| (d) Compensated absences | 175.74 | 158.33 |
| (e) Gratuity | 139.45 | 107.90 |
| Total deferred income tax assets | 13,060.01 | 12,535.22 |
| Deferred Income Tax Liabilities | | |
| Property, Plant and equipment | (4,842.35) | (4,322.92) |
| Total deferred income tax liabilities | (4,842.35) | (4,322.92) |
| Net deferred tax assets | 8,217.66 | 8,212.30 |

Note 1.09 Other Non-Current Asset

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|----------------------|---------------------|---------------------|
| (a) Capital Advances | 300.32 | 507.56 |
| (b) Prepaid Expenses | 202.94 | 254.99 |
| Total | 503.26 | 762.55 |

Note 1.10 Inventories

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|---|---------------------|---------------------|
| (a) Raw Material and Components | 11,376.75 | 17,113.04 |
| (b) Work in Progress | 14,581.23 | 27,792.32 |
| (c) Finished Goods | 1,462.29 | 5,095.33 |
| (d) Stores and Spares | 1,615.32 | 2,014.66 |
| (e) Goods in transit(Raw Materials and Component) | 1,892.71 | 1,689.64 |
| Total | 30,928.30 | 53,704.99 |

Inventories are secured against for first charge on working capital facility.

Notes on Financial Statement

Note 1.11 Current Investments

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|---|---------------------|---------------------|
| Investments in Mutual Funds (Unquoted) (At Fair Value) | | |
| Axis Treasury Advantage Fund Growth 645 (2020: 645) Units of ₹ 1000 each | 16.00 | 14.54 |
| ICICI Prudential Fixed Maturity Plan Series 83 1108 Days Plan H 1,50,00,000 (2020: 1,50,00,000) Units of ₹ 10 each | 1,882.78 | 1,769.16 |
| SBI Debt Fund Series C-16 1100 Days 1,32,24,964 (2020: 1,32,24,964) Units of ₹ 10 each | 1,648.13 | 1,552.16 |
| TOTAL CURRENT INVESTMENTS | 3,546.91 | 3,335.86 |
| i) Aggregate amount of quoted investments | - | - |
| ii) Market Value of quoted investments | - | - |
| iii) Aggregate amount of unquoted investments | 3,546.91 | 3,335.86 |

Note 1.12 Trade Receivables

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--------------------------------------|---------------------|---------------------|
| (a) Secured , considered good | - | - |
| (b) Unsecured , considered good | 61,135.21 | 64,453.84 |
| (c) Unsecured, Credit Impaired | 9,949.34 | 5,904.53 |
| | 71,084.55 | 70,358.37 |
| Allowance for bad and doubtful debts | (9,949.34) | (5,904.53) |
| Total | 61,135.21 | 64,453.84 |

- Note: (i) The above includes ₹ 17,246.95 Lakhs as retention money (2020: ₹ 19,016.13 Lakhs) which are recoverable on completion of the project as per the relevant contract.
 (ii) Trade Receivable are secured against first charge on working capital facility
 (iii) The Company provide allowance in trade recivables based on historic credit loss experience, current economic conditions and events and future observable data and information. The expected credit loss allowance is computed based on the ageing of the receivables.

Note 1.13 Cash and Cash Equivalents

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--|---------------------|---------------------|
| (a) Balances with banks - In current accounts | 2,112.48 | 1,591.88 |
| (b) Cheques/ Pay order in hand | 51.04 | - |
| (c) Cash on hand | 75.76 | 66.53 |
| Total | 2,239.28 | 1,658.41 |

Cash and cash equivalent include cash on hand & cash at Bank

Note 1.14 Bank balances other than above

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|---|---------------------|---------------------|
| (a) Unpaid Dividend Account | 16.51 | 28.24 |
| (b) Term Deposit of upto Twelve Months Maturity | 12.71 | 12.71 |
| (c) Margin Money | 8,240.80 | 6,643.70 |
| Total | 8,270.02 | 6,684.65 |

Note: Represents deposit with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet date.

Notes on Financial Statement

Note 1.15 Loans (Current)

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--|---------------------|---------------------|
| I Unsecured Considered Good | | |
| (a) Security Deposits to others | 85.97 | 87.69 |
| (b) Loan to Subsidiaries & Associates | 3,360.14 | 3,569.85 |
| (c) Interest accrued on Loans | 1,355.98 | 915.24 |
| (d) Advance to Employee | 248.00 | 283.72 |
| | 5,050.09 | 4,856.50 |
| II Unsecured, Credit Impaired | | |
| Loan to Body Corporates | 275.00 | 275.00 |
| Less: Allowance for Loan to Body Corporate | (275.00) | (275.00) |
| | - | - |
| Total | 5,050.09 | 4,856.50 |

Note 1.16 Current Tax Assets (Net)

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--|---------------------|---------------------|
| Advance Payment of Income Tax (net of provision) | 3,136.17 | 2,121.78 |
| Total | 3,136.17 | 2,121.78 |

Note 1.17 Other Current Assets

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|---|---------------------|---------------------|
| (a) Security Deposits | 46.22 | 514.06 |
| (b) Advance to Parties | 5,576.47 | 8,129.69 |
| (c) Other Advances | 2,878.63 | 2,336.23 |
| (d) Prepaid Expenses | 401.90 | 420.99 |
| (e) Balances with Government Dept | 20,342.30 | 23,621.36 |
| (f) Contractually reimbursable expenses | 2,575.21 | 3,965.33 |
| (g) Unbilled Debtors | 60,099.75 | 54,102.31 |
| Total | 91,920.48 | 93,089.97 |

Note 1.18 Equity Share Capital

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--|---------------------|---------------------|
| Authorised Share Capital | | |
| 197,00,00,000 Equity shares at par value of ₹ 1/- each (As at 31 st March 2020: 197,00,00,000 Equity Shares of ₹ 1/- each) | 19,700.00 | 19,700.00 |
| | 19,700.00 | 19,700.00 |
| Issued, Subscribed and paid up capital | | |
| 250343252 Equity Shares at par value of ₹ 1/- each (As at 31 st March 2020: 22,48,59,382 Equity Shares of ₹ 1/- each) | 2,503.43 | 2,248.59 |
| | 2,503.43 | 2,248.59 |

- (i) The Company has only one class of shares referred to as equity shares having a par value of Re. 1 each holder of equity shares is entitled to one vote per shares

Notes on Financial Statement

- (ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders
- (iii) Issued, Subscribed and Paid Up Capital includes 12,71,83,090 equity shares allotted on the basis of 1 equity shares in TexRail for Rs 1 each credited as fully paid-up for every 1 equity shares held by each member of Texmaco Infrastructure & Holdings Limited (formerly Texmaco Limited) on record date without payment being received in cash for demerging its Heavy Engineering Division & Steel Foundry Division to Texmaco Rail & Engineering Limited.
- (iv) During the Year the Company has allotted 1,61,29,031 and 93,54,839 Equity Shares of ₹1 each to Shri Saroj Kumar Poddar and M/s Advantz Finance Private Limited respectively under preferential allotment as approved by the shareholders in accordance with Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. The Equity Share were issued @ ₹ 31 per Equity Share (including a premium of ₹ 30 per share).
- (v) **Reconciliation of numbers of Issued, Subscribed and Paid-up Capital**

| Particulars | As at 31.03.2021 No. Shares | As at 31.03.2020 No. Shares |
|---|-----------------------------------|-----------------------------------|
| Number of Shares at the beginning of the year | 22,48,59,382 | 22,00,49,482 |
| Add: Allotment under ESOP | - | 24,600 |
| Add: Transfer from Share Capital Suspense | - | 47,85,000 |
| Add: Conversion of Loan into Equity Share through Preferential Allotments | 25,483,870 | - |
| Number of Shares at the end of the year | 25,03,43,252 | 22,48,59,082 |

- (vi) After the reporting date, dividend of 0.10 paisa (2020: 0.10 Paisa) per equity share was proposed by the Board of Directors subject to the approval of the share holders at the Annual General Meeting, the dividend has not been recognised as Liability
- (vii) The name of Shareholders holding more than 5% Equity shares

| Name of Shareholders | As at 31.03.2021 | | As at 31.03.2020 | |
|--|------------------|-----------|------------------|-----------|
| | No. of Shares | % Holding | No. of Shares | % Holding |
| (a) Texmaco Infrastructure & Holdings Ltd. | 5,85,00,000 | 23.37 | 5,46,00,000 | 24.28 |
| (b) Zuari Investments Ltd. | 2,50,63,900 | 10.01 | 2,89,63,900 | 12.88 |
| (c) Saroj Kumar Poddar* | 2,01,86,771 | 8.06 | - | - |
| (d) Adventz Finance Private Ltd. | 1,79,82,239 | 7.18 | - | - |
| (e) HDFC Trustee Company Ltd. A/C HDFC Hybrid Debt Fund | - | - | 1,80,49,537 | 8.03 |
| (f) HDFC Trustee Company Ltd. A/C HDFC Balanced Advantage Fund | 14,190,615 | 5.67 | - | - |

*The shares held by Shri Saroj Kumar Poddar includes his holding as Karta of HUF and trustee of Saroj and Jyoti Poddar Holdings Pvt Ltd.

Notes on Financial Statement

Note 1.19 Other Equity

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|---|---------------------|---------------------|
| (i) Other Reserves | | |
| Share Options Outstanding Account | | |
| Balance as per last Account | 1,184.38 | 1,184.38 |
| | 1,184.38 | 1,184.38 |
| (ii) Capital Reserve | | |
| Balance as per last Account | 1,626.60 | 3,951.22 |
| Less: Adjustment of Goodwill in Business Combination | - | (2,324.62) |
| | 1,626.60 | 1,626.60 |
| (iii) Securities Premium | | |
| Balance as per last Account | 39,934.70 | 39,924.86 |
| Add: Issue of Equity Shares under Preferential allotment | 7,645.16 | - |
| Add: On issue of ESOP | - | 9.84 |
| | 47,579.86 | 39,934.70 |
| (iv) General Reserve | | |
| Balance as at the beginning of the year | 47,220.92 | 47,220.92 |
| Add: Transferred from Statement of Profit and Loss | 200.00 | - |
| | 47,420.92 | 47,220.92 |
| (v) Reserves representing unrealised gains/losses | | |
| (a) Equity Instruments through Other Comprehensive Income | | |
| Addition during the year | 515.23 | 1,706.32 |
| | 2,123.60 | (1,191.09) |
| | 2,638.83 | 515.23 |
| (b) Remeasurements of the net defined benefit Plans | | |
| Balance as at the beginning of the year | - | - |
| Addition during the year | 23.19 | 17.60 |
| Less : Transferred to Retained Earning | (23.19) | (17.60) |
| | - | - |
| (vi) Exchange differences on translating the financial statements of a foreign operation | | |
| Balance as at the beginning of the year | (56.82) | 155.56 |
| Addition during the year | 166.76 | (212.38) |
| | 109.94 | (56.82) |
| (vii) Retained Earnings | | |
| Surplus at the beginning of the year | 10,117.37 | 17,633.65 |
| Add : Profit for the year | 1,186.63 | (6,584.03) |
| Add : Transferred from Remeasurements of the net defined benefit Plans | 23.19 | 17.60 |
| Less : Transferred to General Reserve | (200.00) | - |
| Less:Dividend on Equity Shares | (224.83) | (787.00) |
| Less:Tax on dividend | - | (162.85) |
| | 10,902.36 | 10,117.37 |
| Total | 111,462.89 | 100,542.38 |

- (i) **General Reserve:** The General Reserve is used from time to time to transfer profit Retained Earnings for appropriation pupose. As the General Reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items includes in the General Reserve will not be reclassifies subsequently to profit & loss
- (ii) **Reserve for Equity Instrument through Other Comprehensive Income (OCI):** This reserve represents the cumlative gain or loss arising on net revaluation of equity instruments measured at fair value through OCI, net of amounts reclassified to the Retained Earnings when those assets have been disposed off.
- (iii) **Capital Reserves:** The Company recoginses profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to Capital Reserve.

Notes on Financial Statement

- (iv) **Security Premium:** Security Premium Reserve issued to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013
- (v) **Foreign currency monetary items translation difference reserve:** Exchange differences arising on settlement and remeasurement of long term foreign currency monetary items are accumulated in "Foreign Currency Monetary items Translation Difference Account" and amortised over the maturity period or upto the date of settlement of such monetary items, which is earlier, and charged to the Statement of Profit and Loss.
- (vi) **Retained Earnings:** Retained Earnings refers to the portion of net income which is retained by the corporation to be reinvested in its core business. Similarly if the Company has a loss then that loss is retained and called retained losses or accumulated losses. Retained Earnings and Losses are cumulative from year to year with losses off setting earnings.

Note 1.20 Borrowings (Non Current)

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--|---------------------|---------------------|
| Secured | | |
| From banks | | |
| (a) Term Loan/Foreign Currency Term Loan (TL/FCTL) | 3,527.58 | 5,255.41 |
| (b) Car Loan | 47.63 | 14.58 |
| Total | 3,575.21 | 5,269.99 |

Term Loan from Banks are secured against the Property, Plant and Equipments created from such loan, remaining Term Loan from Bank are repayable in 9 quarterly installments or earlier as per the approved sanction.

Note 1.21 Provisions (Non Current)

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|-----------------------------|---------------------|---------------------|
| (a) Provision for Leave | 399.17 | 334.25 |
| (b) Provision for Gratuity | 353.50 | 297.84 |
| (c) For Warranty and others | 183.99 | 183.99 |
| Total | 936.66 | 816.08 |

The company accounts for leave and gratuity based on Actuary Valuation.

Note 1.22 Other Non Current Liabilities

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--|---------------------|---------------------|
| (a) Advances from Customers | 11,638.87 | 17,476.90 |
| (b) Security Deposit(Prepaid - Rent Liability) | 307.34 | 337.44 |
| Total | 11,946.21 | 17,814.34 |

Note 1.23 Borrowings (Current)

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--------------------------------|---------------------|---------------------|
| (a) Secured | | |
| (i) From Banks | | |
| Cash Credit | 42,154.74 | 47,490.65 |
| Short Term Loan | 6,970.30 | 7,719.89 |
| (b) From Other Parties | | |
| (i) Loans from related parties | 19,465.00 | 6,700.00 |
| (ii) Inter-Corporate Deposits | 4,100.00 | 7,800.00 |
| Total | 72,690.04 | 69,710.54 |

Notes on Financial Statement

- (i) Cash Credit facilities of respective divisions are secured by hypothecation of first charge on Stock, book debts and other current assets of that particular division (both present and future).
- (ii) Cash Credit facility for Rail EPC Divisions and Steel Foundry Division (Raipur) are further secured by first charge on the movable fixed assets of their respective divisions (both present and future).
- (iii) Cash Credit facility for Rail EPC- Kalindee Division are further secured by way of first Pari-Passu charge on Fixed Deposit of ₹ 14.49 Crores along with Flats at Jaipur & Gurgaon to the working capital consortium lenders.
- (iv) Cash Credit Facility of HED/SF (Kolkata) Division are secured by exclusive charge on land and buildings of Agarpara and Belgharia along with second charge on the movable fixed assets of this division.

Note 1.24 Trade Payables

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--|---------------------|---------------------|
| Dues to Micro Enterprise and Small Enterprises | - | - |
| Dues of Creditors other than Micro Enterprise and Small Enterprises | 42,996.55 | 55,412.12 |
| | 42,996.55 | 55,412.12 |
| Information in terms of Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006 is as follows | | |
| Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are give as follows: | | |
| (a) Principal amount due Unpaid matured deposits and interest accrued thereon | - | - |
| (b) Interest paid during the period beyond the appointed day | - | - |
| (c) Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act | - | - |
| (d) Amount of interest accrued and remaining unpaid at the end of the period | - | - |
| (e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act | - | - |

There are no dues owned by the Company to Micro and Small Enterprises, which are outstanding for more than 45 days during the year as at 31st March, 2021 and 31st March, 2020. This information as required under the Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the Auditors

Note 1.25 Other Financial Liabilities

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|---|---------------------|---------------------|
| (a) Current maturities of long-term debt | | |
| Term Loan | 1,648.05 | 1,049.67 |
| Car Loan | 12.13 | 4.94 |
| (b) Interest accrued | | |
| Interest accrued but not due on borrowings | 535.55 | 286.66 |
| (c) Unclaimed / Unpaid dividends | | |
| | 16.51 | 28.24 |
| (d) Others | | |
| Liabilities for Expenses | 2,281.58 | 2,043.07 |
| Amount Due to Employee | 1,324.25 | 1,138.21 |
| Others Misc. Payable | 193.58 | 262.27 |
| Creditors for Capital Advance | 15.38 | 689.76 |
| Total | 6,027.03 | 5,502.82 |

- (i) Term Loan from Banks are is secured against Property, Plant and Equipments created from such laon. The balance term loan is repayable in 4 quarterly installments or earlier as per the approved sanction
- (ii) There is no amount due and outstanding to be credited to the Investor Eduaction and Protection Fund against unpaid dividend as at 31st March, 2021

Notes on Financial Statement

Note 1.26 Other Current Liabilities

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|---------------------------------|---------------------|---------------------|
| (a) Advances from Customers | 4,765.89 | 10,206.68 |
| (b) TDS and other taxes payable | 325.91 | 741.16 |
| (c) PF, ESI amount Payable | 120.24 | 89.39 |
| (d) Security Deposits | 2,178.50 | 1,991.08 |
| (e) Other Liabilities | 1,455.79 | 1,589.16 |
| Total | 8,846.33 | 14,617.47 |

Note 1.27 Provisions (Current)

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|---|---------------------|---------------------|
| (a) Provision for Gratuity | 45.58 | 50.36 |
| (b) Provision for Leave | 103.77 | 172.85 |
| (c) Provision for Contract Loss Provision | 600.40 | 55.70 |
| (d) Provision for Expenses | 2,423.82 | 1,450.75 |
| (e) Provision for Impairment of Assets/Covid-19 | - | 14,991.97 |
| Total | 3,173.57 | 16,721.63 |

The Company accounts for leave and gratuity based on Actuary Valuation

Note 1.28 Revenue From Operations

(₹ in Lakhs)

| Particulars | Year Ended 31.03.2021 | Year Ended 31.03.2020 |
|--------------------------------------|--------------------------|--------------------------|
| (a) Sale of products | 104,493.10 | 118,336.57 |
| (b) Sale of services | 77,631.44 | 82,536.50 |
| (c) Other operating revenues | 806.37 | 1,154.43 |
| Gross Revenue from Operations | 182,930.91 | 202,027.50 |
| Less: Inter Segment Revenue | 14,057.11 | 18,847.52 |
| Net Revenue from Operations | 168,873.80 | 183,179.98 |

Note 1.29 Other Income

(₹ in Lakhs)

| Particulars | Year Ended 31.03.2021 | Year Ended 31.03.2020 |
|--|--------------------------|--------------------------|
| (a) Interest Income | | |
| From Bank | 265.14 | 240.51 |
| From Others | 818.95 | 1,030.21 |
| (b) Dividend Income | | |
| Income from Non-Current Investments | 32.10 | 60.89 |
| (c) Other non-operating income | | |
| Net gain on Sale of Current Investments | - | 5.29 |
| Compensation Against Old Refugee Settlement Area | 589.74 | 178.02 |
| Miscellaneous Receipts and Income | 221.80 | 455.56 |
| Sundry Credit Balance Adjusted | 0.45 | 7.77 |
| Profit on sale of PPE | - | 78.75 |
| Rent Received | 971.43 | 367.20 |
| Provision & Excess Liabilities Written Back | - | 18.09 |
| Insurance Claim Received | 66.87 | 2.05 |
| Gain on fair valuation of Mutual Funds | 211.05 | 281.34 |
| Total | 3,177.53 | 2,725.68 |

Notes on Financial Statement

Note 1.30 Cost of Materials Consumed

(₹ in Lakhs)

| Particulars | Year Ended 31.03.2021 | Year Ended 31.03.2020 |
|--|--------------------------|--------------------------|
| Opening Stock of Raw Materials | 5,888.15 | 8,241.44 |
| Add: Raw materials Purchased and Departmental Transfers etc. | 68,782.35 | 84,968.63 |
| | 74,670.50 | 93,210.07 |
| Less: Closing Stock of Raw Materials | 3,764.67 | 5,888.15 |
| | 70,905.83 | 87,321.92 |
| Consumption of Components | 44,471.32 | 62,076.77 |
| Less Inter Segment Revenue | 14,057.11 | 18,847.52 |
| Total | 101,320.04 | 130,551.17 |

Note 1.31 Changes In Inventories of Finished Goods and Work-in-Progress

(₹ in Lakhs)

| Particulars | Year Ended 31.03.2021 | Year Ended 31.03.2020 |
|---------------------------------------|--------------------------|--------------------------|
| Opening Stock | | |
| Finished Goods | 5,095.33 | 2,518.97 |
| Work-in-Progress | 27,792.32 | 21,869.00 |
| Total | 32,887.65 | 24,387.97 |
| Less : Closing Stock | | |
| Finished Goods | 1,462.29 | 5,095.33 |
| Work-in-Progress | 14,581.23 | 27,792.32 |
| | 16,043.52 | 32,887.65 |
| (Increase) / Decrease in Stock | 16,844.13 | (8,499.68) |

Note 1.32 Employee Benefit Expenses

(₹ in Lakhs)

| Particulars | Year Ended 31.03.2021 | Year Ended 31.03.2020 |
|--|--------------------------|--------------------------|
| a) Salaries ,Wages and Bonus | 10,259.45 | 11,369.56 |
| b) Contribution to provident and other funds | | |
| i) Provident Fund and Pension Fund | 660.62 | 760.49 |
| ii) Superannuation Fund | 25.11 | 50.90 |
| iii) Gratuity | 267.67 | 2.00 |
| c) Staff Welfare Expenses | 400.06 | 592.44 |
| d) VRS Expenses | 0.59 | 1.17 |
| Total | 11,613.50 | 12,776.56 |

Note 1.33 Finance Costs

(₹ in Lakhs)

| Particulars | Year Ended 31.03.2021 | Year Ended 31.03.2020 |
|---------------------------|--------------------------|--------------------------|
| (a) Interest | | |
| i) Banks | 5,891.30 | 5,883.93 |
| ii) Others | 3,115.69 | 2,017.00 |
| (b) Other borrowing costs | 1,289.94 | 1,788.22 |
| Total | 10,296.93 | 9,689.15 |

Note 1.34 Depreciation and Amortization Expense

(₹ in Lakhs)

| Particulars | Year Ended 31.03.2021 | Year Ended 31.03.2020 |
|---------------------------------------|--------------------------|--------------------------|
| (a) Depreciation on Tangible Assets | 3,660.56 | 3,518.77 |
| (b) Depreciation on Intangible Assets | 65.11 | 72.08 |
| Total | 3,725.67 | 3,590.85 |

Notes on Financial Statement

Note 1.35 Other Expenses

(₹ in Lakhs)

| Particulars | Year Ended 31.03.2021 | | Year Ended 31.03.2020 | |
|---|--------------------------|------------------|--------------------------|------------------|
| Consumption of stores and spares part | | 8,815.25 | | 10,303.71 |
| Power and Fuel | | 5,515.00 | | 7,167.10 |
| Rent | | 889.80 | | 843.46 |
| Repairs to buildings | | 497.86 | | 524.77 |
| Repairs to machinery | | 364.26 | | 454.16 |
| Repairs to others | | 111.56 | | 130.94 |
| Insurance | | 491.89 | | 601.00 |
| Rates and Taxes excluding taxes on Income | | 409.00 | | 447.81 |
| Freight,Packing and Transport | | 1,284.00 | | 1,211.91 |
| Erection Expenses | | 5,687.60 | | 6,767.06 |
| Drawings and Designs | | 1.01 | | 2.33 |
| Royalty & Knowhow | | 24.01 | | 60.72 |
| Research & Development | | 129.54 | | 106.25 |
| Selling Agents Commission | | 62.32 | | 13.81 |
| Selling Expenses | | 134.61 | | 294.76 |
| Director's Sitting Fees | | 23.35 | | 25.40 |
| Director's Commission | | 12.41 | | 13.61 |
| Payments to the Auditor | | | | |
| As Auditor | 21.25 | | 20.75 | |
| For Tax Audit | 4.75 | | 4.50 | |
| For Quarterly Review | 3.60 | | 3.60 | |
| For Fees for Other Services (incl for issuing various certificates) | 5.11 | | 8.75 | |
| To Cost Auditor | 1.85 | | 1.85 | |
| For Reimbursement of out of poket expenses | 5.01 | 41.57 | 4.64 | 44.09 |
| Donation | | 1.04 | | 200.70 |
| CSR Expenses* | | 11.61 | | 62.96 |
| Miscellaneous Expenses | | 2,549.91 | | 3,380.35 |
| Sundry Debit Balance Adjusted | | 37.54 | | 1.14 |
| Allowance for bad & doubtful debts | | 330.91 | | 394.66 |
| Bad Debt/Impairment /Loss of unbilled Revenue | 8817.50 | | 2,681.07 | |
| Less: Allowance for bad & doubtful debts | (8766.32) | 51.18 | (2,582.63) | 98.44 |
| Net (gain)/loss on foreign currency transaction | | (394.15) | | (474.39) |
| (Profit)/Loss on sale of PPE (Net) | | 7.57 | | - |
| Provision & Excess Liabilities Written Back | | 0.94 | | - |
| Total | | 27,091.59 | | 32,676.75 |

*Note on CSR Expense:

i) Gross amount required to be spent by the Company during the year: ₹ 7.31 Lakhs

ii) Amount spent in cash during the year on:

| Particulars | In Cash | Total |
|--|--------------|--------------|
| i) Construction/acquisition of any asset | - | - |
| ii) On purposes other than (i) above | 11.61 | 11.61 |
| Total | 11.61 | 11.61 |

Notes on Financial Statement

Note 1.36 Other Comprehensive Income

(₹ in Lakhs)

| Particulars | Year Ended 31.03.2021 | Year Ended 31.03.2020 |
|---|--------------------------|--------------------------|
| (A) Items that will not be reclassified to profit or loss | | |
| (i) Remeasurements of the defined benefit plans | 23.19 | 17.60 |
| (ii) Equity Instruments through Other Comprehensive Income; | 2,123.60 | (1,191.09) |
| | 2,146.79 | (1,173.49) |
| (B) Items that will be reclassified to profit or loss | | |
| (i) Exchange differences in translating the financial statements of a foreign operation | 166.76 | (212.38) |
| Total | 166.76 | (212.38) |

Note 1.37 Commitments and Contingent Liabilities

(₹ in Lakhs)

| Particulars | For the period ended 31.03.2021 | For the period ended 31.03.2020 |
|---|------------------------------------|------------------------------------|
| (A) Commitments | | |
| Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advance) | 1,976.30 | 848.00 |
| (B) Contingent Liabilities (not provided for) in respect of : | | |
| (a) Bank/Corporate Guarantees given in the normal course of Business. | 93,931.43 | 1,24,815.12 |
| (b) Bonds issued to Custom Department | 92.20 | 92.20 |
| (c) Claims under dispute (Excise, Service Tax, Income Tax and others) | 20,071.19 | 20,145.56 |
| (d) Claims not acknowledged as debts (Amount unascertainable) | - | - |
| (e) Income Tax assessment under appeal (Amount unascertainable) | - | - |

Note 1.38

Movement of Provisions during the year as required under Ind AS 37 Provisions,

Contingent Liabilities and Contingent Assets

(₹ in Lakhs)

| Particulars | Opening Provision as on 1.4.2020 | Utilized during the year | Reversed during the year | Provision during the year | Closing provision as on 31.03.2021 |
|--------------------------------------|--|--------------------------------|--------------------------------|---------------------------------|--|
| (a) Site warranty period maintenance | 183.99 | -- | -- | -- | 183.99 |
| (b) Others | 1,450.75 | -- | 657.77 | 1,630.84 | 2,423.82 |
| Total | 1,634.74 | -- | 657.77 | 1,630.84 | 2,607.81 |
| Previous Year | 1,127.97 | -- | 151.00 | 657.77 | 1634.74 |

In accordance with the requirement of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" issued by the Companies (Accounting Standard) Rules 2006, the company has provided liability for other expenses amounting to ₹ 1,630.84 lakhs (Previous Year ₹ 657.77 lakh).

Site warranty period maintenance: The Company gives warranties and maintenance on certain products and services, undertaking to repair, replace and maintain the items for satisfactory working during the warranty period. Provision as at March 31, 2021 represents the amount of the expected cost of meeting such obligations of rectification/ replacement/maintenance. The timing of the outflow is expected to be within a period of two years.

Provision for others: It represents liabilities related to various site expenses including contractor service charges for sites, administrative charges etc, likely to materialize in the next financial year. Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Unwinding of the discount is recognized in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Notes on Financial Statement

Note 1.39 In the opinion of the management, current assets, loans and advances have a value on realisation in the ordinary course of business unless otherwise stated, at least to the amount at which they are stated and the provisions for all known and determined liabilities is adequately provided.

Note 1.40 Balance of debtors and loans and advances are subject to confirmation from respective parties.

Note 1.41 Related Party Disclosure

(a) Name of the Related Parties and Relationship

(b) Name of the related parties and relationship as per Ind AS 24

| Relationship | Parties where control Exist 2020-21 | Parties where control Exist 2019-20 |
|---|---|---|
| A. Key Management Personnel | Mr. Saroj Kumar Poddar Executive Chairman - Mr. Indrajit Mookerjee, Managing Director (Redesignated w.e.f: 02nd April, 2020) Mr. A. K. Vijay, Executive Director (Finance) & CFO Mr. D. H. Kela Executive Director & CEO (SF) Mr. Ashish Kr. Gupta, Deputy Managing Director (Appointed w.e.f: 17th November,2020) - Mr. Ravi Varma Company Secretary Mr. A. C. Chakrabortti, Independent Director Mr. D. R. Kaarathikeyan, Independent Director Ms. Mridula Jhunjunwala, Independent Director (Ceased w.e.f 19th March, 2021) Mr. Sunil Mitra, Independent Director Mr. Utsav Parekh, Independent Director Mr. Virendra Sinha, Independent Director (Appointed w.e.f: 17th Feb,2021) Ms. Rusha Mitra, Independent Director (Appointed w.e.f: 17th Feb,2021) - Mr. Akshay Poddar, Non – Executive Director | Mr. Saroj Kumar Poddar Executive Chairman Mr. Sandeep Fuller, Managing Director (Resigned w.e.f. 31st March, 2020) Mr. Indrajit Mookerjee, Non-Executive Director Mr. A. K. Vijay, Executive Director (Finance) & CFO Mr. D. H. Kela Executive Director & CEO (SF) - Mr. G. C. Agarwal, ED & CEO (HED) (Resigned w.e.f. 31st March, 2020) Mr. Ravi Varma Company Secretary (Appointed w.e.f: 14th December, 2019) Mr. A. C. Chakrabortti, Independent Director Mr. D. R. Kaarathikeyan, Independent Director Ms. Mridula Jhunjunwala, Independent Director Mr. Sunil Mitra, Independent Director Mr. Utsav Parekh, Independent Director - - Mr. V. K. Sharma, Independent Director Mr. Akshay Poddar, Non – Executive Director |
| B. Relative of Key Management Personnel | Ms. Jyotsna Poddar (Wife of Mr. S.K.Poddar) Ms. Puja Poddar (Daughter in Law of Mr. S.K.Poddar) Ms. Shradha Agarwal (Daughter of Mr. S.K.Poddar) | Ms. Jyotsna Poddar (Wife of Mr. S.K.Poddar) Ms. Puja Poddar (Daughter in Law of Mr. S.K.Poddar) Ms. Shradha Agarwal (Daughter of Mr. S.K.Poddar) |

Notes on Financial Statement

| Relationship | Parties where control Exist 2020-21 | Parties where control Exist 2019-20 |
|--|--|--|
| C. Subsidiary Company | <p>Belur Engineering Private Ltd. (100% of Capital held by Company)</p> <p>Texmaco Transtrak Private Ltd. (51.01% of Capital held by Company)</p> <p>Texrail SA (Pty) Ltd. (Subsidiary by way of Control)</p> <p>Texmaco Rail Systems Pvt. Ltd (100% of Capital held by Company)</p> <p>Texmaco Rail Electrification Pvt. Ltd. (100% of Capital held by Company)</p> <p>Texmaco Engineering Udyog Pvt. Ltd. (100% of Capital held by Company)</p> | <p>Belur Engineering Private Ltd. (100% of Capital held by Company)</p> <p>TexmacoTranstrak Private Ltd. (51.01% of Capital held by Company)</p> <p>Texrail SA (Pty) Ltd. (Subsidiary by way of Control)</p> <p>Texmaco Rail Systems Pvt. Ltd (Formerly Texmaco Signalling Systems Pvt .Ltd) (100% of Capital held by Company)</p> <p>-</p> <p>-</p> |
| D. Associate | <p>Texmaco Defence Systems Pvt. Ltd. (41% of Capital held by Company)</p> | <p>Texmaco Defence Systems Pvt. Ltd. (41% of Capital held by Company)</p> |
| E. Joint Ventures | <p>Touax Texmaco Railcar Leasing Pvt. Ltd. (50% of Capital held by Company)</p> <p>Wabtec Texmaco Rail Pvt. Ltd. (40% of Capital held by Company)</p> <p>Kalindee Cobra JV</p> <p>Kalindee Kapoor Railcon JV</p> <p>Kalindee Karthik JV</p> <p>Kalindee VNC JV</p> <p>Kalindee IF&LS JV</p> <p>GMR TPL KRNL JV</p> <p>Kalindee Rahee JV</p> <p>Kalindee URC JV</p> <p>JMC – GPT – Vijaywargi – Bright Power JV</p> <p>JMC – Vijaywargi – Bright Power JV</p> <p>Bright – Vijaywargi JV</p> <p>Bright – Kalindee JV</p> <p>Bright – Texmaco JV</p> <p>ISC Projects- Texmaco JV</p> <p>Kalindee ASIS JV</p> <p>Tata Projects – Kalindee JV</p> <p>TexmacoRahee JV</p> | <p>Touax Texmaco Railcar Leasing Pvt. Ltd. (50% of Capital held by Company)</p> <p>Wabtec Texmaco Rail Pvt. Ltd. (40% of Capital held by Company)</p> <p>Kalindee Cobra JV</p> <p>Kalindee Kapoor Railcon JV</p> <p>Kalindee Karthik JV</p> <p>Kalindee VNC JV</p> <p>Kalindee IF&LS JV</p> <p>GMR TPL KRNL JV</p> <p>Kalindee Rahee JV</p> <p>Kalindee URC JV</p> <p>JMC – GPT – Vijaywargi – Bright Power JV</p> <p>JMC – Vijaywargi – Bright Power JV</p> <p>Bright – Vijaywargi JV</p> <p>-</p> <p>-</p> <p>-</p> <p>-</p> <p>Tata Projects – Kalindee JV</p> <p>TexmacoRahee JV</p> |
| F. Group Company where Transaction Exists. | <p>Duke Commerce Ltd.</p> <p>Adventz Securities Enterprises Ltd.</p> <p>Zuari Global Ltd.</p> <p>New Eros Tradecom Ltd.</p> <p>Master Exchange & Finance Ltd.</p> <p>Adventz Investments Co. Pvt. Ltd.</p> <p>Adventz Finance Pvt. Ltd.</p> <p>Eureka Traders Pvt. Ltd.</p> <p>Abhishek Holdings Pvt. Ltd.</p> <p>Greenland Trading Pvt. Ltd.</p> <p>Indrakshi Trading Company Pvt. Ltd.</p> <p>Zuari Management Services Ltd.</p> <p>High Quality Steels Ltd.</p> <p>Lionel India Ltd.</p> <p>Lionel Edwards Ltd.</p> <p>Texmaco Infrastructure & Holdings Ltd.</p> <p>Zuari Investments Ltd.</p> <p>Zuari Sugar and Power Ltd.</p> <p>Paradeep Phosphate Ltd.</p> <p>Magnacon Electricals India Ltd.</p> <p>The Pench Valley Coal Company Ltd.</p> | <p>Duke Commerce Ltd.</p> <p>Adventz Securities Enterprises Ltd.</p> <p>Zuari Global Ltd.</p> <p>New Eros Tradecom Ltd.</p> <p>Master Exchange & Finance Ltd.</p> <p>Adventz Investments Co. Pvt. Ltd.</p> <p>Adventz Finance Pvt. Ltd.</p> <p>Eureka Traders Pvt. Ltd.</p> <p>Abhishek Holdings Pvt. Ltd.</p> <p>Greenland Trading Pvt. Ltd.</p> <p>Indrakshi Trading Company Pvt. Ltd.</p> <p>Zuari Management Services Ltd.</p> <p>High Quality Steels Ltd.</p> <p>Lionel India Ltd.</p> <p>Lionel Edwards Ltd.</p> <p>Texmaco Infrastructure & Holdings Ltd.</p> <p>Zuari Investments Ltd.</p> <p>-</p> <p>Paradeep Phosphate Ltd.</p> <p>Magnacon Electricals India Ltd.</p> <p>-</p> |

Notes on Financial Statement

(b) Related Party Transactions

| | | | | | | | (₹ in Lakhs) |
|--|---------------------|--------------|------------|--------------------|---------------------|--------------------|--------------------------------------|
| Transactions | Other Related Party | Subsidiary | Associate | Joint Ventures | Key Mgmt. Personnel | Grand Total | Balance outstanding as on 31/03/2021 |
| Remuneration Paid | | | | | | | |
| - Mr. Saroj Kumar Poddar | -- (--) | -- (--) | -- (--) | -- (--) | 274.37 (379.26) | 274.37 (379.26) | -- (53.85) |
| - Mr. Sandeep Fuller (Resigned w.e.f. 31st March, 2020) | -- (--) | -- (--) | -- (--) | -- (--) | -- (114.01) | -- (114.01) | -- (15.41) |
| - Mr. Indrajit Mookerjee (Appointed w.e.f. 02nd April, 2020) | -- (--) | -- (--) | -- (--) | -- (--) | 58.90 (--) | 58.90 (--) | -- (--) |
| - Mr. A.K. Vijay | -- (--) | -- (--) | -- (--) | -- (--) | 54.80 (67.26) | 54.80 (67.26) | -- (5.19) |
| - Mr. D. H. Kela | -- (--) | -- (--) | -- (--) | -- (--) | 95.38 (126.68) | 95.38 (126.68) | -- (10.53) |
| - Mr. Girish Chandra Agarwal (Resigned w.e.f. 31st March, 2020) | -- (--) | -- (--) | -- (--) | -- (--) | -- (56.31) | -- (56.31) | -- (6.31) |
| - Mr. Ashish Kr. Gupta (Appointed w.e.f. 17th November, 2020) | -- (--) | -- (--) | -- (--) | -- (--) | 52.08 (--) | 52.08 (--) | -- (--) |
| - Mr. Ravi Varma | -- (--) | -- (--) | -- (--) | -- (--) | 22.03 (12.20) | 22.03 (12.20) | -- (0.50) |
| - Mr. A. C. Chakrabortti (Sitting Fees & Commission) | -- (--) | -- (--) | -- (--) | -- (--) | 6.85 (7.75) | 6.85 (7.75) | -- (--) |
| - Mr. D.R. Kaarthikeyan (Sitting Fees & Commission) | -- (--) | -- (--) | -- (--) | -- (--) | 5.85 (5.45) | 5.85 (5.45) | -- (--) |
| - Ms. Mridula Jhunjunwala (Sitting Fees & Commission) | -- (--) | -- (--) | -- (--) | -- (--) | 6.53 (7.50) | 6.53 (7.50) | -- (--) |
| - Mr. Sunil Mitra (Sitting Fees & Commission) | -- (--) | -- (--) | -- (--) | -- (--) | 5.75 (7.05) | 5.75 (7.05) | -- (--) |
| - Mr. Utsav Parekh (Sitting Fees & Commission) | -- (--) | -- (--) | -- (--) | -- (--) | 4.00 (3.85) | 4.00 (3.85) | -- (--) |
| - Mr. Akshay Poddar (Sitting Fees & Commission) | -- (--) | -- (--) | -- (--) | -- (--) | 5.00 (4.35) | 5.00 (4.35) | -- (--) |
| - Mr. V. K. Sharma (Sitting Fees & Commission) | -- (--) | -- (--) | -- (--) | -- (--) | -- (0.90) | -- (0.90) | -- (--) |
| - Ms. Rusha Mitra (Sitting Fees & Commission) | -- (--) | -- (--) | -- (--) | -- (--) | 0.89 (--) | 0.89 (--) | -- (--) |
| - Mr. Virendra Sinha (Sitting Fees & Commission) | -- (--) | -- (--) | -- (--) | -- (--) | 0.89 (--) | 0.89 (--) | -- (--) |
| - Mr. Indrajit Mookerjee (Sitting Fees & Commission) | -- (--) | -- (--) | -- (--) | -- (--) | 0.01 (2.17) | 0.01 (2.17) | -- (--) |
| Investment | | | | | | | |
| - Touax Texmaco Railcar Leasing Pvt. Limited | -- (--) | -- (--) | -- (--) | 466.83 (450.00) | -- (--) | 466.83 (450.00) | 4931.82 (4464.99) |
| - Texmaco Infrastructure & Holdings Limited | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) | 1644.87 (727.27) |
| - Wabtec Texmaco Rail Pvt. Ltd | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) | 328.17 (328.17) |
| - Belur Engineering Pvt. Ltd | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) | 10.00 (10.00) |
| - TexmacoTranstrak Pvt. Ltd. | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) | 0.51 (0.51) |
| - TexmacoRail Systems Pvt. Ltd. | -- (--) | -- (1.00) | -- (--) | -- (--) | -- (--) | -- (1.00) | 1.00 (1.00) |
| - Texmaco Rail Electrification Pvt. Ltd. | -- (--) | 2.00 (--) | -- (--) | -- (--) | -- (--) | 2.00 (--) | 2.00 (--) |

Notes on Financial Statement

| Transactions | Other Related Party | Subsidiary | Associate | Joint Ventures | Key Mgmt. Personnel | Grand Total | Balance outstanding as on 31/03/2021 |
|---|-----------------------|-----------------------|------------------|-------------------|---------------------|-----------------------|--------------------------------------|
| - Texmaco Engineering Udyog Pvt. Ltd. | -- (-) | 1.00 (-) | -- (-) | -- (-) | -- (-) | 1.00 (-) | 1.00 (-) |
| - Texmaco Defence Systems Pvt. Ltd. | -- (-) | -- (-) | -- (-1.00) | -- (-) | -- (-) | -- (-1.00) | 4.10 (4.10) |
| Loans & Advances Given | | | | | | | |
| - Belur Engineering Pvt. Ltd. | -- (-) | -250.00 (-1200.00) | -- (-) | -- (-) | -- (-) | -250.00 (-1200.00) | 2740.00 (2990.00) |
| - Texmaco Transtrak Pvt. Ltd. | -- (-) | 0.10 (191.31) | -- (-) | -- (-) | -- (-) | 0.10 (191.31) | 360.40 (360.30) |
| - Texmaco Defence Systems Pvt. Ltd. | -- (-) | -- (-) | 40.20 (11.22) | -- (-) | -- (-) | 40.20 (11.22) | 259.75 (219.54) |
| - Bright-Vijaywargi-JV | -- (-) | -- (-) | -- (-) | 48.41 (234.90) | -- (-) | 48.41 (234.90) | 106.10 (149.40) |
| - Bright- Kalindee-JV | -- (-) | -- (-) | -- (-) | 44.97 (-) | -- (-) | 44.97 (-) | (23.65) (15.26) |
| - Bright- Texmaco-JV | -- (-) | -- (-) | -- (-) | 124.48 (-) | -- (-) | 124.48 (-) | (140.60) (-92.25) |
| Loans & Advances Received/Repaid | | | | | | | |
| - Adventz Finance Pvt. Ltd. ## | -2080.00 (4100.00) | -- (-) | -- (-) | -- (-) | -- (-) | -2080.00 (4100.00) | 3120.00 (5200.00) |
| - Adventz Securities Enterprises Ltd. | 375.00 (-150.00) | -- (-) | -- (-) | -- (-) | -- (-) | 375.00 (-150.00) | 1075.00 (700.00) |
| - Magnacon Electricals India Ltd. | -800.00 (800.00) | -- (-) | -- (-) | -- (-) | -- (-) | -800.00 (800.00) | -- (800.00) |
| - Zuari Management Services Ltd. | 3600.00 (-) | -- (-) | -- (-) | -- (-) | -- (-) | 3600.00 (-) | 3600.00 (-) |
| - Zuari Investments Ltd. | 9000.00 (-) | -- (-) | -- (-) | -- (-) | -- (-) | 9000.00 (-) | 9000.00 (-) |
| - Zuari Sugar and Power Ltd. | 1150.00 (-) | -- (-) | -- (-) | -- (-) | -- (-) | 1150.00 (-) | 1150.00 (-) |
| - Mr. Saroj Kumar Poddar** | -- (-) | -- (-) | -- (-) | -- (-) | 1500.00 (-) | 1500.00 (-) | 1500.00 (-) |
| - Pench Valley Coal Company Ltd. | 20.00 (-) | -- (-) | -- (-) | -- (-) | -- (-) | 20.00 (-) | 20.00 (-) |
| Dividend Paid | | | | | | | |
| - Mr.Saroj Kumar Poddar | -- (-) | -- (-) | -- (-) | -- (-) | 4.15 (12.06) | 4.15 (12.06) | -- (-) |
| - Ms Jyotsna Poddar | 0.07 (0.25) | -- (-) | -- (-) | -- (-) | -- (-) | 0.07 (0.25) | -- (-) |
| - Ms. Puja Poddar | 0.03 (0.10) | -- (-) | -- (-) | -- (-) | -- (-) | 0.03 (0.10) | -- (-) |
| - Mr. Akshay Poddar | -- (-) | -- (-) | -- (-) | -- (-) | 0.01 (0.05) | 0.01 (0.05) | -- (-) |
| - Ms. Shradha Agarwal | 0.01 (0.05) | -- (-) | -- (-) | -- (-) | -- (-) | 0.01 (0.05) | -- (-) |
| - Abhishek Holdings Pvt. Ltd. | -- (-) | -- (-) | -- (-) | -- (-) | -- (-) | -- (-) | -- (-) |
| - Adventz Securities Enterprises Ltd. | 3.81 (13.33) | -- (-) | -- (-) | -- (-) | -- (-) | 3.81 (13.33) | -- (-) |
| - Adventz Finance Pvt. Ltd. | 8.48 (29.32) | -- (-) | -- (-) | -- (-) | -- (-) | 8.48 (29.32) | -- (-) |
| - Adventz Investments Co. Pvt. Ltd. | 3.04 (10.62) | -- (-) | -- (-) | -- (-) | -- (-) | 3.04 (10.62) | -- (-) |
| - Duke Commerce Ltd. | 7.51 (26.30) | -- (-) | -- (-) | -- (-) | -- (-) | 7.51 (26.30) | -- (-) |

Notes on Financial Statement

| Transactions | Other Related Party | Subsidiary | Associate | Joint Ventures | Key Mgmt. Personnel | Grand Total | Balance outstanding as on 31/03/2021 |
|---|---------------------|------------|------------|----------------|---------------------|--------------------|--------------------------------------|
| - Eureka Traders Pvt. Ltd. | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) |
| - Greenland Trading Pvt. Ltd. | 0.04 (0.12) | -- (--) | -- (--) | -- (--) | -- (--) | 0.04 (0.12) | -- (--) |
| - Master Exchange & Finance Ltd. | 0.02 (0.05) | -- (--) | -- (--) | -- (--) | -- (--) | 0.02 (0.05) | -- (--) |
| - New Eros Tradecom Ltd. | 0.74 (2.58) | -- (--) | -- (--) | -- (--) | -- (--) | 0.74 (2.58) | -- (--) |
| - Indrakshi Trading Company Pvt. Ltd. | 0.03 (0.11) | -- (--) | -- (--) | -- (--) | -- (--) | 0.03 (0.11) | -- (--) |
| - Texmaco Infrastructure & Holdings Ltd. | 58.50 (191.10) | -- (--) | -- (--) | -- (--) | -- (--) | 58.50 (191.10) | -- (--) |
| - Zuari Investments Ltd. | 25.06 (101.37) | -- (--) | -- (--) | -- (--) | -- (--) | 25.06 (101.37) | -- (--) |
| - Zuari Global Ltd. | 4.04 (14.12) | -- (--) | -- (--) | -- (--) | -- (--) | 4.04 (14.12) | -- (--) |
| - Mr. D. H. Kela | -- (--) | -- (--) | -- (--) | -- (--) | 0.03 (0.11) | 0.03 (0.11) | -- (--) |
| - Mr. Sandeep Fuller (Resigned w.e.f. 31st March,2020) | -- (--) | -- (--) | -- (--) | -- (--) | -- (0.18) | -- (0.18) | -- (--) |
| - Mr. A.K. Vijay | -- (--) | -- (--) | -- (--) | -- (--) | 0.05 (0.18) | 0.05 (0.18) | -- (--) |
| - Mr. Ravi Varma | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) |
| - Mr. A. C. Chakrabortti | -- (--) | -- (--) | -- (--) | -- (--) | -- (0.01) | -- (0.01) | -- (--) |
| Dividend Received | | | | | | | |
| - Texmaco Infrastructure & Holdings Ltd. | 4.70 (4.70) | -- (--) | -- (--) | -- (--) | -- (--) | 4.70 (4.70) | -- (--) |
| Others | | | | | | | |
| - Adventz Finance Pvt. Ltd. (Rent Paid) | 15.79 (15.73) | -- (--) | -- (--) | -- (--) | -- (--) | 15.79 (15.73) | -- (--) |
| - Adventz Finance Pvt. Ltd. (Interest Paid) | 710.74 (515.23) | -- (--) | -- (--) | -- (--) | -- (--) | 710.74 (515.23) | 127.90 (105.10) |
| - Adventz Securities Enterprises Ltd. (Interest Paid) | 106.97 (103.72) | -- (--) | -- (--) | -- (--) | -- (--) | 106.97 (103.72) | 27.12 (22.55) |
| - Magnacon Electricals India Ltd. (Interest Paid) | 90.73 (68.11) | -- (--) | -- (--) | -- (--) | -- (--) | 90.73 (68.11) | -- (68.11) |
| - Zuari Management Services Ltd. (Interest Paid) | 438.06 (--) | -- (--) | -- (--) | -- (--) | -- (--) | 438.06 (--) | 405.21 (--) |
| - Zuari Sugar and Power Ltd. (Interest Paid) | 58.68 (--) | -- (--) | -- (--) | -- (--) | -- (--) | 58.68 (--) | 54.28 (--) |
| - Zuari Investment Limited (Interest Paid) | 29.25 (--) | -- (--) | -- (--) | -- (--) | -- (--) | 29.25 (--) | 27.06 (--) |
| - Pench Valley Coal Company Ltd (Interest Paid) | 0.37 (--) | -- (--) | -- (--) | -- (--) | -- (--) | 0.37 (--) | 0.34 (--) |
| - Mr. Saroj Kumar Poddar (Interest Paid) | -- (--) | -- (--) | -- (--) | -- (--) | 349.81 (--) | 349.81 (--) | 326.44 (--) |
| - High Quality Steels Ltd. (Services Received) | 530.97 (492.43) | -- (--) | -- (--) | -- (--) | -- (--) | 530.97 (492.43) | 59.14 (--) |
| - Lionel India Ltd. (Services Received) | 24.17 (151.64) | -- (--) | -- (--) | -- (--) | -- (--) | 24.17 (151.64) | 14.44 (60.36) |
| - Lionel Edwards Ltd. (Services Received) | -- (37.22) | -- (--) | -- (--) | -- (--) | -- (--) | -- (37.22) | -- (9.77) |
| - Zuari Management Services Ltd. (Services Received) | 19.19 (335.27) | -- (--) | -- (--) | -- (--) | -- (--) | 37.06 (335.27) | 9.71 (53.87) |

Notes on Financial Statement

| Transactions | Other Related Party | Subsidiary | Associate | Joint Ventures | Key Mgmt. Personnel | Grand Total | Balance outstanding as on 31/03/2021 |
|---|---------------------|--------------------|------------------|-----------------------|---------------------|-----------------------|--------------------------------------|
| - Texmaco Infrastructure & Holdings Ltd. (Rent Received) | 0.72 (0.72) | -- (--) | -- (--) | -- (--) | -- (--) | 0.72 (0.72) | -- (--) |
| - Texmaco Infrastructure & Holdings Ltd. (Rent Paid) | 68.74 (68.74) | -- (--) | -- (--) | -- (--) | -- (--) | 68.74 (68.74) | 73.03 (114.60) |
| - Texmaco Infrastructure & Holdings Ltd. (Services Received) | -- (149.09) | -- (--) | -- (--) | -- (--) | -- (--) | -- (149.09) | -- (26.54) |
| - Wabtec Texmaco Rail Pvt. Ltd. (Sale of Goods) | -- (--) | -- (--) | -- (--) | 412.40 (516.35) | -- (--) | 412.40 (516.35) | 156.22 (330.34) |
| - Wabtec Texmaco Rail Pvt. Ltd. (Purchase of Goods) | -- (--) | -- (--) | -- (--) | 431.95 (1590.60) | -- (--) | 431.95 (1590.60) | -- (282.81) |
| - Wabtec Texmaco Rail Pvt. Ltd. (Sale of Services) | -- (--) | -- (--) | -- (--) | 169.43 (209.36) | -- (--) | 169.43 (209.36) | 43.29 (29.20) |
| -Touax Texmaco Railcar Leasing Pvt. Ltd. (Sale of Goods & Services) | -- (--) | -- (--) | -- (--) | 2181.17 (4228.11) | -- (--) | 2181.17 (4228.11) | 2550.19 (112.45) |
| - Touax Texmaco Railcar Leasing Pvt. Ltd. (Rent Received) | -- (--) | -- (--) | -- (--) | 3.23 (1.37) | -- (--) | 3.23 (1.37) | 0.48 (--) |
| - Touax Texmaco Railcar Leasing Pvt. Ltd. (Deposit Against Order) | -- (--) | -- (--) | -- (--) | -- (700.56) | -- (--) | -- (700.56) | 24.56 (1964.72) |
| - Touax Texmaco Railcar Leasing Pvt. Ltd. (Interest receivable against CCD given) | -- (--) | -- (--) | -- (--) | 298.04 (301.35) | -- (--) | 298.04 (301.35) | 862.25 (491.71) |
| - Paradeep Phosphate Ltd (Rent Received) | 3.59 (7.69) | -- (--) | -- (--) | -- (--) | -- (--) | 3.59 (7.69) | -- (--) |
| - Belur Engineering Pvt. Ltd (Rent Received) | -- (--) | 0.05 (0.05) | -- (--) | -- (--) | -- (--) | 0.05 (0.05) | -- (--) |
| - Belur Engineering Pvt. Ltd (Rent Paid) | -- (--) | 330.55 (330.55) | -- (--) | -- (--) | -- (--) | 330.55 (330.55) | -- (--) |
| - Belur Engineering Pvt. Ltd (Interest received against ICD given) | -- (--) | 303.92 (322.30) | -- (--) | -- (--) | -- (--) | 303.92 (322.30) | -- (--) |
| - Texmaco Defence Systems Pvt. Ltd. (Rent Received) | -- (--) | -- (--) | 0.05 (0.05) | -- (--) | -- (--) | 0.05 (0.05) | -- (--) |
| - Texmaco Defence Systems Pvt. Ltd. (Interest Received) | -- (--) | -- (--) | 27.13 (26.40) | -- (--) | -- (--) | 27.13 (26.40) | 25.10 (33.93) |
| - Texmaco Transtrak Private Ltd. (Rent Received) | -- (--) | 12.83 (3.04) | -- (--) | -- (--) | -- (--) | 6.09 (3.04) | 12.83 (1.52) |
| - Texmaco Transtrak Private Ltd. (Interest Received) | -- (--) | 39.64 (30.22) | -- (--) | -- (--) | -- (--) | 39.64 (30.22) | 65.37 (35.50) |
| - Texmaco Rail Systems Private Ltd. (Rent Received) | -- (--) | 0.06 (0.07) | -- (--) | -- (--) | -- (--) | 0.06 (0.07) | -- (--) |
| - Texmaco Rail Electrification Private Ltd. (Rent Received) | -- (--) | 0.05 (--) | -- (--) | -- (--) | -- (--) | 0.05 (--) | -- (--) |
| - Bright-Vijaywargi JV (Sale of Goods & Services) | -- (--) | -- (--) | -- (--) | 2796.59 (5536.84) | -- (--) | 2796.59 (5536.84) | 528.30 (1570.70) |
| - Bright-Vijaywargi JV (Mobilization Advance Received) | -- (--) | -- (--) | -- (--) | -- (637.82) | -- (--) | -- (637.82) | -- (196.88) |
| - JMC-GPT-Vijaywargi-Bright Power JV (Sale of Goods & Services) | -- (--) | -- (--) | -- (--) | 123.85 (--) | -- (--) | 123.85 (--) | 122.21 (120.52) |
| - JMC-Vijaywargi-Bright Power JV (Sale of Goods & Services) | -- (--) | -- (--) | -- (--) | 49.74 (--) | -- (--) | 49.74 (--) | 308.40 (264.39) |
| - Bright-Kalindee JV (Sale of Goods & Services) | -- (--) | -- (--) | -- (--) | 744.47 (633.52) | -- (--) | 744.47 (633.52) | 239.38 (230.72) |
| - Bright-Texmaco JV (Sale of Goods & Services) | -- (--) | -- (--) | -- (--) | 3518.28 (10747.90) | -- (--) | 3518.28 (10747.90) | 750.14 (1486.99) |
| - ISC Projects -Texmaco JV (Sale of Goods & Services) | -- (--) | -- (--) | -- (--) | 1948.70 (--) | -- (--) | 1948.70 (--) | 356.46 (--) |
| - JMC-Vijaywargi-Bright Power JV (Amount paid on behalf of Company) | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) | 1.15 (1.15) |

Notes on Financial Statement

| Transactions | Other Related Party | Subsidiary | Associate | Joint Ventures | Key Mgmt. Personnel | Grand Total | Balance outstanding as on 31/03/2021 |
|--|---------------------|-----------------|------------|----------------------|---------------------|----------------------|--------------------------------------|
| - JMC-GPT-Vijaywargi-Bright Power JV (Amount paid on behalf of Company) | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) | 2.45 (2.45) |
| - Kalindee Cobra JV (Sale of Goods) | -- (--) | -- (--) | -- (--) | 1431.00 (1244.80) | -- (--) | 1431.00 (1244.80) | 573.41 (870.44) |
| - Kalindee Cobra JV (Amount paid by the company on behalf of others) | -- (--) | -- (--) | -- (--) | 1.44 (0.60) | -- (--) | 1.44 (0.60) | -- (--) |
| - Kalindee IL & FS JV (Sale of Goods) | -- (--) | -- (--) | -- (--) | 19.64 (685.33) | -- (--) | 19.64 (685.33) | 1346.48 (2406.91) |
| - Kalindee Kapoor Railcon JV (Sale of Goods) | -- (--) | -- (--) | -- (--) | 90.47 (2282.72) | -- (--) | 90.47 (2282.72) | 316.04 (2279.31) |
| - Kalindee Kapoor Railcon JV (Amount paid on behalf of the company) | -- (--) | -- (--) | -- (--) | 1.71 (12.66) | -- (--) | 1.71 (12.66) | -- (--) |
| - Kalindee Karthik JV (Sale of Goods) | -- (--) | -- (--) | -- (--) | 112.64 (-4.78) | -- (--) | 112.64 (-4.78) | 529.31 (401.46) |
| - Kalindee Rahee JV (Amount paid by the company on behalf of others) | -- (--) | -- (--) | -- (--) | 28.02 (1386.49) | -- (--) | 28.02 (1386.49) | 905.79 (2364.64) |
| - Kalindee URC JV (Sale of Goods) | -- (--) | -- (--) | -- (--) | 212.25 (363.69) | -- (--) | 212.25 (363.69) | 181.43 (223.35) |
| - Kalindee URC JV (Amount paid by the company on behalf of others) | -- (--) | -- (--) | -- (--) | -- (2.81) | -- (--) | -- (2.81) | -- (--) |
| - Kalindee VNC JV (Amount paid by the company on behalf of others) | -- (--) | -- (--) | -- (--) | 32.89 (178.79) | -- (--) | 32.89 (178.79) | 1681.28 (1604.02) |
| - GMR TPL KRNL JV (Sale of Goods) | -- (--) | -- (--) | -- (--) | 849.28 (170.43) | -- (--) | 849.28 (170.43) | 878.34 (1270.02) |
| - Tata Projects- Kalindee JV (Sale of Goods) | -- (--) | -- (--) | -- (--) | 553.49 (529.95) | -- (--) | 553.49 (529.95) | 465.30 (112.88) |
| - Texmaco SA (Pty) Ltd. (Services Received) | -- (--) | 0.36 (73.01) | -- (--) | -- (--) | -- (--) | 0.36 (73.01) | -- (5.77) |
| - Texmaco-Rahee JV (Sale of Goods) | -- (--) | -- (--) | -- (--) | 691.05 (378.25) | -- (--) | 691.05 (378.25) | 67.24 (67.24) |
| - Texmaco-Asis JV (Sale of Goods) | -- (--) | -- (--) | -- (--) | 12.05 (--) | -- (--) | 12.05 (--) | -- (--) |
| Corporate Guarantee Given | | | | | | | |
| - Touax Texmaco Railcar Leasing Pvt. Ltd. (Against Sale of Wagons) | -- (--) | -- (--) | -- (--) | 958.48 (--) | -- (--) | 958.48 (--) | 2664.87 (1706.39) |
| Corporate Guarantee Received | | | | | | | |
| - Texmaco Infrastructure & Holdings Ltd. (Against Cash Credit facility) | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) | -- (5000.00) |
| - Belur Engineering Pvt. Ltd. (Against Term Loan Facility) | -- (--) | -- (4800.00) | -- (--) | -- (--) | -- (--) | -- (4800.00) | 4800.00 (4800.00) |

Note: Figures in brackets are for previous financial year.

** Loan (ICD) received from Shri Saroj Kumar Poddar during the year amounts to ₹ 6500.00 Lakh out of which ₹ 5000.00 Lakh is converted to Equity Share Capital by way of Preferential Allotment.

Loan (ICD) received from Adventz Finance Pvt. Ltd. during the year amounts to ₹ 1720.00 Lakh out of which ₹ 2900.00 Lakh is converted to Equity Share Capital by way of Preferential Allotment. Loan Repaid ₹ 900.00 during the year

Notes on Financial Statement

Note 1.42 Earning Per Share – The Numerator and Denominator used to calculate basic/diluted earning per share

| Particulars | | 2020-21 | 2019-20 |
|---|------------|--------------|--------------|
| Net Profit for the period from ordinary activities attributable to equity shareholders (Excluding Preference Share Dividend) – used as numerator. | ₹ in Lakhs | 1,186.63 | (6,584.03) |
| Weighted average number of Equity share outstanding used as denominator for Basic earning per share. | Number | 22,74,42,678 | 22,48,57,832 |
| Weighted Average Number of Equity share used on denominator for Diluted Earning Per Share | Number | 22,74,42,678 | 22,48,57,832 |
| (A) Basic Earning per share (face value of ₹ 1/- each) | ₹ | 0.52 | (2.93) |
| (B) Diluted Earning per share (face value of ₹ 1/- each) | ₹ | 0.52 | (2.93) |

Note 1.43 Interest in Joint Venture (JV)

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

| | Percentage of ownership | Country of Incorporation |
|---------------------------------------|-------------------------|--------------------------|
| TouaxTexmaco Railcar Leasing Pvt. Ltd | 50%* | India |
| Wabtec Texmaco Rail Pvt. Ltd | 40% | India |

* Number of shares held by Texmaco Rail & Engineering Limited in TouaxTexmaco Railcar Leasing Pvt. Ltd is 1,26,49,999 equity shares, whereas number of equity shares held by Touax Rail Limited is 1,26,50,001.

The company's share in assets, liabilities, income and expense in the above jointly controlled entities as at and for the year ended March 31, 2021 is as follows:

| Name of Joint Venture | Company's share in | | | | |
|--|--------------------------|------------------------|------------------------|------------------------|--------------------------|
| | Assets | Liabilities | Income | Expenses | Profit/ (Loss) after Tax |
| Touax Texmaco Railcar Leasing Pvt. Ltd | 13,926.39 (10,701.76) | 8,897.05 (6,169.72) | 1,484.42 (1,201.36) | 811.41 (884.66) | 673.01 (316.70) |
| Wabtec Texmaco Rail Pvt. Ltd | 1,642.34 (1,795.76) | 1,020.92 (1,346.55) | 1,608.65 (1,764.77) | 1,438.67 (1,658.85) | 169.98 (105.92) |

(₹ in lakhs)

Note: Figures in bracket are of previous year figure.

Note 1.44 Employee Benefits Obligation:

The Company accounts for Gratuity, Leave and Provident Fund Liability at actuarial valuation at the end of the year i.e. March 31. Accordingly, these Liabilities have been computed by the actuary as at March 31, 2021.

Defined benefits Plans – As per Actuarial valuation as on March 31, 2021

| Sl No. | Particulars | Funded Gratuity 2020-21 | Funded Gratuity 2019-20 | Unfunded Leave 2020-21 | Unfunded Leave 2019-20 |
|----------|---|-------------------------|-------------------------|------------------------|------------------------|
| A | Amount Recognised in Balance Sheet | | | | |
| | Present Value of defined benefit obligations | 2,793.15 | 2,617.23 | 499.72 | 499.46 |
| | Fair Value of Plan Assets | 2,552.04 | 2,477.06 | - | - |
| | Net asset / (liability) recognized in Balance Sheet | (241.11) | (140.17) | (499.72) | (499.46) |
| B | Change in Present Value of Obligations | | | | |
| | Present Value of Obligation as at the beginning of the year | 2,617.23 | 2,108.72 | 499.46 | 366.34 |
| | Current Service Cost | 206.97 | 194.43 | 93.70 | 67.51 |
| | Interest (Income) / Cost | 170.37 | 174.99 | 32.39 | 30.50 |
| | Re- measurement (or Actuarial) (Gain)/Loss arising from : | | | | |
| | change in demographic assumptions | 1.59 | 20.36 | 6.04 | 26.66 |
| | change in financial assumptions | 1.60 | 44.61 | (0.20) | 5.63 |

Notes on Financial Statement

(₹ in Lakhs)

| Sl No. | Particulars | Funded Gratuity 2020-21 | Funded Gratuity 2019-20 | Unfunded Leave 2020-21 | Unfunded Leave 2019-20 |
|----------|--|-------------------------|-------------------------|------------------------|------------------------|
| | experience variance (i.e. Actual experience vs. assumptions) | 183.57 | (111.78) | (13.46) | (7.29) |
| | Past Service Cost | - | - | - | - |
| | Benefits Paid | (388.18) | (131.20) | (118.21) | (42.18) |
| | Acquisition Adjustment | - | 317.10 | - | 52.29 |
| | Present Value of Obligation as at the end of the year | 2,793.15 | 2,617.23 | 499.72 | 499.46 |
| C | Changes in the Fair Value of Plan Assets | | | | |
| | Fair Value of Plan Assets as at the beginning of the year | 2,477.06 | 2,054.61 | - | - |
| | Investment Income | 161.97 | 150.34 | - | - |
| | Employer's Contribution | 283.80 | 367.53 | 41.01 | 8.45 |
| | Employee's Contribution | - | - | - | - |
| | Benefits paid | (372.94) | (131.20) | (41.01) | (8.45) |
| | Return on plan assets, excluding amount recognised in net interest expense | 2.15 | 35.78 | - | - |
| | Fair Value of Plan Assets at the end of the year | 2,552.04 | 2,477.06 | - | - |
| D | Expenses Recognised in the Income Statement | | | | |
| | Current Service Cost | 206.97 | 194.43 | 93.70 | 67.51 |
| | Past Service Cost | - | - | - | - |
| | Net Interest Cost/(Income) on the Net Defined Benefit Liability / (Asset) | 8.42 | 24.66 | 32.39 | 30.50 |
| | change in demographic assumptions | - | - | 6.04 | 26.65 |
| | change in financial assumptions | - | - | (0.20) | 5.63 |
| | experience variance (i.e. Actual experience vs assumptions) | - | - | (13.46) | (7.28) |
| | Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling | - | - | - | - |
| | Expenses Recognised in the Income Statement | 215.39 | 219.09 | 118.47 | 123.01 |
| E | Other Comprehensive Income | | | | |
| | Actuarial (gains) / losses arising from | | | | |
| | change in demographic assumptions | 1.59 | 20.36 | - | - |
| | change in financial assumptions | 1.60 | 44.62 | - | - |
| | experience variance (i.e. Actual experience vs assumptions) | 183.57 | (111.77) | - | - |
| | Return on plan assets, excluding amount recognised in net interest expense | (2.15) | (35.78) | - | - |
| | Components of defined benefit costs recognised in other comprehensive income | 184.61 | (82.57) | - | - |
| F | Major categories of Plan Assets (as percentage of Total Plan Assets) | | | | |
| | Government of India securities | - | - | - | - |
| | State Government securities | - | - | - | - |
| | High quality corporate bonds | - | - | - | - |
| | Equity shares of listed companies | - | - | - | - |
| | Property | - | - | - | - |
| | Special Deposit Scheme | - | - | - | - |
| | Funds managed by Insurer | 100% | 100% | - | - |
| | Bank balance | - | - | - | - |
| | Other Investments | - | - | - | - |
| | Total | 100% | 100% | - | - |

G Assumptions

With the objective of presenting the plan assets and plan liabilities of the defined benefits plans at their fair value on the balance sheet, assumptions under Ind AS 19 are set by reference to market conditions at the valuation date.

Notes on Financial Statement

The significant actuarial assumptions were as follows:

| Financial Assumptions | Gratuity | | Leave | |
|--------------------------------|----------|-------|-------|-------|
| | 2021 | 2020 | 2021 | 2020 |
| Discount rate (per annum) | 6.40% | 6.50% | 6.40% | 6.50% |
| Salary growth rate (per annum) | 5.00% | 5.00% | 5.00% | 5.00% |

| Demographic Assumptions | Gratuity | | Leave | |
|---|----------|-------|-------|-------|
| | 2021 | 2020 | 2021 | 2020 |
| Mortality Rate (% of IALM 12-14) | 100% | 100% | 100% | 100% |
| Withdrawal rates, based on age: (per annum) | | | | |
| Up to 30 years | 3.00% | 3.00% | 3.00% | 3.00% |
| 31 - 44 years | 2.00% | 2.00% | 2.00% | 2.00% |
| Above 44 years | 1.00% | 1.00% | 1.00% | 1.00% |
| Rate of Leave Availment (per annum) | NA | NA | 0.00% | 0.00% |
| Rate of Leave Encashment during employment (P.A.) | NA | NA | 0.00% | 0.00% |

H Sensitivity

The sensitivity of the overall plan liabilities to changes in the weighted key assumptions are:

(₹ in Lakhs)

| Particulars | | Discount Rate (- / + 1%) | Salary Growth Rate (- / + 1%) | Attrition Rate (- / + 50% of attrition rates) | Mortality Rate (-/+10% of mortality rate) |
|-----------------------------------|------------|--------------------------|-------------------------------|---|---|
| Gratuity | | | | | |
| Increase/ (Decrease) in Liability | 31.03.2021 | (391.48) | (190.37) | (297.45) | (520.92) |
| Increase/ (Decrease) in Liability | 31.03.2021 | (191.15) | (393.45) | (314.52) | (523.97) |
| Increase/ (Decrease) in Liability | 31.03.2020 | (215.18) | (415.98) | (508.41) | (322.05) |
| Increase/ (Decrease) in Liability | 31.03.2020 | (413.66) | (214.49) | (494.54) | (317.33) |
| Leave | | | | | |
| Increase/ (Decrease) in Liability | 31.03.2021 | (147.55) | (109.62) | (131.53) | (237.91) |
| Increase/ (Decrease) in Liability | 31.03.2021 | (111.44) | (148.70) | (133.74) | (238.48) |
| Increase/ (Decrease) in Liability | 31.03.2020 | (117.44) | (155.94) | (250.06) | (140.26) |
| Increase/ (Decrease) in Liability | 31.03.2020 | (154.59) | (116.17) | (246.75) | (133.86) |

The defined benefit obligations shall mature after the end of reporting period is as follows:

| Expected cash flows over the next (valued on undiscounted basis): | Gratuity | | Leave | |
|---|----------|----------|--------|--------|
| | 2021 | 2020 | 2021 | 2020 |
| 1 Year | 974.52 | 808.42 | 110.08 | 117.99 |
| 2 to 5 years | 974.31 | 1,048.92 | 175.15 | 178.46 |
| 6 to 10 years | 953.53 | 886.66 | 192.11 | 178.38 |
| More than 10 years | 994.71 | 980.26 | 314.60 | 278.64 |

I) Risk Exposure

Valuations are performed on certain basic set of pre-determined assumptions and other regulatory framework which may vary over time. Thus, the Company is exposed to various risks in providing the above gratuity benefit which are as Interest Rate risk, Liquidity Risk, Salary Escalation Risk, Demographic Risk, Regulatory Risk, Asset Liability Mismatching or Market Risk, Investment Risk etc.

Notes on Financial Statement

Note 1.45 Amount Remitted during the year to Non - Resident Shareholders Account of Dividend (As Certified by The Management)

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|-------------------------------------|---------|---------|
| Number of Non-resident Shareholders | 14 | 17 |
| Number of Equity Shares held | 12,590 | 14,840 |
| Dividend remitted (₹ in Lakhs) | 0.01 | 0.04 |
| Year of Dividend paid | 2019-20 | 2018-19 |

Note 1.46 Value of Raw Materials and Stores Consumed (Including Components and Spare Parts, Services etc.)

(₹ in Lakhs)

| Particulars | 2020-21 | | 2019-20 | |
|----------------|--------------------|-------------|--------------------|---------------|
| | Value | % | Value | % |
| (a) Imported | 9,070.57 | 7.30% | 11,035.11 | 6.91% |
| (b) Indigenous | 1,15,121.83 | 92.70% | 1,48,667.29 | 93.09% |
| Total | 1,24,192.40 | 100% | 1,59,702.40 | 100.00 |

Note 1.47 Value of Imports on C.I.F. basis

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|--|-----------------|----------------|
| (a) Raw Materials | 1,191.69 | 3,282.98 |
| (b) Components, Spare Parts and Stores | 1,409.24 | 3,221.96 |
| (c) Capital Goods | - | - |
| Total | 2,600.93 | 6504.94 |

Note 1.48 Analysis of Raw Material Consumed

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|--------------------------|------------------|------------------|
| (a) M.S. & C.I. Scrap | 2,487.68 | 4,305.77 |
| (b) Plates & Sheets | 62,609.46 | 74,857.33 |
| (c) Rounds, Bars & Flats | 49.15 | 32.95 |
| (d) Structural | 5,759.54 | 8,125.87 |
| Total | 70,905.83 | 87,321.92 |

Note 1.49 Consumption of raw materials, components, stores and spare parts includes profit/loss on sale thereof and exchange difference arising on Foreign Currency Transactions on account of import of Raw Materials/Stores and has been accounted under respective Revenue heads.

Note 1.50 Escalation, Insurance claims and other claims have been accounted for on accrual basis based on latest data available with the Company and where the realization of the amount is reasonable certain.

Note 1.51 Expenditure in Foreign Currency

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|--|---------------|---------------|
| (a) R & D Expenses | - | 8.44 |
| (b) Travelling and Others | 148.12 | 213.60 |
| (c) Fees & Subscription | 4.60 | 5.96 |
| (d) General Charges (Charity & Donation, AAR Audit Fee, Books & Periodicals) | - | 0.21 |
| Total | 152.72 | 228.21 |

Notes on Financial Statement

Note 1.52 Income in Foreign Exchange

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|--------------------------|------------------|------------------|
| Export of Goods (F.O.B.) | 10,255.24 | 14,506.79 |
| | 10,255.24 | 14,506.79 |

Note 1.53 Details of Inventory of Work in Progress

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|------------------------------|-----------------|-----------------|
| Work-in- Process | | |
| - Heavy Engineering Division | 6,522.84 | 10,737.54 |
| - Steel Foundry Division | 7,437.01 | 9167.58 |
| - Rail EPC | 621.38 | 7887.20 |
| Total | 14581.23 | 27792.32 |

Note 1.54 As a part of company's risk management policy, the financial risks mainly relating to changes in the exchange rates are hedged by using a combination of forward contracts, besides the natural hedges.

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|---|----------|----------|
| (a) - Un-hedged foreign currency exposure as at 31 st March 21 – Payables. USD:17,03,217 (Previous Year: Euro: 25,08,212 & USD: 40,56,276 & ZAR- 1,74,247) | 1,252.38 | 9,463.97 |
| (b) - Un-hedged foreign currency exposure as at 31 st March 21 – Receivable. AUD: 14,43,827 USD: 42,73,356, Euro: 21,54,954, JPY: 9,21,82,502 and NRS: 1,30,40,722 (Previous Year: AUD: 15,58,940, USD: 30,70,947 Euro: 16,11,772 NRS: 1,02,42,611 & JPY: 8,10,00,720) | 6,494.80 | 5,107.03 |

Note 1.55 Details of Income/ Expenses Disclosed on Net Basis

(₹ in Lakhs)

| Particulars | 2020-21 | 2019-20 |
|---|-------------|--------------|
| 1 Profit/ Loss on sale of Property, Plant & Equipments | | |
| Profit | 19.90 | 79.18 |
| Loss | 27.47 | 0.43 |
| Net | 7.57 | 78.75 |
| 2 Profit on sale of current investment | | |
| Mutual Funds & Others | | |
| Profit | - | 12.97 |
| Loss | - | 7.68 |
| Net | - | 5.29 |

Notes on Financial Statement

Note 1.56 Disclosure Pursuant to Ind AS 111 – Joint Arrangements

| Name of Joint venture | Description of Interest/ (Description of Job) | Country of Residence |
|---|--|----------------------|
| Kalindee Kartik JV | Jointly controlled operations (civil work and signaling at Sini Jharkhand, SE Railway) – 80% | India |
| Kalindee Kapoor RailconJV | i. Jointly controlled operations (civil work and signaling at Rani Keshwaganj, Rajasthan and Lucknow Pilibhit, Uttar Pradesh) – 71% ii. Jointly controlled operations (civil work and signaling at Lucknow Pilibhit, Uttar Pradesh) – 71% iii. Jointly controlled operations (civil work and signaling at Palanpur - Sarotra, Uttar Pradesh) – 70% | India |
| Kalindee IL&FS JV | Jointly controlled operations (civil work and signaling at Sholapur division of Central Railway in the state of Maharashtra, India) – 40% | India |
| Kalindee Rahee JV | i) Jointly controlled operations (civil work and signaling at Kolkata Metro division of KMRC in the state of Kolkata, India) – 70% ii) Jointly controlled operations (Ballastless Track work at Nagpur Metro division of MMRC in the state of Maharsashtra, India) - 60% | India |
| Kalindee Cobra JV | Jointly controlled operations (civil work and signaling at Bina Kota division of RVNL in the state of Rajasthan, India) – 78% | India |
| GMR-TPL-Kalindee JV | i. Jointly controlled operations (civil work and signaling of RVNL projects in the state of Uttar Pradesh) – 29% ii. Jointly controlled operations (civil work and signaling of RVNL projects in the state of Telangana) – 35.48% | India |
| Kalindee VNC JV | Jointly controlled operations (civil work and track work of Bangalore Metro & Delhi Metro in the state of Bangaluru and Delhi, India respectively) – 50% | India |
| Kalindee URC JV | Jointly controlled operations (civil work and signaling of RVNL Project in the state of Tamilnadu, India) – 50% | India |
| Tata projects – Kalindee JV | Jointly controlled operations (civil, signaling and electrification work of RVNL Project in the state of Assam, India) – 10% | India |
| Kalindee ASIS JV | Jointly controlled operations (Manufacturing and commissioning of Automatic Fare collection Systems at Mumbai Metro division of MMRC in the state of Maharashtra, India) - 90% | India |
| Bright - Kalindee JV | i) Jointly controlled operations (OHE & signaling work of RVNL Project in the state of Andhra Pradesh, India) - 30% ii) Jointly controlled operations (Civil, OHE & signaling work of RVNL Project in the state of West Bangal, India) - 89.22% | India |
| JMC-GPT-Vijaywargi-Bright Power JV | Joint Operations (S & T OHE & General Electrical Works, Tamluk Basuliya, West Bengal) BPP-12.032% | India |
| JMC-Vijaywargi-Bright Power Joint Venture | Joint Operations (S & T OHE & General Electrical Works, Jaroli Basantpur, Orissa) BPP-16.58% | India |
| Bright-Vijaywargi | Joint Operations (25KV, 50 HZ Single phase traction, OHE, Scada, Gen. Ele.Works, Civil Works between Jakhel-Hissar BPP-82%, VIJAYWARGI -18% | India |
| Bright-Vijaywargi | Joint Operations (25KV, 50 HZ Single phase traction, OHE, SwitchingStn, Traction Sub Station, Scada,Gen. Ele. Works, Civil Works between Rajpura-Dhuri-Lehera-Mohabbat BPP-82%, VIJAYWARGI -18% | India |
| ISC Project Texmaco JV | Joint Operation Civil works, S&T, OHE work between Badmal-Titlagarh section, Odisha, India)-BPP: 28.57% | India |

Notes on Financial Statement

Note 1.57 Financial Risk Management Objectives and policies-

The Company's activities expose it to Credit Risk, Liquidity Risk, Market Risk, and Equity Price Risk.

This note explains the source of risk which the Company is exposed to and how the Company manages the risk and the impact. The management of the company ensures that risks are identified, measured and mitigated in accordance with the Risk Management Policy of the company. The Board provides guiding principles on risk management and also review these risks and related risk management policies which are given as under.

The Company's financial liabilities comprise borrowings, capital creditors and trade and other payables. The company's financial assets include trade and other receivables, cash and cash equivalents, investments including investments in subsidiaries, loans & advances and deposits

A. Credit Risk – A risk that counterparty may not meet its obligations under a financial instrument or customer contract, leading to a financial loss is defined as Credit Risk. The Company is exposed to credit risk from its operating and financial activities.

Customer credit risk is managed by the respective marketing department subject to the Company's established policy, procedures and control relating to customer credit risk management. The Company reviews the creditworthiness of these customers on an on-going basis. The Company estimates the expected credit loss on the basis of past data, experience and policy laid down in this respect. The maximum exposure to the credit risk at the reporting date is the carrying value of the trade receivables disclosed in Note 1.12 as the Company does not hold any collateral as security. The Company has a practice to provide for doubtful debts as per its approved policy.

B. Liquidity Risk – A risk that the Company may not be able to settle or meet its obligations at a reasonable price is defined as liquidity risks. The Company's treasury department is responsible for managing liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credits, Term loans among others.

C. Interest Risk – Interest Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of change in market interest rates related primarily to the company's short term borrowing (excluding commercial paper) with floating interest rates. For all long term borrowings with floating rates, the risk of variation in the interest rates is mitigated through interest rate swaps. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve on optimal maturity profile and financing cost.

D. Market Risk – A risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market prices is defined as Marketing Risk. Such changes in the value of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

(i) Foreign Currency Risk – A risk that the fair value or future value of the cash flows of an forex exposure will fluctuate because of changes in foreign exchange rates is defined as Foreign Currency Risk. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's export, import and foreign currency loan/ derivatives operating activities. The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange exposure. The management monitors the foreign exchange fluctuations on a continuous basis.

(ii) Foreign currency sensitivity – The following table demonstrates the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies are not material.

Notes on Financial Statement

| Particulars | (₹ in Lakhs) | |
|--|---------------------|---------------------|
| | As on 31.03.2021 | As on 31.03.2020 |
| Foreign Currency (Payable) / Receivable (net) – EURO | 1,855.42 | (1,555.37) |
| Foreign Currency (Payable) / Receivable (net) - USD | 1,888.89 | (4,250.97) |
| Impact | | |
| - EURO/INR- Increase by 10% | 18.55 | (15.55) |
| - EURO/INR- Decrease by 10% | (18.55) | 15.55 |
| USD/INR- Increase by 10% | 18.88 | (42.51) |
| USD/INR- Decrease by 10% | (18.88) | 42.51 |

E. Equity Price Risk – A risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in equity prices (other than those arising from interest rate or foreign exchange rate risk), whether those changes are caused by factors specific to the individual financial instruments or its issuer, or by factors affecting all similar financial instruments traded in the market is defined as Equity Price Risk.

The Company generally invests in the equity shares of the Subsidiaries, Associates, Joint Ventures and some of the group companies as part of the Company's overall business strategy and policy. The Company manages the equity price risk through placing limits on individual and total equity investment in each of the subsidiaries and group companies based on the respective business plan of each of the companies. The Company's investment in quoted equity instruments (other than above) is not material. For sensitivity analysis of Company's investments in equity instruments, refer Note No. 1.04(Fair Value).

Note 1.58 Capital Management

The Company's objective when managing capital (defined as net debt and equity) is to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders, while protecting and strengthening the Balance Sheet through the appropriate balance of debt and equity funding. The Company manages its capital structure and makes adjustments to it, in taking into consideration the economic conditions and strategic objectives of the Company.

Note 1.59 Fair Value

Carrying amounts and fair values Fair Value through Profit & Loss (FVTPL) of financial instruments, including their levels in the fair value hierarchy has been mentioned in Note No. B (ix) and has been mentioned in Note No 1.04 and Note No 1.11. All the investments which have been fair valued are classified under Level – 1.

Notes on Financial Statement

Note 1.60 Financial Instruments

A. Accounting classification and Fair Value

(₹ in Lakhs)

| 31st March 2021 | Carrying amount | | | | Fair value | | | |
|---|-----------------|-----------------|-------------------|-------------------|-----------------|-----------------|-------------------|-------------------|
| | FVTPL | FVTOCI | Amortised Cost* | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets (Long Term) | | | | | | | | |
| - Investments | - | 3,935.36 | 5,278.60 | 9,213.96 | 3,935.36 | 5,278.60 | - | 9,213.96 |
| - Loans & Advances | - | - | 568.11 | 568.11 | - | - | 568.11 | 568.11 |
| - Bank Balances | - | - | 1,025.16 | 1,025.16 | - | - | 1,025.16 | 1,025.16 |
| - Others | - | - | 178.53 | 178.53 | - | - | 178.53 | 178.53 |
| Financial Assets (Short Term) | | | | | | | | |
| - Investments | 3,546.91 | - | - | 3,546.91 | 3,546.91 | - | - | 3,546.91 |
| - Trade Receivable | - | - | 61,135.21 | 61,135.21 | - | - | 61,135.21 | 61,135.21 |
| - Cash and cash equivalents | - | - | 2,239.28 | 2,239.28 | - | - | 2,239.28 | 2,239.28 |
| - Bank Balances & Others | - | - | 8,270.02 | 8,270.02 | - | - | 8,270.02 | 8,270.02 |
| - Loans & Advances | - | - | 5,050.09 | 5,050.09 | - | - | 5,050.09 | 5,050.09 |
| Total | 3,546.91 | 3,935.36 | 83,745.00 | 91,227.27 | 7,482.27 | 5,278.60 | 78,466.40 | 91,227.27 |
| Financial liabilities (Long Term) | | | | | | | | |
| - Borrowings | | | 3,575.21 | 3,575.21 | | | 3,575.21 | 3,575.21 |
| Financial liabilities (Short Term) | | | | | | | | |
| - Borrowings | | | 72,690.04 | 72,690.04 | | | 72,690.04 | 72,690.04 |
| - Trade Payable | | | 42,996.54 | 42,996.54 | | | 42,996.54 | 42,996.54 |
| - Other Financial Liabilities | | | 6,027.03 | 6,027.03 | | | 6,027.03 | 6,027.03 |
| | | | - | - | | | - | - |
| Total | - | - | 125,288.82 | 125,288.82 | - | - | 125,288.82 | 125,288.82 |

(₹ in Lakhs)

| 31st March 2020 | Carrying amount | | | | Fair value | | | |
|---|-----------------|-----------------|-------------------|-------------------|-----------------|-----------------|-------------------|-------------------|
| | FVTPL | FVTOCI | Amortised Cost* | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets (Long Term) | | | | | | | | |
| - Investments | - | 1,811.76 | 4,808.77 | 6,620.53 | 1,811.76 | 4,808.77 | - | 6,620.53 |
| - Loans & Advances | - | - | 578.05 | 578.05 | - | - | 578.05 | 578.05 |
| - Bank Balances | - | - | 1,109.34 | 1,109.34 | - | - | 1,109.34 | 1,109.34 |
| - Others | - | - | 103.60 | 103.60 | - | - | 103.60 | 103.60 |
| Financial Assets (Short Term) | | | | | | | | |
| - Investments | 3,335.86 | - | - | 3,335.86 | 3,335.86 | - | - | 3,335.86 |
| - Trade Receivable | | | 64,453.84 | 64,453.84 | | | 64,453.84 | 64,453.84 |
| - Cash and cash equivalents | | | 1,658.41 | 1,658.41 | | | 1,658.41 | 1,658.41 |
| - Bank Balances & Others | | | 6,684.65 | 6,684.65 | | | 6,684.65 | 6,684.65 |
| - Loans & Advances | | | 4,856.50 | 4,856.50 | | | 4,856.50 | 4,856.50 |
| Total | 3,335.86 | 1,811.76 | 84,253.16 | 89,400.78 | 5,147.62 | 4,808.77 | 79,444.39 | 89,400.78 |
| Financial liabilities (Long Term) | | | | | | | | |
| - Borrowings | | | 5,269.99 | 5,269.99 | | | 5,269.99 | 5,269.99 |
| Financial liabilities (Short Term) | | | | | | | | |
| - Borrowings | | | 69,710.54 | 69,710.54 | | | 69,710.54 | 69,710.54 |
| - Trade Payable | | | 55,412.12 | 55,412.12 | | | 55,412.12 | 55,412.12 |
| - Other Financial Liabilities | | | 5,473.25 | 5,473.25 | | | 5,473.25 | 5,473.25 |
| | | | - | - | | | - | - |
| Total | - | - | 135,865.90 | 135,865.90 | - | - | 135,865.90 | 135,865.90 |

* The carrying value and the fair value approximates.

Notes on Financial Statement

B. Measurement of fair values

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

B. Valuation techniques

The following methods and assumptions were used to estimate the fair values

- 1) Fair value of the cash and short term deposits, current loans and advances and other current financial liabilities, short term borrowing from banks and other financial institutions and other similar items approximate their carrying value largely due to short term maturities of these instruments.
- 2) Long-term receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- 3) The fair value of unquoted instruments, loans from banks/financial institution and other financial liabilities is estimated by discounting future cash flows using rates currently available for debt of similar terms, credit risk and remaining maturities.

Note 1.61 Tax Expense

(₹ in Lakhs)

| Particulars | For the Year ended | |
|---|--------------------|-------------------|
| | 31.03.2021 | 31.03.2020 |
| a) Tax Expense | | |
| Current Tax | | |
| - Current tax on profits for the year | - | 747.00 |
| - Adjustments for current tax of prior periods | (21.80) | (110.78) |
| - Total current tax expense | (21.80) | 636.22 |
| Deferred Tax | | |
| - Decrease/(increase) in deferred tax assets | (524.79) | (3,702.16) |
| - (Decrease)/increase in deferred tax liabilities | 519.43 | 36.86 |
| - Total deferred tax expenses/(benefit) | (5.36) | (3,665.30) |
| MAT credit entitlement | - | (258.00) |
| Tax Expense | (27.16) | (3,287.08) |
| b) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate | | |
| Profit before tax | 1,159.47 | (9,871.11) |
| Tax at the Indian tax rate of 34.944% (previous year - 34.944%) | 405.17 | (3,449.36) |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income | | |
| - Corporate social responsibility expenditure | 4.19 | 22.00 |
| - Disallowance of estimated expenditure to earn tax exempt income | - | 10.83 |
| - Others | - | 160.74 |
| Tax effect of amounts which are deductible (non-taxable) in calculating taxable income | | |
| - Weighted deduction on R&D expenses | - | (18.56) |
| - Income from Investment | (82.12) | (78.97) |
| - Income from rented property | (101.68) | (38.49) |
| - Others | - | (27.61) |
| Tax effect of other adjustment | | |
| - Income tax for earlier years | (21.80) | (110.78) |
| - MAT Credit/carry forward losses adjustment & Others | (230.92) | 243.12 |
| Tax Expense | (27.16) | (3,287.08) |

Notes on Financial Statement

Note 1.62: Information on Segment Working is given below:

(₹ in Lakhs)

| Particulars | 2020-21 | | | | 2019-20 | | | |
|--|----------------------|------------------|------------------|-------------------|----------------------|------------------|------------------|-------------------|
| | Heavy Engg. Division | Steel Foundry | Rail EPC | Total | Heavy Engg. Division | Steel Foundry | Rail EPC | Total |
| | 1 | 2 | 3 | 4 (1+2+3) | 1 | 2 | 3 | 4 (1+2+3) |
| Revenue (Net of Excise Duty and Cess) | | | | | | | | |
| Gross Sales | 72,896.27 | 31,657.35 | 77,570.92 | 182,124.54 | 83,642.51 | 34,781.42 | 82,449.14 | 200,873.07 |
| Internal-Segment Sales | (1,728.57) | (12,328.54) | - | (14,057.11) | (1,810.74) | (17,036.78) | - | (18,847.52) |
| Other Operating Revenue | 289.60 | 305.45 | 211.32 | 806.37 | 1,154.43 | - | - | 1,154.43 |
| Total | 71,457.30 | 19,634.26 | 77,782.24 | 168,873.80 | 82,986.20 | 17,744.64 | 82,449.14 | 183,179.98 |
| Result | | | | | | | | |
| Segment Result | 1,501.92 | 1,426.86 | 5,150.06 | 8,078.84 | 3,071.59 | 4,026.80 | 4,231.55 | 11,329.94 |
| Others (Net of Unallocated Expenses) | | | | 1,003.53 | | | | 421.13 |
| Operating Profit/(Loss) | | | | 9,082.37 | | | | 11,751.07 |
| Interest Expense | | | | (9,006.99) | | | | (7,900.93) |
| Interest Income | | | | 1,084.09 | | | | 1,270.72 |
| Total Profit/(Loss) before Tax | | | | 1,159.47 | | | | 5,120.86 |
| Provision for Current Tax | | | | - | | | | (489.00) |
| Provision for Deferred Tax | | | | 5.36 | | | | 3,665.30 |
| Income Tax for Earliar Year | | | | 21.80 | | | | 110.78 |
| Profit/(Loss) from ordinary activities | | | | 1,186.63 | | | | 8,407.94 |
| Extra ordinary items | | | | - | | | | (14,991.97) |
| Net Profit/(Loss) | | | | 1,186.63 | | | | (6,584.03) |
| Other Information | | | | | | | | |
| Segment Assets | 88,439.86 | 40,593.12 | 122,364.07 | 251,397.05 | 97,374.08 | 46,204.23 | 135,121.26 | 278,699.57 |
| Unallocated Corporate assets | | | | 12,760.87 | | | | 9,956.39 |
| Total assets | | | | 264,157.92 | | | | 288,655.96 |
| Segment liabilities | 51,346.45 | 9,518.38 | 89,326.77 | 150,191.60 | 57,870.19 | 19,387.91 | 108,606.89 | 185,864.99 |
| Unallocated corporate liabilities | | | | - | | | | - |
| Total Liabilities | | | | 150,191.60 | | | | 185,864.99 |
| Capital expenditure | | | | 1,500.04 | | | | 7,359.05 |
| Depreciation | | | | 3,725.67 | | | | 3,590.85 |
| Non-cash expenses other than depreciation | | | | 330.91 | | | | 494.24 |

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

Note 1.63 COVID-19 Impact

The vigorous spread of COVID – 19 pandemic including the more lethal second wave continues to affect the businesses across India and the operations of the Company. Despite intermittent disruptions during the year in regular operations of the Company due to COVID – 19 pandemic, requiring lockdown, restrictive measures & other emergency measures, resulting in frequent interruption of working, the Company has been able to perform reasonably during the year ended 31st March, 2021.

Besides above, the 'Amphan' cyclone in the month of May, in the state of West Bengal affected the operations of the plants of the Company, which also impacted the performance during the year. The actual impact of COVID-19's impact would be recognized prospectively at a later date through monitoring the prevalent future economic conditions its impact. In view of the situation still being uncertain, with increased number of cases reported everyday, we are unable to assess the extent and duration of COVID-19's overall impact on the Company's business operations at this stage.

Notes on Financial Statement

Note 1.64 Disclosures as per Ind AS 115 “Revenue from contract with customer”

(₹ in Lakhs)

| Class of Goods | | Sales | Opening Stock | Closing Stock |
|--|---------|-------------------|-----------------|----------------|
| Wagons | 2020-21 | 61,708.52 | 4,194.87 | 478.09 |
| | 2019-20 | 63,879.18 | 113.32 | 4,194.87 |
| Rail EPC | 2020-21 | 77,570.92 | - | - |
| | 2019-20 | 82,449.14 | - | - |
| Structurals | 2020-21 | 3,025.00 | 645.77 | 725.85 |
| | 2019-20 | 4,883.06 | 1,499.64 | 645.77 |
| Bridges | 2020-21 | 2,097.03 | 56.69 | 99.44 |
| | 2019-20 | 2,206.88 | 76.72 | 56.69 |
| Locomotive and its Components | 2020-21 | 2,341.32 | 189.59 | 151.57 |
| | 2019-20 | 8,914.65 | - | 189.59 |
| Site Fabrication and Erection | 2020-21 | 1,974.50 | - | - |
| | 2019-20 | 1,878.27 | - | - |
| Steel Castings & Ingots (Including Draft Gear 4000 Sets) | 2020-21 | 31,655.71 | - | - |
| | 2019-20 | 34,781.42 | - | - |
| Power Tiller/Reaper | 2020-21 | - | 7.41 | 7.41 |
| | 2019-20 | - | 7.41 | 7.41 |
| Ring Frames, Doublers and Worsted Ring Frames | 2020-21 | - | 0.61 | 0.61 |
| | 2019-20 | - | 0.61 | 0.61 |
| Speed Frames | 2020-21 | - | 0.39 | 0.39 |
| | 2019-20 | - | 0.39 | 0.39 |
| Other Sales | 2020-21 | 1,749.90 | - | - |
| | 2019-20 | 1,880.47 | - | - |
| Add: Other Operating Revenue / Income | 2020-21 | 806.37 | - | - |
| | 2019-20 | 1,154.43 | - | - |
| Gross Sales total | 2020-21 | 182,929.27 | 5,095.33 | 1462.29 |
| | 2019-20 | 202,027.50 | 1,698.09 | 5,095.33 |
| Less: Inter Segment | 2020-21 | 14057.11 | - | - |
| | 2019-20 | 18,847.52 | - | - |
| Total Operating Revenue / Income from Operations | 2020-21 | 168,873.80 | 5,095.33 | 1462.29 |
| | 2019-20 | 183,179.98 | 1,698.09 | 5,095.33 |

Note 1.65 Previous year figure have been regrouped/ rearranged/ restated/ recast wherever necessary to confirm this year classification.

Note 1.66 Figures below ₹ 500/- have been omitted for rounding off, ₹ 500/- and above have been rounded off to the next ₹ 1000/-.

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

For **L. B. Jha & Co.**

Chartered Accountants

Firm Registration No: 301088E

D.N. Roy

Partner

Membership No.300389

Place: B2/1, Gillander House

8, Netaji Subhas Road

Kolkata-700 001

Dated: 14th May, 2021

Ravi Varma

Company Secretary

Directors

S. K. Poddar

A. C. Chakrabortti

Indrajit Mookerjee

A. K. Gupta

D. H. Kela

A. K. Vijay

Notes on Financial Statement

Statement containing salient features of the financial statement of subsidiary as at 31.03.2021

Part "A": Subsidiaries

| SL. NO. | Name of Subsidiary Company | Belur Engineering Private Limited | Texmaco Transtrak Private Limited | Texmaco Rail Electrification Limited | Texmaco S.A. PTY | Texmaco Rail Systems Pvt. Ltd. | Texmaco Engineering Udyog Pvt. Ltd. |
|---------|--|-----------------------------------|-----------------------------------|--------------------------------------|-----------------------------|--------------------------------|-------------------------------------|
| 1 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | No | No | No | No | No | No |
| 2 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | Na | Na | Na | ZAR 1 ZAR= INR 4.2325 | Na | Na |
| 3 | Share Capital | 10.00 | 1.00 | 2.00 | - | 1.49 | 1.00 |
| 4 | Reserves & Surplus | 24.97 | (456.85) | (0.26) | - | (1.64) | (0.18) |
| 5 | Total Assets | 2,781.98 | 48.74 | 1.89 | - | 0.14 | 0.97 |
| 6 | Total Liabilities | 2,747.01 | 504.59 | 0.15 | - | 0.29 | 0.15 |
| 7 | Investments | - | - | - | - | - | - |
| 8 | Turnover | 330.56 | 10.99 | - | - | - | - |
| 9 | Profit/Loss before Taxation | 20.61 | (435.77) | (0.26) | (0.11) | (0.90) | (0.18) |
| 10 | Provision for Taxation | - | (0.11) | - | - | - | - |
| 11 | Profit/Loss after Taxation | 20.61 | (435.66) | (0.26) | (0.11) | (0.90) | (0.18) |
| 12 | Proposed Dividend | NIL | NIL | NIL | NIL | NIL | NIL |
| 13 | % of shareholding | 100% | 51% | 100% | NA | 67.11% | 100% |

Statement Pursuant to Section 129 (3) of the Companies Act, 2013 related to Joint Venture

Part "B": and Joint Ventures

| Name of Joint Ventures | Touax Texmaco Railcar Leasing Private Limited | Wabtec Texmaco Rail Private Limited |
|--|---|-------------------------------------|
| 1. Latest audited Balance Sheet Date | 31st. March' 2021 (Audited) | 31st. March' 2021 (Audited) |
| 2. Shares of Associate/ Joint Ventures held by the company on the year end | | |
| Numbers | 1,26,49,999 | 32,81,700 |
| Amount of Investment in Joint Venture | 1,264.99 | 328.17 |
| Extent of Holding (in %) | 50% | 40% |
| 3. Description of how there is significant Influence | Holding more than 20% | Holding more than 20% |
| 4. Reason why the Joint Venture is not Consolidated | N.A. | N.A. |
| 5. Net worth attributable to Shareholding as per latest audited Balance Sheet | 10,058.68 | 1,553.54 |
| 6. Profit / Loss for the year | 1346.02 | 424.96 |
| i. Considered in Consolidation | 673.01 | 169.98 |
| i. Not Considered in Consolidation | 673.01 | 254.98 |

1. Names of associates or joint ventures which are yet to commence operations. NIL

2. Names of associates or joint ventures which have been liquidated or sold during the year NIL

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

For **L. B. Jha & Co.**

Chartered Accountants

Firm Registration No: 301088E

D.N. Roy

Partner

Membership No.300389

Place: B2/1, Gillander House

8, Netaji Subhas Road

Kolkata-700 001

Dated: 14th May, 2021

Ravi Varma
Company Secretary

Directors

S. K. Poddar

A. C. Chakrabortti

Indrajit Mookerjee

A. K. Gupta

D. H. Kela

A. K. Vijay

Independent Auditor's Report

To
The Members of
TEXMACO RAIL & ENGINEERING LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of TEXMACO RAIL & ENGINEERING LIMITED (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate and jointly controlled entities, which comprise the Consolidated Balance Sheet as at 31st March, 2021, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information (herein after referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and jointly controlled entities referred to in the Other Matters paragraph, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 their consolidated state of affairs of the Group as at March 31, 2020, of consolidated profit (including Other Comprehensive Income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained along with the consideration of audit reports of the other auditors referred to in sub paragraph (a) of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

3. Key Audit Matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report in respect of the units audited by us:

| Key Audit Matter | Procedures Performed |
|--|---|
| <p>Contingent Liabilities</p> <p>The Company operates in a complex tax environment and is required to discharge direct and indirect tax obligations under various legislations such as Income Tax Act, 1961, the Finance Act, 1994, Goods and Services Tax Acts and VAT Acts of various states.</p> <p>The tax authorities under these legislations have raised certain tax demands on the Company in respect of the past periods. The Company has disputed such demands and has appealed against them at appropriate forums. As at March 31, 2021 the Company has an amount of ₹17,829.22 Lakhs involved in various pending tax litigations.</p> <p>Ind AS 37 requires the Company to perform an assessment of the probability of economic outflow on account of such disputed tax matters and determine whether any particular obligation needs to be recorded as a provision in the books of account or to be disclosed as a contingent liability. Considering the significant degree of judgement applied by the management in making such assessments and the resultant impact on the financial statements, we have considered it to be an area of significance for our audit.</p> | <p>Principal Audit Procedures</p> <p>In assessing the exposure of the Company for the tax litigations, we have performed the following procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of the process laid down by the management for performing their assessment taking into consideration past legal precedents, changes in laws and regulations, expert opinions obtained from external tax / legal experts (as applicable); • Assessed the processes and entity level controls established by the Company to ensure completeness of information with respect to tax litigations; • Along with our tax experts, we undertook the following procedures: <ul style="list-style-type: none"> • Reading communications with relevant tax authorities including notices, demands, orders, etc., relevant to the ending litigations, as made available to us by the management; • Testing the accuracy of disputed amounts from the underlying communications received from tax authorities and responses filed by the Company; • Considered the submissions made to appellate authorities and expert opinions obtained by the Company from external tax / legal experts (wherever applicable) which form the basis for management's assessment; • Assessed the positions taken by the management in the light of the aforesaid information and based on the examination of the matters by our tax experts. • Read the disclosures included in the Standalone Ind AS Financial Statements in accordance with Ind AS 37. |

No Key Audit Matters has been communicated to us in respect of one unit and one subsidiary and one jointly controlled entity which have been audited by other auditors.

Other Information

4. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board Report, Business Responsibility Report, Corporate Governance and Shareholders' Information but does not include the consolidated financial statements and our auditor's report thereon. The aforesaid documents are expected to be made available to us after the date of this auditor's report.
5. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
6. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
7. When we read the aforesaid documents, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its associate and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rules issued thereunder. The respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associate and jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent;

and the design, implementation and maintenance of adequate internal financial 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group including its associate and jointly controlled entities are responsible for assessing the ability of the Group and its associate and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
10. The respective Board of Directors of the companies included in the Group and its associate and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associate and jointly controlled entities.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis

for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group, its associate and its jointly controlled entities which are companies incorporated in India have adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, its associate and its jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group, its associate and its jointly controlled entities to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have

been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
16. Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

Other Matters

- 17 (a) We did not audit the financial statements of one unit included in the standalone Ind AS financial statements of the Company whose financial statements reflect total assets ₹ 95376.37 lakhs as at 31st March, 2021 and total revenues of ₹ 58773.72 lakhs, total loss of ₹ 1914.94 lakhs, total comprehensive loss of ₹ 1750.52 lakhs and cash flows (net) of ₹ 560.22 lakhs for the year ended on that date. The financial statements of

this unit has been audited by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this unit, is based solely on the report of such branch auditor.

- (b) We did not audit the financial statements of one subsidiary included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 2781.98 lakhs as at March 31, 2021, total revenues of ₹ 339.83 lakhs, total net profit after tax of ₹ 20.61 lakhs and total comprehensive income of ₹ 20.61 lakhs and cash flows (net) of ₹ 2.92 lakhs for the year ended on that date as considered in the financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 673.01 lakhs and total comprehensive income of ₹ 673.01 lakhs for the year ended March 31, 2021 as considered in the consolidated financial statements in respect of one jointly controlled entity, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on these consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of the subsidiary and these jointly controlled entities are based solely on the reports of such other auditors.
- (c) The consolidated financial statements include the unaudited financial statements of one jointly controlled entity whose financial statements reflect Group's share of total net profit after tax of ₹ 169.98 lakhs and total comprehensive income of ₹ 171.21 lakhs for the year ended March 31, 2021, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Holding Company's Management and our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosures included in respect of this entity is based solely on such unaudited Financial Statements certified by the Management as stated above. Any adjustment upon audit by the respective auditors to the unaudited Financial Statements could have consequential effects on the Consolidated Financial Results. In our opinion and according to the information and explanations given to us by the Holding Company's Management, these

Financial Statements are not material to the Group.

- (d) The consolidated financial statements include the unaudited financial information of one subsidiary which is located outside India whose financial information reflect Group's share of total assets of ₹ Nil as March 31, 2021, Group's share of total revenue of ₹ 0.36 lakhs and Group's share of total net loss after tax of ₹ 0.11 lakhs and total comprehensive loss of ₹ 0.11 lakhs for the year ended March 31, 2021, as considered in the consolidated financial statements. The financial information has been prepared in accordance with accounting principles generally accepted in their respective countries and has not been audited by us. This financial information is unaudited and has been furnished to us by the Management. The Company's Management has converted the financial statements of the subsidiary located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion on the consolidated Financial Statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ information certified by the Board of Directors.

Report on Other Legal and Regulatory Requirements

18. 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 of the aforesaid consolidated financial statements.
- (b) In our opinion proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, its associate and jointly controlled entities, none of the directors of the Group's companies and its associate and jointly controlled entities incorporated in India is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in "Annexure A", which is based on the auditor's report of the parent, subsidiary companies and jointly controlled entities, which are companies incorporated in India.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: According to the information and explanations given to us and the records of the Group examined by us, the managerial remuneration paid or provided to one Executive Directors is in excess of the prescribed limits mandated by the provisions of section 197 read with Schedule V of the Act for which the Holding Company is in the process of taking approval from shareholders through a Special Resolution in the ensuing Annual General Meeting.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate and jointly controlled entities – Refer Note 1.43 to the consolidated financial statements.
 - ii. The Group and its associate and jointly controlled entities did not have any material foreseeable losses 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 Holding Company, its subsidiary companies, its associate and jointly controlled entities companies incorporated in India.

For **L. B. Jha & Co.**
Chartered Accountants
Firm Registration No: 301088E

(D.N. Roy)
Partner

Place: Kolkata
Date: 14.05.2021

Membership No. 300389
UDIN:21300389AAAET2326

ANNEXURE –A TO THE INDEPENDENT AUDITOR’S REPORT to the members of TEXMACO RAIL & ENGINEERING LIMITED

[Referred to in paragraph 18 (f) of the Auditors’ Report of even date]

Report on the Internal Financial Control under Clause (i) of Sub – section 3 of Section 143 of the Companies Act, 2013(“the Act”)

1. We have audited the internal financial controls over financial reporting of TEXMACO RAIL & ENGINEERING LIMITED. (Hereinafter referred to as “the Holding Company”), its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and its jointly controlled entities, which are companies incorporated in India as of 31st March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiaries and jointly controlled entities which are companies incorporated in India based on our audit. We conducted our audit in accordance with the “Guidance Note” and the Standard on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable. Those Standards and the Guidance

Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedure selected depends on the auditor’s judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and its jointly controlled entities, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting the Company, its subsidiary companies and its jointly controlled entities which are companies incorporated in India

Meaning of Internal Financial Control over Financial Reporting

6. A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that
 - 1) pertain to the maintenance of the records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - 2) provide reasonable assurance that the transactions are recorded as necessary to

permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorization of management and directors of company; and

- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statement.

Inherent Limitations of Internal Financial Control over Financial Reporting

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

Opinion

8. In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the other auditors referred to in the Other Matters paragraph below, the Holding Company its subsidiary companies and its jointly controlled entities, which are companies incorporated

in India, have, in all material respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2021, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting, issued by ICAI.

Other Matters

9. Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal Financial Controls over financial reporting in so far as it relates to the Kalindee unit is based on the corresponding report of the branch auditor.
10. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company and one jointly controlled entity, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

For **L. B. Jha & Co.**
Chartered Accountants
Firm Registration No: 301088E

(D.N. Roy)
Partner

Place: Kolkata
Date: 14.05.2021

Membership No. 300389
UDIN:21300329AAAA2326

Consolidated Balance Sheet as at 31st March, 2021

(₹ in Lakhs)

| Particulars | Note No. | As at 31.03. 2021 | As at 31 .03. 2020 |
|--|----------|-------------------|--------------------|
| I ASSETS | | | |
| (1) Non-Current Assets | | | |
| (a) Property, Plant & Equipment | 1.01 | 37,530.48 | 40,441.18 |
| (b) Right-of-Use Assets | 1.02a | 44.01 | 44.69 |
| (c) Capital work-in-progress | 1.02b | 392.92 | 735.42 |
| (d) Investment Property | 1.02c | 2,983.74 | 3,073.55 |
| (e) Other Intangible Assets | 1.03 | 57.57 | 104.14 |
| (F) Financial Assets | | | |
| (i) Investments | 1.04 | 9,586.22 | 6,561.36 |
| (ii) Loans | 1.05 | 568.36 | 725.03 |
| (iii) Bank Balance | 1.06 | 1,025.16 | 1,109.34 |
| (iv) Others | 1.07 | 178.53 | 103.60 |
| (g) Deferred Tax Assets (Net) | 1.08 | 8,216.59 | 8,211.10 |
| (h) Other Non current Assets | 1.09 | 503.26 | 762.56 |
| | | 61,086.84 | 61,871.97 |
| (2) Current Assets | | | |
| (a) Inventories | 1.10 | 30,929.65 | 53,707.04 |
| (b) Financial Assets | | | |
| (i) Investments | 1.11 | 3,546.91 | 3,499.62 |
| (ii) Trade Receivables | 1.12 | 61,148.82 | 64,450.00 |
| (iii) Cash & cash equivalents | 1.13 | 2,260.14 | 1,676.29 |
| (iv) Bank balances other than (iii) above | 1.14 | 8,270.02 | 6,684.65 |
| (v) Loans | 1.15 | 1,877.52 | 1,470.69 |
| (c) Current Tax Assets (Net) | 1.16 | 3,144.66 | 2,189.23 |
| (d) Other Current Assets | 1.17 | 91,923.23 | 93,106.54 |
| | | 203,100.95 | 226,784.06 |
| | | 264,187.79 | 288,656.03 |
| TOTAL ASSETS | | | |
| II EQUITY AND LIABILITIES | | | |
| (1) Equity | | | |
| (a) Equity Share capital | 1.18 | 2,503.43 | 2,248.59 |
| (b) Other Equity | 1.19 | 111,636.53 | 100,484.61 |
| Non-Controlling Interest | | (223.41) | (9.84) |
| (2) Non-Current Liabilities: | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 1.20 | 3,575.21 | 5,269.99 |
| (b) Provisions | 1.21 | 936.66 | 816.08 |
| (c) Other non current liabilities | 1.22 | 11,946.21 | 17,814.34 |
| | | 16,458.08 | 23,900.41 |
| (3) Current Liabilities | | | |
| (a) Financial Liabilities | | | |
| (i) Borrowings | 1.23 | 72,690.04 | 69,711.48 |
| (ii) Trade Payables | | | |
| (A) total outstanding dues of micro enterprises and small enterprises | | - | - |
| (B) total outstanding dues of creditors other than micro enterprises and small enterprises | 1.24 | 43,016.86 | 55,416.13 |
| (iii) Other financial liabilities | 1.25 | 6,074.56 | 5,546.64 |
| (b) Other current liabilities | 1.26 | 8,858.13 | 14,636.39 |
| (c) Provisions | 1.27 | 3,173.57 | 16,721.62 |
| | | 133,813.16 | 162,032.26 |
| | | 264,187.79 | 288,656.03 |
| TOTAL EQUITY AND LIABILITIES | | | |
| Summary of significant accounting Policies & Notes | B | | |

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

For **L. B. Jha & Co.**

Chartered Accountants

Firm Registration No: 301088E

D.N. Roy

Partner

Membership No.300389

Place: B2/1, Gillander House

8, Netaji Subhas Road

Kolkata-700 001

Dated: 14th May, 2021

Ravi Varma

Company Secretary

Directors

S. K. Poddar

A. C. Chakrabortti

Indrajit Mookerjee

A. K. Gupta

D. H. Kela

A. K. Vijay

Consolidated Statement of Profit and Loss for the year ended 31st March, 2021

(₹ in Lakhs)

| Particulars | Note No. | Year Ended 31.03. 2021 | Year Ended 31 .03. 2020 |
|--|----------|------------------------|-------------------------|
| I Revenue from operations | 1.28 | 168,884.79 | 183,179.98 |
| II Other Income | 1.29 | 2,503.16 | 2,072.99 |
| III Total Income (I +II) | | 171,387.95 | 185,252.97 |
| IV EXPENSES | | | |
| Cost of materials consumed | 1.30 | 101,319.68 | 130,480.18 |
| Changes in inventories of finished goods, Stock-in -Trade and work-in-progress | 1.31 | 16,844.80 | (8,501.70) |
| Employee benefit expenses | 1.32 | 11,688.10 | 12,796.26 |
| Finance costs | 1.33 | 10,296.95 | 9,658.98 |
| Depreciation and amortization expense | 1.34 | 3,745.35 | 3,609.27 |
| Other expenses | 1.35 | 27,159.40 | 32,417.82 |
| Total expenses (IV) | | 171,054.28 | 180,460.81 |
| V Profit(loss) before tax (III-IV) | | 333.67 | 4,792.16 |
| VI Exceptional items | | - | 14991.97 |
| VII Profit(loss) before tax | | 333.67 | (10,199.81) |
| VIII Tax expense | | | |
| 1) Current Tax | | - | 747.00 |
| 2) MAT Credit Entitlement | | - | (257.46) |
| 3) Deferred Tax | | (5.47) | (3,665.30) |
| 4) Income Tax Paid Related to Earlier Years | | (21.80) | (109.89) |
| | | (27.27) | (3,285.65) |
| IX Profit (Loss) for the period from continuing operations | | 360.94 | (6,914.16) |
| X Profit/(loss) for the period from JV/Associates | | 841.32 | 421.72 |
| XI Profit/(loss) for the period | | 1,202.26 | (6,492.44) |
| XII Other comprehensive income | 1.36 | | |
| A (i) Items that will not be reclassified to profit or loss | | 2,149.01 | (1,174.97) |
| B (i) Items that will be reclassified to profit or loss | | 166.76 | (212.38) |
| | | 2,315.77 | (1,387.35) |
| XIII Total Comprehensive Income for the period | | 3,518.03 | (7,879.79) |
| XIV Profit/(loss) for the period Attributable to: | | 1,202.26 | (6,492.44) |
| Owners of the Parent | | 1,415.83 | (6,483.02) |
| Non-Controlling Interest | | (213.57) | (9.42) |
| XV Other Comprehensive Income Attributable to: | | 2,315.77 | (1,387.35) |
| Owners of the Parent | | 2,315.77 | (1,387.35) |
| Non-Controlling Interest | | - | - |
| XVI Total Comprehensive Income Attributable to: | | 3,518.03 | (7,879.79) |
| Owners of the Parent | | 3,731.60 | (7,870.37) |
| Non-Controlling Interest | | (213.57) | (9.42) |
| XVII Earnings per equity share (for continuing operations) | 1.38 | | |
| 1) Basic | | 0.62 | (2.88) |
| 2) Diluted | | 0.62 | (2.88) |
| Summary of significant accounting Policies & Notes | B | | |

Notes referred to above form an integral part of the Financial Statements

In terms of our Report of even date attached herewith.

For **L. B. Jha & Co.**

Chartered Accountants

Firm Registration No: 301088E

D.N. Roy

Partner

Membership No.300389

Place: B2/1, Gillander House

8, Netaji Subhas Road

Kolkata-700 001

Dated: 14th May, 2021

Ravi Varma

Company Secretary

Directors**S. K. Poddar****A. C. Chakrabortti****Indrajit Mookerjee****A. K. Gupta****D. H. Kela****A. K. Vijay**

Consolidated Statement of Cash Flow for year ended 31st March, 2021

| Particulars | (₹ in Lakhs) | |
|--|--------------------------|--------------------------|
| | Year Ended 31.03.2021 | Year Ended 31.03.2020 |
| A) Cash Flows From Operating Activities: | | |
| Net Profit before Taxation & Exceptional Items | 333.67 | 4,792.16 |
| Adjustments for: | | |
| Depreciation | 3,745.35 | 3,609.27 |
| Interest Paid | 10,296.95 | 9,658.98 |
| Bad Debt Written off | 51.18 | 98.44 |
| Provision and Excess Liabilities Written Back/Off | (1.24) | (18.09) |
| Interest Received | (335.73) | (609.01) |
| Income From Investments | (32.10) | (60.89) |
| Profit on Sale Of Investments-Current(Net) | (2.77) | (5.29) |
| Gain on Fair Value of bonds/Mutual | (211.05) | (293.52) |
| Loss/(Profit) on Sale Of Property, Plant and Equipment(Net) | 7.57 | (78.75) |
| | 13,518.16 | 12,301.14 |
| | 13,851.83 | 17,093.30 |
| Operating Profit before Working Capital Changes & Exceptional Items | | |
| (Increase)/Decrease in Trade & Other Receivables | 4,818.68 | (3,647.40) |
| (Increase)/Decrease in Inventories | 22,777.36 | (8,706.85) |
| Increase/(Decrease) in Trade Payables & Other Liabilities | (36,483.98) | 12,961.63 |
| | (8,887.94) | 607.38 |
| Cash Generated from Operations | 4,963.89 | 17,700.68 |
| Direct Taxes Paid | (932.52) | (1,662.74) |
| Cash Flow before Exceptional Items | 4,031.37 | 16,037.94 |
| Exceptional Items | - | (14,991.97) |
| Net Cash from Operating Activities | 4,031.37 | 1,045.97 |
| B) Cash Flows From Investing Activities | | |
| Sale/(Purchase) of Property, Plant & Equipments | (829.81) | (7,929.37) |
| (Purchase)/Sale of Investments (Net) | 107.84 | 3,840.13 |
| Consideration Paid for Acquisition | - | (2,324.62) |
| Bank Deposits(Includes having original maturity more than three months) | (1,501.19) | (3,585.58) |
| Interest Received | (110.12) | 81.93 |
| Dividend Received | 32.10 | 60.89 |
| Net Cash used in Investing Activities | (2,301.18) | (9856.62) |
| C) Cash Flows From Financing Activities | | |
| Receipt/(Payment) of Long Term Borrowings | (1,908.97) | 255.89 |
| Receipt/(Payment) of Short Term Borrowings | 2,979.51 | 19,713.67 |
| Increase in Share Capital | 255.84 | 0.25 |
| Increase in Securities Premium | 7,645.15 | 9.84 |
| Interest Paid | (10,048.05) | (9,414.73) |
| Dividend Paid | (236.58) | (785.38) |
| Dividend Tax Paid | - | (162.85) |
| Net Cash used in Financing Activities | (1,313.10) | 9,616.69 |
| D Changes in Foreign Currency Translation arising from Foreign Operations | | |
| Net Increase in Cash and Cash Equivalents | 166.76 | (212.38) |
| Cash and Cash Equivalents at the beginning of the period | 583.85 | 593.66 |
| De-recognition of Subsidiary -Texmaco Defence Systems Private Limited | 1,676.29 | 1,112.43 |
| Cash and Cash Equivalents at the end of the period | - | (29.80) |
| | 2,260.14 | 1,676.29 |
| Note: | | |
| (1) Details of Cash and Cash Equivalents as on | | |
| Balances with banks | | |
| Current Accounts | 2,133.22 | 1,609.28 |
| Cheques on hand | 51.04 | - |
| Cash on hand | 75.88 | 67.01 |
| | 2,260.14 | 1,676.29 |

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 (Statement of Cash Flow)

Notes referred to above form an integral part of the Financial Statements

In terms of our Report of even date attached herewith.

For **L. B. Jha & Co.**

Chartered Accountants

Firm Registration No: 301088E

D.N. Roy

Partner

Membership No.300389

Place: B2/1, Gillander House

8, Netaji Subhas Road

Kolkata-700 001

Dated: 14th May, 2021

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Ravi Varma
Company Secretary

Directors

S. K. Poddar

A. C. Chakrabortti

Indrajit Mookerjee

A. K. Gupta

D. H. Kela

A. K. Vijay

Statement of Changes in Equity for Year Ended 31st March, 2021

a. Equity share capital

₹ In Lakhs

| Particulars | Issued, Subscribed Paid up Capital | Share Capital Suspense | Total |
|---|---------------------------------------|---------------------------|-----------------|
| Balance as at 01.04.2019 | 2,200.50 | 47.85 | 2,248.35 |
| Add: Change in Equity Share Capital during the year | 48.09 | (47.85) | 0.24 |
| Balance as at 31.03.2020 | 2,248.59 | - | 2,248.59 |
| Add: Change in Equity Share Capital during the year | 254.84 | - | 254.84 |
| Balance as at 31.03.2021 | 2,503.43 | - | 2,503.43 |

b. Other equity

₹ In Lakhs

| Particulars | Reserves and Surplus | | | | | Other Comprehensive Income | | Total |
|---|----------------------|----------------------------|------------------|----------------------------------|-------------------|---|---|-------------------|
| | Capital reserve | Securities premium account | General Reserve | Share Option Outstanding Account | Retained earnings | Equity instruments/ retained benefits/ income in Associates and Joint Ventures through other comprehensive income | Exchange differences on translating the financial statements of a foreign operation | |
| Balance as at 1st April, 2019 | 3,951.22 | 39,924.86 | 47,220.92 | 1,184.36 | 17,479.51 | 1,703.18 | 155.56 | 111,619.61 |
| Income for the year | - | - | - | - | (6,483.02) | - | - | (6,483.02) |
| Other Comprehensive Income for the year | - | - | - | - | - | (1,192.57) | (212.38) | (1,404.95) |
| Adjustment of Goodwill in Business Combination | (2,324.62) | - | - | - | - | - | - | (2,324.62) |
| Dividend and Tax on Dividend | - | - | - | - | (949.85) | - | - | (949.85) |
| Remeasurement of the net defined benefit plan | - | - | - | - | - | 17.60 | - | 17.60 |
| Transfer to/from retained earnings | - | - | - | - | 17.60 | (17.60) | - | - |
| Transfer to General Reserve | - | - | - | - | - | - | - | - |
| Any other change (ESOP allotment) | - | 9.84 | - | - | - | - | - | 9.84 |
| Adjustment for share purchase agreement | - | - | - | - | - | - | - | - |
| Balance as at 31st March, 2020 | 1,626.60 | 39,934.70 | 47,220.92 | 1,184.36 | 10,064.24 | 510.61 | (56.82) | 100,484.61 |
| Income for the year | - | - | - | - | 1,415.83 | - | - | 1,415.83 |
| Other Comprehensive Income for the year | - | - | - | - | - | 2,125.82 | 166.76 | 2,292.58 |
| Issue of Equity Shares by conversion of loan (promotor's contribution) | - | 7,645.15 | - | - | - | - | - | 7,645.15 |
| Dividend on Equity Shares | - | - | - | - | (224.83) | - | - | (224.83) |
| Transfer to/from retained earnings | - | - | - | - | 20.81 | 2.38 | - | 23.19 |
| Transfer to / from General Reserve | - | - | 200.00 | - | (200.00) | - | - | - |
| Transfer to / from Retained Earnings for the Share of other Comprehensive Income in Associates & Joint Ventures | - | - | - | - | (0.02) | 0.02 | - | - |
| Balance as at 31st March, 2021 | 1,626.60 | 47,579.85 | 47,420.92 | 1,184.36 | 11,076.03 | 2,638.83 | 109.94 | 111,636.53 |

In terms of our Report of even date attached herewith.

For **L. B. Jha & Co.**

Chartered Accountants

Firm Registration No: 301088E

D.N. Roy

Partner

Membership No.300389

Place: B2/1, Gillander House

8, Netaji Subhas Road

Kolkata-700 001

Dated: 14th May, 2021

Ravi Varma

Company Secretary

Directors

S. K. Poddar

A. C. Chakrabortti

Indrajit Mookerjee

A. K. Gupta

D. H. Kela

A. K. Vijay

Notes on Consolidated Financial Statement

A. CORPORATE INFORMATION

Texmaco Rail & Engineering Limited, ("the Holding Company") incorporated on 25th June 1998 has its Registered Office at Belgharia, Kolkata 700056. The Company is listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited.

The Holding Company and its subsidiaries are engaged in the manufacturing, selling and providing service for Rail and Rail related products. The Company manufactures a diverse range of products.

B. SIGNIFICANT ACCOUNTING POLICIES

(i) Statement of Compliance

These financial statements have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act read with Companies (Indian Accounting Standards) Rules as amended from time to time.

(ii) Basis of Accounting

These financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefits plans which are measured at fair values at the end of each reporting period. Historical cost is generally based on the value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Functional currency of the Company in Indian Rupees. These Financial Information are presented in Indian Rupees. All amounts have been rounded off to the nearest Lakhs and rounded off to two decimals except for Earnings Per Share and where mentioned otherwise.

All the assets and liabilities have been classified as current and non-current as per the company's normal operating cycle and criteria set out in schedule III (Division II) of the Companies Act 2013.

The Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.

(iii) Use of Estimates

The preparation of the Financial Statements in conformity with IND AS requires the management to make estimates, judgment and assumptions. These estimates, judgment and assumptions affect the application of accounting policies and the reported amount of Assets and Liabilities

and disclosure of contingent Liabilities on the date of the Financial Statements and reported amounts of revenues and expenses for the year.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of impairment of investments, useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities and fair value measurement of financial instruments have been discussed below. Key source of estimation of uncertainty in respect of revenue recognition and employee benefits have been discussed in their respective policies.

Useful lives of property, plant and equipment

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each year. The policy has been explained under note B (xxii).

(iv) Property, plant and equipment

Property, plant and equipment are carried at the cost of acquisition or construction less accumulated depreciation. Costs directly attributable to acquisition are capitalized until the property, plant and equipment are ready for use, as intended by management.

Depreciation has been provided on straight line method in accordance with the life of the respective assets as prescribed in Schedule II of the Companies Act, 2013 except certain assets for which useful life of assets has been ascertained based on report of technical experts. All assets costing ₹ 5,000 or below are fully depreciated in the year of addition.

The Company, based on technical assessment made by technical expert and management estimate, depreciates Building and Plant & Equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The Management believes that these estimated useful lives are realistic and

Notes on Consolidated Financial Statement

reflect fair approximation of the period over which the assets are likely to be used. The estimated useful lives and residual value are reviewed at the end of each reporting period, with the effect of any change in estimate accounted for on a prospective basis. The estimated useful lives are as mentioned below:

| | |
|---------------------------------|----------------|
| • Buildings (Site Office) | 3 years |
| • Buildings/Investment Property | 30 to 60 years |
| • Roads | 5 to 10 years |
| • Railway Sidings | 15 to 30 years |
| • Electrical Machinery | 10 to 20 years |
| • Plant & Equipment | 5 to 17 years |
| • Furniture | 10 years |
| • Office Equipment | 5 years |
| • Computers | 3 years |
| • Motor Vehicles | 8 years |
| • Intangible Assets (Softwares) | 6 years |
| • Leasehold Improvements | 3 years |

Capital work-in-progress

Capital work-in-progress / Intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost. Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as Capital Advances.

(v) Intangible Assets

Intangible Assets are recorded at the consideration paid for acquisition less accumulated amortization and accumulated impairment, if any. Amortization is recognized at Straight Line Basis over their estimated useful life. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. Intangible assets are amortized on Straight Line Basis over a period of 6 years.

(vi) Impairment of Non-Financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing

use of an asset and from its disposal at the end of its useful life. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

(vii) Derivative Financial Instrument

The Company enters into derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange forward contracts. The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized to statement profit or loss immediately.

(viii) Financial Instrument

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities, that are not measured at fair value through profit or loss, are added/ deducted to the fair value on initial recognition.

All recognized financial assets are subsequently measured in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

(a) Financial assets carried at amortised cost

A Financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

(b) Investment in Equity Instruments at fair value through other comprehensive income

Equity investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes

Notes on Consolidated Financial Statement

in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'.

c) Financial assets at fair value through profit or loss

A financial asset which is not classified in any of the above categories is subsequently fair valued through profit or loss.

d) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

e) Investment in Subsidiaries and Joint Ventures

Investment in Subsidiaries and Joint Ventures are carried at cost in the Financial Statements.

f) Impairment

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortized cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognized if the credit quality of the financial asset has deteriorated significantly since initial recognition.

g) Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(ix) Measurement of Fair Values

Certain accounting policies and disclosures of the Company require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values.

Fair Values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or liability, the company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into a different level of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(x) Revenue Recognition

Sales revenue is measured at fair value of the consideration received or receivable and stated at net of GST, trade discounts, rebates but includes excise duty. Income from services is recognized as the services are rendered based on agreement/arrangement with the concerned parties. Export incentives, certain insurance and other claims, where quantum of accruals cannot be ascertained with reasonable certainty, are accounted on acceptance basis.

a. Revenue from Operations

Revenue from the sale of goods is recognized when the goods are delivered and titles have been passed, at which time all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- Rent Income/Lease Rentals

Notes on Consolidated Financial Statement

b. Revenue from construction contracts

In accordance with Ind AS 115 "Revenue from Contracts with customers", Revenue from construction and service activities is recognized based on "over time" method and the company uses the input method to measure progress of delivery.

When the outcome of individual contracts can be estimated reliably, contract revenue and contract cost are recognized as revenue and expenses respectively by reference to the stage of completion at the reporting date. Costs are recognized as incurred and revenue is recognized on the basis of the proportion of total cost at the reporting date to the estimated total cost of the contract.

Estimates of the final out-turn on each contract may include cost contingencies to take account of the risk within each contracts that have been identified during the early stages of contract. The cost contingencies are reviewed on a regular basis throughout the contract life and are adjusted where appropriate. However, the natures of the risks on contracts are such that they often cannot be resolved until the end of the project and therefore may not reverse until the end of the Project. The estimated final out- turns on contracts are continuously reviewed, and in certain limited cases, recoveries from insurers are assessed, and adjustments made where necessary. No margin is recognized until the outcome of the contract can be estimated with reasonable certainty. Provision is made for all known or expected losses on individual contracts once each losses are foreseen.

Revenue in respect of variations to contracts and incentive payments is recognized when it is highly probable and agreed by the customer. Revenue in respect of claim is recognized only if it is highly probable not to reverse in future periods. Profit for the year includes the benefit of claims settled in the year to the extent not previously recognized on contracts completed in previous years.

In some old projects where substantial contract revenue has already been recognized in earlier periods, revenue is recognized as per Ind AS115 "Revenue from Contracts with customers" where income from operations is determined and recognized, based on the bills raised on technical evaluation of work executed based on joint inspection with customers including railways. The figures have been taken as per the management working on the basis of the work completed.

c. Other Income

Other income comprises of primarily of Interest Income, Dividend Income, Gain/ (Loss) on sale of Investments, Rental Income and Claims (if any).

Interest Income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount on initial recognition.

Dividend Income is recognized as and when right to receive payment is established provided, which is generally after the shareholders approves it in the Annual General Meeting.

Gain/ (Loss) on sale of Current/ Non Current Investments are recognized at the time of redemption/ Sale and at Fair value at each reporting period.

Rent Income/Lease rentals are recognized on accrual basis in accordance with the terms of agreements.

Insurance and other claims are accounted for as and when admitted by the appropriate authorities in view of uncertainty involved in ascertainment of final claim.

(xi) Employee Benefits

The Company's contribution to provident fund, pension fund, employees' state insurance scheme and super-annuation fund are charged on accrual basis to Statement of Profit & Loss.

a. Short term benefits:

Short term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.

b. Defined contribution retirement benefits:

Payments to defined contribution retirement benefits are recognized as an expense when employees have rendered services entitling them to the contributions. Defined contribution plans are those plans where the Company pays fixed contributions to funds/ schemes managed by independent trusts or authority. Contributions are paid in return for services rendered by the employees during the year. The Company has no legal or constructive obligation to pay further

Notes on Consolidated Financial Statement

contributions if the fund/scheme does not hold sufficient assets to pay/extend employee benefits. The Company provides Provident Fund facility to all employees. The contributions are expensed as they are incurred in line with the treatment of wages and salaries. The Company's Provident Fund is exempted under section 17 of Employees' Provident Fund and Miscellaneous Provision Act, 1952. Conditions for exemption stipulate that the Company shall make good deficiency, if any, in the interest rate declared by the trust vis-a-vis interest rate declared by the Employees' Provident Fund Organisation.

c. Defined benefit retirement benefits:

The cost of providing defined benefit retirement benefits are determined using the projected unit credit method, with independent actuarial valuations being carried out at the end of each reporting period. The Company provides gratuity to its employees.

Remeasurement, comprising actuarial gains and losses, return on plan assets excluding amounts included in net interest on the net benefit liability (asset) and any change in the effect of the asset ceiling (if applicable) are recognized in the balance sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in the comprehensive income are not reclassified to the statement of profit and loss but recognized directly in the retained earnings. Past service costs are recognized in the statement of profit and loss in the period in which the amendment to plan occurs. Net interest is calculated by applying the discount rate to the net defined liability or asset at the beginning of the period, taking into account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Defined benefit costs which are recognized in the statement of profit and loss are categorized as follows

- Service cost (including current service cost, past service cost as well as gains and losses on curtailments and settlements); and
- Net interest expense or income; and

The retirement benefit obligation recognized in the standalone Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reduction in future contributions to the plans.

The liability for termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

d. Voluntary Retirement Scheme Benefits

Voluntary retirement scheme benefits are recognized as an expense in the year they are incurred.

(xii) Employee Stock Option Scheme

In respect of Stock options granted pursuant to the Company's Employees Stock Option Schemes 2007, the intrinsic value of the options (excess of Market Price of the share over the exercise price of the option) is treated as discount and accounted as deferred employee's compensation cost over the vesting period.

(xiii) Custom Duty and Goods and Service Tax (GST)

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

(xiv) Research and Development

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

(xv) Valuation of Inventories

Raw materials, work-in-progress and finished products are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes purchase price non refundable taxes and duties and other directly attributable costs incurred in bringing the goods to the point of sale. Work-in-progress and finished goods include appropriate proportion of overheads and where applicable, excise duty. Cost are assigned to individual items of inventory on weighted average basis.

Stores and Spares are valued on the "weighted average" basis.

(xvi) Lease

a. Where the Company is the lessee

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

Notes on Consolidated Financial Statement

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate.

Generally, the company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the company is reasonably certain to exercise, lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

b. Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognized in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognized as

an expense in the statement of Profit & Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognized immediately in the statement of Profit & Loss.

Assets given under a finance lease are recognized as a receivable at an amount equal to the net investment in the lease. Lease income is recognized over the period of the lease so as to yield a constant rate of return on the net investment in the lease. Initial direct costs relating to assets given on finance leases are charged to Statement of Profit and Loss.

(xvii) Foreign Currency Transactions and Exchange Differences

Transactions in currencies other than entity's functional currency (spot rates) are recorded at the rates of exchange prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies (other than derivative contracts) remaining unsettled at the end of the each reporting period are premeasured at the rates of exchange prevailing at that date. Exchange difference on monetary items are recognized in the statement of Profit & Loss in the period in which they arise. Non-monetary items carried at historical cost are translated using exchange rates at the dates of the initial transaction.

(xviii) Provisions, Contingent Liabilities and Contingent Assets

a. Provisions & Warranties

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliable.

Notes on Consolidated Financial Statement

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognised at the date of sale of the relevant products, at the management's best estimate of the expenditure -required to settle the Company's warranty obligation.

b. Onerous contracts

An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Present obligation arising under onerous contracts are recognized and measured as provisions.

c. Contingent liabilities

Contingent liability is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or is a present obligation that arises from past events but is not recognized because either it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation, or a reliable estimate of the amount of the obligation cannot be made. Contingent liabilities are disclosed and not recognized. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are no probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the standalone financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

d. Contingent Assets

Contingent Assets are neither recognized nor disclosed except when realization of income is virtually certain.

(xix) Cash & Cash Equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amount of cash that are subject to an insignificant risk of change in value and having original maturities of less than three months or less from the date of purchase, to be cash equivalents. Cash

and cash equivalents consist of balance with banks which are unrestricted for withdrawal and usage.

(xx) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use.

(xxi) Segment Reporting

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

(xxii) Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are recognized in statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

a. Current income taxes

The current income tax expense includes income taxes payable by the Company and its branches in India and overseas. The current tax payable by the Company in India is Indian income tax payable on worldwide income. Current income tax payable by overseas branches of the Company is computed in accordance with the tax laws applicable in the jurisdiction in which the respective branch operates. The taxes paid are generally available for set off against the Indian income tax liability of the Company's worldwide income. Advance taxes and provisions for current income taxes are presented in the balance sheet after off-setting advance tax paid and

Notes on Consolidated Financial Statement

income tax provision arising in the same tax jurisdiction and where the relevant tax paying unit intends to settle the asset and liability on a net basis.

b. Deferred income taxes

Deferred income tax is recognized using the balance sheet approach. Deferred income tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount, except when the deferred income tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction. Deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred income tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which the temporary differences are expected to be received or settled.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

(xxiii) Government Grant

The Company may receive government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria. Government grants are recognized when there is reasonable assurance that the grant will be received, and the Company will comply with the conditions attached to the grant. Accordingly, government grants:

(a) related to or used for assets are included in the Balance Sheet as deferred income and recognized as income over the useful life of the assets.

(b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.

(c) by way of financial assistance on the basis of certain qualifying criteria are recognized as they become receivable. In the unlikely event that a grant previously recognized is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognized is expensed in the Statement of Profit and Loss.

(xxiv) Earnings Per Share

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

(xxv) Cash Flow Statement

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

(xxvi) Exceptional Item

When items of income and expenses within statement of profit and loss from ordinary activities are of as such size, nature and or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

(xxvii) Accounting for interests in Joint Ventures

Interests in joint ventures are accounted as follows:

| Type of joint venture | Accounting treatment |
|-------------------------------|---|
| Jointly controlled operations | Company's share of revenues, common expenses, assets and liabilities are included in revenues, expenses, assets and liabilities respectively on line by line basis. |

Notes on Consolidated Financial Statement

| Type of joint venture | Accounting treatment |
|-----------------------------|---|
| Jointly controlled assets | Share of assets, according to nature of the assets, and share of the liabilities are shown as part of gross block and liabilities respectively. Share of expenses incurred on maintenance of the assets is accounted as expense. Monetary benefits, if any, from use of the assets are reflected as income. |
| Jointly controlled entities | (a) Integrated joint ventures: |
| | (i) Company's share in profits or losses of integrated joint ventures is accounted on determination of the profits or losses by the joint ventures. |
| | (ii) Investments in integrated joint ventures are carried at cost net of Company's share recognized in profits or losses. |
| | (b) Incorporated jointly controlled entities: |
| | (i) Income on investments in incorporated jointly controlled entities is recognized when the right to receive the same is established. |
| | (ii) Investment in such joint ventures is carried at cost after providing for any diminution in value of investment which is other than temporary in nature. |

(xxviii) Recent Pronouncement

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

Notes on Consolidated Financial Statement

Note 1.01: Property, Plant and Equipment

(₹ in Lakhs)

| Description of Assets | Gross Block | | | | Depreciation | | | | Net Block | |
|--|------------------|---------------------------|---------------------|------------------|------------------|-----------------|---------------------|------------------|------------------|--|
| | As at 01.04.2020 | Additions During the Year | Sales / Adjustments | As at 31.03.2021 | As at 01.04.2020 | During the Year | Sales / Adjustments | As at 31.03.2021 | As at 31.03.2021 | |
| Note: 1.01 Property, Plant & Equipment: | | | | | | | | | | |
| Land | 3,923.14 | - | - | 3,923.14 | 150.80 | 0.02 | - | 150.82 | 3,772.32 | |
| Buildings | 11,086.34 | 144.42 | - | 11,230.76 | 1,385.47 | 417.23 | - | 1,802.70 | 9,428.06 | |
| Roads | 183.51 | 12.98 | - | 196.49 | 98.51 | 15.10 | - | 113.61 | 82.88 | |
| Railway Sidings | 217.71 | 1.41 | - | 219.12 | 48.24 | 9.77 | - | 58.01 | 161.11 | |
| Plant & Machinery | 32,661.13 | 1,078.57 | 944.43 | 32,795.27 | 7,854.99 | 2,738.23 | 217.31 | 10,375.91 | 22,419.36 | |
| Electrical Machinery | 706.53 | 28.57 | 19.05 | 716.05 | 276.74 | 51.10 | 13.68 | 314.16 | 401.89 | |
| Office Equipments | 1,005.20 | 51.26 | 12.92 | 1,043.54 | 568.21 | 163.07 | 11.41 | 719.87 | 323.67 | |
| Furniture & Fittings | 729.55 | 14.87 | (8.40) | 752.82 | 337.75 | 60.67 | (5.17) | 403.59 | 349.23 | |
| Vehicles | 972.53 | 127.20 | 180.89 | 918.84 | 323.75 | 134.56 | 131.43 | 326.88 | 591.96 | |
| Total | 51,485.64 | 1,459.28 | 1,148.89 | 51,796.03 | 11,044.46 | 3,589.75 | 368.66 | 14,265.55 | 37,530.48 | |
| Note: 1.02 | | | | | | | | | | |
| a) Right to Use | 45.37 | - | - | 45.37 | 0.68 | 0.68 | - | 1.36 | 44.01 | |
| b) Capital Work in Progress (CWIP) | 735.42 | 500.98 | 843.48 | 392.92 | - | - | - | - | 392.92 | |
| c) Investment Property | 3,638.16 | - | - | 3,638.16 | 564.61 | 89.81 | - | 654.42 | 2,983.74 | |
| Total | 4,418.95 | 500.98 | 843.48 | 4,076.45 | 565.29 | 90.49 | - | 655.78 | 3,420.67 | |
| Note: 1.03 Intangible Assets: | | | | | | | | | | |
| Software | 501.36 | 18.54 | - | 519.89 | 397.22 | 65.11 | - | 462.33 | 57.57 | |
| Total | 501.36 | 18.54 | - | 519.89 | 397.22 | 65.11 | - | 462.33 | 57.57 | |
| Grand Total | 56,405.95 | 1,978.80 | 1,992.37 | 56,392.38 | 12,006.97 | 3,745.35 | 368.66 | 15,383.66 | 41,008.72 | |

Note-1) ₹ 13.75 lakhs being cost of Electrical Machinery regrouped to Furniture & Fittings.

2) ₹ 8.66 lakhs being accumulated depreciation regrouped from Electrical Machinery to Furniture & Fittings.

3) ₹ 0.53 lakhs being cost of Electrical Machinery regrouped to Plant & Machinery.

4) ₹ 0.27 lakhs being accumulated depreciation regrouped from Electrical Machinery to Plant & Machinery.

Previous Year

(₹ in Lakhs)

| Description of Assets | Gross Block | | | | Depreciation | | | | Net Block | |
|--|------------------|---------------------------|---------------------|------------------|------------------|-----------------|---------------------|------------------|------------------|--|
| | As at 01.04.2019 | Additions During the Year | Sales / Adjustments | As at 31.03.2020 | As at 01.04.2019 | During the Year | Sales / Adjustments | As at 31.03.2020 | As at 31.03.2020 | |
| Note: 1.01 Property, Plant & Equipment: | | | | | | | | | | |
| Land | 3,958.46 | - | 35.32 | 3,923.14 | 129.88 | 20.92 | - | 150.80 | 3,772.34 | |
| Buildings | 13,986.12 | 711.27 | 3,611.05 | 11,086.34 | 1451.70 | 416.05 | 482.28 | 1,385.47 | 9,700.87 | |
| Roads | 177.63 | 5.87 | (0.01) | 183.51 | 77.77 | 20.74 | - | 98.51 | 85.00 | |
| Railway Sidings | 217.71 | - | - | 217.71 | 38.53 | 9.71 | - | 48.24 | 169.47 | |
| Plant & Machinery | 25,851.37 | 6,924.11 | 114.35 | 32,661.13 | 5,405.03 | 2,555.65 | 105.69 | 7,854.99 | 24,806.14 | |
| Electrical Machinery | 716.31 | 9.16 | 18.94 | 706.53 | 243.94 | 51.17 | 18.37 | 276.74 | 429.79 | |
| Office Equipments | 895.03 | 111.95 | 1.78 | 1,005.20 | 389.57 | 179.53 | 0.89 | 568.21 | 436.99 | |
| Furniture & Fittings | 685.82 | 43.73 | - | 729.55 | 278.89 | 58.86 | 0.00 | 337.75 | 391.80 | |
| Vehicles | 890.50 | 126.73 | 44.70 | 972.53 | 255.78 | 134.07 | 66.10 | 323.75 | 648.78 | |
| Total | 47,378.95 | 7,932.82 | 3,826.13 | 51,485.64 | 8,271.09 | 3,446.70 | 673.33 | 11,044.46 | 40,441.18 | |
| Note: 1.02 | | | | | | | | | | |
| a) Right to Use | - | 45.37 | - | 45.37 | - | 0.68 | - | 0.68 | 44.69 | |
| b) Capital Work in Progress (CWIP) | 1,376.43 | 2,301.67 | 2,942.68 | 735.42 | - | - | - | - | 735.42 | |
| c) Investment Property | - | 3,638.16 | - | 3,638.16 | - | 89.81 | (474.80) | 564.61 | 3,073.55 | |
| Total | 1,376.43 | 5,985.20 | 2,942.68 | 4,418.95 | - | 90.49 | (474.80) | 565.29 | 3,853.66 | |
| Note: 1.03 Intangible Assets: | | | | | | | | | | |
| Software | 470.62 | 30.74 | - | 501.36 | 325.14 | 72.08 | - | 397.22 | 104.14 | |
| Total | 470.62 | 30.74 | - | 501.36 | 325.14 | 72.08 | - | 397.22 | 104.14 | |
| Grand Total | 49,226.00 | 13,948.76 | 6,768.81 | 56,405.95 | 8,596.23 | 3,609.27 | 198.53 | 12,006.97 | 44,398.98 | |

Note: Gross Block addition includes fixed assets (Net of depreciation) acquired during the year of Urla Unit of M/s Simplex Steels Limited as per agreement dated 26th April 2019

Notes on Consolidated Financial Statement

Note 1.04 Non Current Investments

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--|---------------------|---------------------|
| OTHER THAN TRADE INVESTMENTS | | |
| Fully paid-up | | |
| Investments in Equity Instruments (Quoted) (At Fair Value) | | |
| Texmaco Infrastructure & Holdings Limited. 23,49,809 (2020: 23,49,809) Shares of ₹ 1 each | 1,644.86 | 727.26 |
| Chambal Fertilisers & Chemicals Limited. 10,00,000 (2020: 10,00,000) Shares of ₹ 10 each | 2,290.50 | 1,084.50 |
| Investments in Equity Instruments of Associate Company (Unquoted)(At Cost) | | |
| Texmaco Defence System Private Limited 41,000 (2020: 41,000) Shares of ₹ 10 each | 0.06 | 1.74 |
| Investments in Equity Instruments of Joint Ventures (Unquoted)(At Cost) | | |
| Touax Texmaco Railcar Leasing Private Limited 1,26,49,999 (2020: 1,26,49,999) Shares of ₹ 10 each | 1,362.53 | 1,098.64 |
| Wabtec Texmaco Rail Private Limited 32,81,700 (2020:32,81,700) Shares of ₹ 10 each | 621.44 | 449.22 |
| Investments in CCD of Joint Ventures (Unquoted)(At Cost) | | |
| Touax Texmaco Railcar Leasing Private Limited 36,66,825 (2020: 32,00,000) CCD of ₹ 100 each | 3,666.83 | 3,200.00 |
| TOTAL NON CURRENT INVESTMENTS | 9,586.22 | 6,561.36 |
| i) Aggregate amount of quoted investments | 3,935.36 | 1,811.76 |
| ii) Market Value of quoted investments | 3,935.36 | 1,811.76 |
| iii) Aggregate amount of unquoted investments | 5,650.86 | 4,749.60 |

Note 1.05 Loans (Non-Current)

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|-----------------------------------|---------------------|---------------------|
| Unsecured- Considered Good | | |
| Security Deposits | 568.36 | 725.03 |
| | 568.36 | 725.03 |

Note 1.06 Bank Balance Non-Current)

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--------------|---------------------|---------------------|
| Margin Money | 1,025.16 | 1,109.34 |
| | 1,025.16 | 1,109.34 |

Note 1.07 Other Non-Current Financial Assets

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--|---------------------|---------------------|
| (a) Share Application Money | - | 2.00 |
| (b) Term Deposit of more than Twelve Months Maturity | 134.48 | 62.65 |
| (c) Interest Accrued on Deposits & Others | 44.05 | 38.95 |
| Total | 178.53 | 103.60 |

Notes on Consolidated Financial Statement

Note 1.08 Deferred Tax Assets (net)

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--|---------------------|---------------------|
| Deferred Income Tax Assets | | |
| Carried forward losses | 2,752.69 | 181.27 |
| Provisions & others | 5,085.21 | 7,586.53 |
| MAT Credit | 4,906.92 | 4,501.19 |
| Compensated absences | 175.74 | 158.33 |
| Gratuity | 139.45 | 107.90 |
| Total Deferred Income Tax Assets | 13,060.01 | 12,535.22 |
| Deferred Income Tax Liabilities | | |
| Property, Plant and equipment | (4,843.42) | (4,324.12) |
| | (4,843.42) | (4,324.12) |
| Net Deferred Tax Assets | 8,216.59 | 8,211.10 |

Note 1.09 Other Non-Current Asset

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|-----------------------------------|---------------------|---------------------|
| Deferred Income Tax Assets | | |
| (a) Capital Advances | 300.32 | 507.57 |
| (b) Prepaid Expenses | 202.94 | 254.99 |
| Total | 503.26 | 762.56 |

Note 1.10 Inventories

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--|---------------------|---------------------|
| (a) Raw Material and Components | 11,376.75 | 17,113.07 |
| (b) Work in Progress | 14,581.23 | 27,792.32 |
| (c) Finished Goods | 1,463.64 | 5,095.33 |
| (d) Stock in Trade | - | 2.02 |
| (e) Stores and Spares | 1,615.32 | 2,014.66 |
| (f) Goods in transit (Raw Material and Components) | 1,892.71 | 1,689.64 |
| Total | 30,929.65 | 53,707.04 |

Inventories are secured against first charge on working capital facility

Note 1.11 Current Investments

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|---|---------------------|---------------------|
| Investments in Mutual Funds (Unquoted) (At Fair Value) | | |
| Axis Treasury Advantage Fund Growth 645 (2020: 645) Units of ₹ 1000 each | 16.00 | 14.54 |
| Axis Treasury Advantage Fund Growth NIL (2020: 7260) Units of ₹ 1000 each | - | 163.76 |
| ICICI Prudential Fixed Maturity Plan Series 83 1108 Days Plan H 1,50,00,000 (2020: 1,50,00,000) Units of ₹ 10 each | 1,882.78 | 1,769.16 |
| SBI Debt Fund Series C-16 1100 Days 1,32,24,964 (2020: 1,32,24,964) Units of ₹ 10 each | 1,648.13 | 1,552.16 |
| TOTAL CURRENT INVESTMENTS | 3,546.91 | 3,499.62 |
| i) Aggregate amount of quoted investments | - | - |
| ii) Market Value of quoted investments | - | - |
| iii) Aggregate amount of unquoted investments | 3,546.91 | 3,499.62 |

Notes on Consolidated Financial Statement

Note 1.12 Trade Receivables

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--------------------------------------|---------------------|---------------------|
| (a) Secured, considered good | - | - |
| (b) Unsecured, considered good | 61,148.82 | 64,450.00 |
| (c) Unsecured, Credit Impaired | 9,949.34 | 5,904.53 |
| | 71,098.16 | 70,354.53 |
| Allowance for bad and doubtful debts | (9,949.34) | (5,904.53) |
| Total | 61,148.82 | 64,450.00 |

- (i) The above includes ₹ 17,246.95 Lakhs as retention money (2020: ₹ 19,016.13 Lakhs) which are recoverable on completion of the project as per the relevant contract.
- (ii) Trade Receivable are secured against first charge on working capital facility
- (iii) The Company provide allowance in trade recivables based on historic credit loss experience, current economic conditions and events and future observable data and information. The expected credit loss allowance is computed based on the ageing of the receivables.

Note 1.13 Cash and Cash Equivalents

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--------------------------------|---------------------|---------------------|
| (a) Balances with banks | | |
| - In current accounts | 2,133.22 | 1,609.28 |
| (b) Cheques/ Pay order on hand | 51.04 | - |
| (c) Cash on hand | 75.88 | 67.01 |
| Total | 2,260.14 | 1,676.29 |

Note: Cash and cash equivalents include Cash on Hand, Cheques/Draft in Hand & Cash at Bank

Note 1.14 Bank balances other than above

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|---|---------------------|---------------------|
| (a) Unpaid Dividend Account | 16.51 | 28.24 |
| (b) Term Deposit of upto Twelve Months Maturity | 12.71 | 12.71 |
| (c) Margin Money | 8,240.80 | 6,643.70 |
| Total | 8,270.02 | 6,684.65 |

Note: Represents deposit with original maturity of more than 3 months having remaining maturity of less than 12 months from the Balance Sheet Date.

Notes on Consolidated Financial Statement

Note 1.15 Loans (Current)

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--|---------------------|---------------------|
| (a) Security Deposits to others | 85.97 | 87.69 |
| Loans to related parties: | | |
| Loan to Associates | 259.74 | 219.54 |
| (b) Other loans | | |
| Interest accrued on Loans | 1,283.81 | 879.74 |
| Advance to Employee | 248.00 | 283.72 |
| | 1,877.52 | 1,470.69 |
| (c) Unsecured, Credit Impaired | | |
| Loan to Body Corporates | 275.00 | 275.00 |
| Less: Allowance for Loan to Body Corporate | (275.00) | (275.00) |
| | - | - |
| Total | 1,877.52 | 1,470.69 |

Note 1.16 Current Tax Assets (Net)

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--|---------------------|---------------------|
| Advance Payment of Income Tax (net of provision) | 3,144.66 | 2,189.23 |
| Total | 3,144.66 | 2,189.23 |

Note 1.17 Other Current Assets

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|---|---------------------|---------------------|
| (a) Security Deposits | 46.22 | 514.06 |
| (b) Advance to Parties | 5,576.47 | 8,131.61 |
| (c) Other Advances | 2,878.64 | 2,336.32 |
| (d) Prepaid Expenses | 401.90 | 420.99 |
| (e) Balances with Government Dept | 20,345.04 | 23,635.92 |
| (f) Contractually reimbursable expenses | 2,575.21 | 3,965.33 |
| (g) Unbilled Debtors | 60,099.75 | 54,102.31 |
| Total | 91,923.23 | 93,106.54 |

Notes on Consolidated Financial Statement

Note 1.18 Equity Share capital

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|---|---------------------|---------------------|
| Authorised Share Capital | | |
| (As at 31 st March 2020: 197,00,00,000 Equity Shares ₹ 1/- each) | 19,700.00 | 19,700.00 |
| | 19,700.00 | 19,700.00 |
| Issued, Subscribed and paid up capital | | |
| 22,03,43,252 Equity Share of ₹ 1/- each | 2,503.43 | 2,248.59 |
| (As at 31 st March, 2020: 22,48,59,382 Equity Shares ₹ 1/- each) | | |
| | 2,503.43 | 2,248.59 |

- (i) The Company has only one class of shares referred to as equity shares having a par value of ₹ 1 each holder of equity shares is entitled to one vote per shares
- (ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders
- (iii) Issued, Subscribed and Paid Up Capital includes 12,71,83,090 equity shares allotted on the basis of 1 equity shares in TexRail for Rs 1 each credited as fully paid-up for every 1 equity shares held by each member of Texmaco Infrastructure & Holdings Limited (formerly Texmaco Limited) on record date without payment being received in cash for demerging its Heavy Engineering Division & Steel Foundry Division to Texmaco Rail & Engineering Limited.
- (iv) During the Year the Company has allotted 1,61,29,031 and 93,54,839 Equity Shares of ₹1 each to Shri Saroj Kumar Poddar and M/s Advantz Finance Private Limited respectively under preferential allotment as approved by the shareholders in accordance with Chapter V of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018. The Equity Share were issued @ ₹ 31 per Equity Share (including a premium of ₹ 30 per share).

(v) Reconciliation of numbers of Issued, Subscribed and Paid-up Capital

| Particulars | As at 31.03.2021 No. Shares | As at 31.03.2020 No. Shares |
|--|-----------------------------------|-----------------------------------|
| Number of Shares at the beginning of the year | 22,48,59,382 | 22,00,49,482 |
| Add: Allotment under ESOP | - | 24,600 |
| Add: Transfer from Share Capital Suspense | - | 47,85,300 |
| Add: Conversion of Loan into Equity Share through Preferential Allotment | 25,483,870 | - |
| Number of Shares at the end of the year | 25,03,43,252 | 22,48,59,382 |

- (vi) After the reporting date, dividend of 0.10 paisa (2020: 0.10 Paisa) per equity share were proposed by the Board of Directors subject to the approval of the share holders at the Annual General Meeting, the dividend has not been recognised as Liability
- (vii) The name of Shareholders holding more than 5% Equity shares

| Name of Shareholders | As at 31.03.2021 | | As at 31.03.2020 | |
|--|------------------|-----------|------------------|-----------|
| | No. of Shares | % Holding | No. of Shares | % Holding |
| (a) Texmaco Infrastructure & Holdings Ltd. | 5,85,00,000 | 23.37 | 5,46,00,000 | 24.28 |
| (b) Zuari Investments Ltd. | 2,50,63,900 | 10.01 | 2,89,63,900 | 12.88 |
| (c) Saroj Kumar Poddar* | 2,01,86,771 | 8.06 | - | - |
| (d) Advantz Finance Private Ltd. | 1,79,82,239 | 7.18 | - | - |
| (e) HDFC Trustee Company Ltd. A/C HDFC Hybrid Debt Fund | - | - | 1,80,49,537 | 8.03 |
| (f) HDFC Trustee Company Ltd. A/C HDFC Balanced Advantage Fund | 14,190,615 | 5.67 | - | - |

*The shares held by Shri Saroj Kumar Poddar includes his holding as Karta of HUF and trustee of Saroj and Jyoti Poddar Holdings Pvt Ltd.

Notes on Consolidated Financial Statement

Note 1.19 Other Equity

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--|---------------------|---------------------|
| (i) Other Reserves | | |
| Share Options Outstanding Account | | |
| Balance as per last Account | 1,184.36 | 1,184.36 |
| Add: On issue of ESOP | - | - |
| | 1,184.36 | 1,184.36 |
| (ii) Capital Reserve | | |
| Balance as per last Account | 1,626.60 | 3,951.22 |
| Less: Adjustment of Goodwill in Business Combination | - | (2,324.62) |
| | 1,626.60 | 1,626.60 |
| (iii) Securities Premium | | |
| Balance as per last Account | 39,934.70 | 39,924.86 |
| Add: Issue of Equity Shares under Preferential allotment | 7,645.15 | - |
| Add: On issue of ESOP | - | 9.84 |
| | 47,579.85 | 39,934.70 |
| (iv) General reserve | | |
| Balance as at the beginning of the year | 47,220.92 | 47,220.92 |
| Add: Transferred from Statement of Profit and Loss | 200.00 | - |
| | 47,420.92 | 47,220.92 |
| (v) Reserves representing unrealised gains/losses | | |
| (a) Equity Instruments through Other Comprehensive Income | 515.23 | 1,706.32 |
| Addition during the year | 2,123.60 | (1,191.09) |
| | 2,638.83 | 515.23 |
| (b) Remeasurements of the net defined benefit plans | (2.38) | (2.38) |
| Addition during the year | 23.19 | 17.60 |
| Less : Transferred to Retained Earning | (20.81) | (17.60) |
| | - | (2.38) |
| (c) Share of other Comprehensive Income in Associates & Joint Ventures, to the extent not to be classified into profit or loss | | |
| Balance at the balance of the year | (2.24) | (0.76) |
| Addition during the year | 2.22 | (1.48) |
| Less : Transferred to Retained Earning | 0.02 | - |
| | - | (2.24) |
| (vi) Exchange differences on translating the financial statements of a foreign operation | | |
| Balance as at the beginning of the year | (56.82) | 155.56 |
| Addition during the year | 166.76 | (212.38) |
| | 109.94 | (56.82) |
| (vii) Retained Earnings | | |
| Surplus at the beginning of the year | 10,064.24 | 17,479.51 |
| Add: Profit for the year | 1,415.83 | (6,483.02) |
| Add: Transferred from Remeasurements of the net defined benefit plans | 20.81 | 17.60 |
| Add: Transferred from Share of other Comprehensive Income in Associates & Joint Ventures, to the extent not to be classified into profit or loss | (0.02) | - |
| Less: Transferred to General Reserve | (200.00) | - |
| Less: Dividend on Equity Shares | (224.83) | (787.00) |
| Less: Tax on dividend | - | (162.85) |
| | 11,076.03 | 10,064.24 |
| Total | 111,636.53 | 100,484.61 |

Notes on Consolidated Financial Statement

- (i) **General Reserve:** The General Reserve is used from time to time to transfer profit /Retained Earnings for appropriation purpose. As the General Reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items includes in the General Reserve will not be reclassifies subsequently to profit & loss
- (ii) **Reserve for Equity Instrument through Other Comprehensive Income (OCI):** This reserve represents the cumulative gain or loss arising on net revaluation of equity instruments measured at fair value through OCI, net of amounts reclassified to the Retained Earnings when those assets have been disposed off.
- (iii) **Capital Reserves:** The Company recognises profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to Capital Reserve.
- (iv) **Security Premium:** Security Premium Reserve issued to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013
- (v) **Foreign currency monetary items translation difference reserve:** Exchange differences arising on settlement and remeasurement of long term foreign currency monetary items are accumulated in "Foreign Currency Monetary items Translation Difference Account" and amortised over the maturity period or upto the date of settlement of such monetary items, which is earlier, and charged to the Statement of Profit and Loss.
- (vi) **Retained Earnings:** Retained Earnings refers to the portion of net income which is retained by the corporation to be reinvested in its core business. Similarly if the Company has a loss then that loss is retained and called retained losses or accumulated losses. Retained Earnings and Losses are cumulative from year to year with losses off setting earnings.

Note 1.20 Borrowings (Non-Current)

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--|---------------------|---------------------|
| Secured | | |
| From banks | | |
| (a) Term Loan/Foreign Currency Term Loan (TL/FCTL) | 3,527.58 | 5,255.41 |
| (b) Car Loan | 47.63 | 14.58 |
| Total | 3,575.21 | 5,269.99 |

Term Loan from Banks are secured against the Property, Plant and Equipments created from such loan, remaining Term Loan from Bank are repayable in 9 quarterly installments or earlier as per the approved sanction.

Note 1.21 Provisions (Non-Current)

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|-----------------------------|---------------------|---------------------|
| (a) Provision for Leave | 399.17 | 334.25 |
| (b) Provision for Gratuity | 353.50 | 297.84 |
| (c) For Warranty and others | 183.99 | 183.99 |
| Total | 936.66 | 816.08 |

The company accounts for leave and gratuity based on Actuary Valuation.

Note 1.22 Other Non Current Liabilities

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|------------------------------|---------------------|---------------------|
| (a) Advances from Customers | 11,638.87 | 17,476.90 |
| (b) Prepaid - Rent Liability | 307.34 | 337.44 |
| Total | 11,946.21 | 17,814.34 |

Notes on Consolidated Financial Statement

Note 1.23 Borrowings (Current)

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--------------------------------|---------------------|---------------------|
| (a) Secured | | |
| (i) From Banks | | |
| Cash Credit | 42,154.74 | 47,490.64 |
| Short Term Loan | 6,970.30 | 7,719.89 |
| (b) From Other Parties | | |
| (i) Loans from related parties | 19,465.00 | 6,700.00 |
| (ii) Inter-Corporate Deposits | 4,100.00 | 7,800.95 |
| Total | 72,690.04 | 69,711.48 |

- (i) Cash Credit facilities of respective divisions are secured by hypothecation of first charge on Stock, book debts and other current assets of that particular division (both present and future).
- (ii) Cash Credit facility for Rail EPC Divisions and Steel Foundry Division (Raipur) are further secured by first charge on the movable fixed assets of their respective divisions (both present and future).
- (iii) Cash Credit facility for Rail EPC- Kalindee Division are further secured by way of first Pari-Passu charge on Fixed Deposit of ₹ 14.49 Crores along with Flats at Jaipur & Gurgaon to the working capital consortium lenders.
- (vi) Cash Credit Facility of HED/SF (Kolkata) Division are secured by exclusive charge on land and buildings of Agarpara and Belgharia along with second charge on the movable fixed assets of this division.

Note 1.24 Trade Payables

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|--|---------------------|---------------------|
| Dues to Micro Enterprise and Small Enterprises | - | - |
| Dues of Creditors other than Micro Enterprise and Small Enterprises | 43,016.86 | 55,416.13 |
| | 43,016.86 | 55,416.13 |
| Information in terms of Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006 is as follows | | |
| Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are give as follows: | | |
| (a) Principal amount due Unpaid matured deposits and interest accrued thereon | - | - |
| (b) Interest paid during the period beyond the appointed day | - | - |
| (c) Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act | - | - |
| (d) Amount of interest accrued and remaining unpaid at the end of the period | - | - |
| (e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act | - | - |

There are no dues owned by the Company to Micro and Small Enterprises, which are outstanding for more than 45 days during the year and as at 31st March, 2021 and 31st March, 2020. This information as required under the Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the Auditors

Notes on Consolidated Financial Statement

Note 1.25 Other Financial Liabilities

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|---|---------------------|---------------------|
| (a) Current maturities of long-term debt | | |
| Rupees/Foreign Currency Term Loan | 1,648.05 | 1,049.68 |
| Car Loan | 12.13 | 4.94 |
| (b) Interest accrued | | |
| Interest accrued but not due on borrowings | 535.55 | 286.66 |
| (c) Unclaimed/Unpaid dividends | 16.51 | 28.24 |
| (d) Others | | |
| Liabilities for Expenses | 2,336.20 | 2,086.89 |
| Amount Due to Employee | 1,324.25 | 1,138.21 |
| Others Misc. Payable | 186.49 | 262.26 |
| Creditors for Capital Advance | 15.38 | 689.76 |
| Total | 6,074.56 | 5,546.64 |

- (i) Term Loan from Banks are secured against Property, Plant and Equipments created from such loan. The balance term loan is repayable in 4 quarterly installments or earlier as per the approved sanction
- (ii) There is no amount due and outstanding to be credited to the Investor Education and Protection Fund against unpaid dividend as at 31st March,2021

Note 1.26 Other Current Liabilities

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|---------------------------------|---------------------|---------------------|
| (a) Advances from Customers | 4,765.89 | 10,206.68 |
| (b) TDS and other taxes payable | 337.71 | 760.08 |
| (c) PF, ESI amount Payable | 120.24 | 89.39 |
| (d) Security Deposits | 2,178.50 | 1,991.08 |
| (e) Other Liabilities | 1,455.79 | 1,589.16 |
| Total | 8,858.13 | 14,636.39 |

Note 1.27 Provisions (Current)

(₹ in Lakhs)

| Particulars | As at 31.03.2021 | As at 31.03.2020 |
|---|---------------------|---------------------|
| (a) Provision for Gratuity | 45.58 | 50.36 |
| (b) Provision for Leave | 103.77 | 172.84 |
| (c) Provision for Contract Loss Provision | 600.40 | 55.70 |
| (d) Provision for Expenses | 2,423.82 | 1,450.75 |
| (e) Provision for Impairment of Assets/Covid-19 | - | 14,991.97 |
| Total | 3,173.57 | 16,721.62 |

The Company accounts for leave and gratuity based on Actuary Valuation

Notes on Consolidated Financial Statement

Note 1.28 Revenue From Operations

(₹ in Lakhs)

| Particulars | Year Ended 31.03.2021 | Year Ended 31.03.2020 |
|--------------------------------------|--------------------------|--------------------------|
| (a) Sale of products | 1,04,493.10 | 118,336.57 |
| (b) Sale of services | 77,642.43 | 82,536.50 |
| (c) Other Operating Revenue | 806.37 | 1154.43 |
| Gross Revenue from Operations | 1,82,941.90 | 2,02,027.50 |
| Less: Inter Segment Revenues | 14,057.11 | 18,847.52 |
| Net Revenue from Operations | 168,884.79 | 183,179.98 |

Note 1.29 Other Income

(₹ in Lakhs)

| Particulars | Year Ended 31.03.2021 | Year Ended 31.03.2020 |
|--|--------------------------|--------------------------|
| (a) Interest Income | | |
| From Bank | 265.14 | 240.51 |
| From Others | 70.59 | 368.50 |
| (b) Dividend Income | | |
| Income from Non-Current Investments | 32.10 | 60.89 |
| (c) Other non-operating income | | |
| Net gain on Sale of Current Investments | 2.77 | 5.29 |
| Compensation Against Old Refugee Settlement Area | 589.74 | 178.02 |
| Miscellaneous Receipts and Income | 297.10 | 455.56 |
| Sundry Credit Balance Adjusted | 0.45 | 7.77 |
| Profit on sale of Fixed Assets | - | 78.75 |
| Rent Received | 965.17 | 364.04 |
| Provision & Excess Liabilities Written Back | 2.18 | 18.09 |
| Insurance Claim Received | 66.87 | 2.05 |
| Gain on fair valuation of Mutual Funds | 211.05 | 293.52 |
| Total | 2,503.16 | 2,072.99 |

Note 1.30 Cost of Materials Consumed

(₹ in Lakhs)

| Particulars | Year Ended 31.03.2021 | Year Ended 31.03.2020 |
|--|--------------------------|--------------------------|
| Opening Stock of Raw Materials | 5,888.18 | 8,241.44 |
| Add: Raw materials Purchased and Departmental Transfers etc. | 68,782.00 | 84,897.67 |
| | 74,670.18 | 93,139.11 |
| Less: Closing Stock of Raw Materials | 3,764.71 | 5,888.18 |
| | 70,905.47 | 87,250.93 |
| Consumption of Components | 44,471.32 | 62,076.77 |
| Less Inter Segment Revenue | 14,057.11 | 18,847.52 |
| Total | 101,319.68 | 130,480.18 |

Notes on Consolidated Financial Statement

Note 1.31 Changes In Inventories of Finished Goods and Work-in-Progress

(₹ in Lakhs)

| Particulars | Year Ended 31.03.2021 | Year Ended 31.03.2020 |
|-------------------------------|--------------------------|--------------------------|
| Opening Stock | | |
| Finished Goods | 5,097.35 | 2,518.97 |
| Work-in-Progress | 27,792.32 | 21,869.00 |
| | 32,889.67 | 24,387.97 |
| Less : Closing Stock | | |
| Finished Goods | 1,463.64 | 5,097.35 |
| Work-in-Progress | 14,581.23 | 27,792.32 |
| | 16,044.87 | 32,889.67 |
| (Increase)/ Decrease in Stock | 16,844.80 | (8,501.70) |

Note 1.32 Employee Benefit Expenses

(₹ in Lakhs)

| Particulars | Year Ended 31.03.2021 | Year Ended 31.03.2020 |
|--|--------------------------|--------------------------|
| a) Salaries ,Wages and Bonus | 10,334.05 | 11,389.26 |
| b) Contribution to provident and other funds | | |
| i) Provident Fund and Pension Fund | 660.62 | 760.49 |
| ii) Superannuation Fund | 25.11 | 50.90 |
| iii) Gratuity | 267.67 | 2.00 |
| c) Staff Welfare Expenses | 400.06 | 592.44 |
| d) VRS Expenses | 0.59 | 1.17 |
| Total | 11,688.10 | 12,796.26 |

Note 1.33 Finance Costs

(₹ in Lakhs)

| Particulars | Year Ended 31.03.2021 | Year Ended 31.03.2020 |
|---------------------------|--------------------------|--------------------------|
| (a) Interest | | |
| i) Banks | 5,891.30 | 5,687.06 |
| ii) Others | 3,115.69 | 2,183.70 |
| (b) Other borrowing costs | 1,289.96 | 1,788.22 |
| Total | 10,296.95 | 9,658.98 |

Note 1.34 Depreciation and Amortization Expense

(₹ in Lakhs)

| Particulars | Year Ended 31.03.2021 | Year Ended 31.03.2020 |
|---------------------------------------|--------------------------|--------------------------|
| (a) Depreciation on Tangible Assets | 3,680.24 | 3,537.19 |
| (b) Depreciation on Intangible Assets | 65.11 | 72.08 |
| Total | 3,745.35 | 3,609.27 |

Notes on Consolidated Financial Statement

Note 1.35 Other Expenses

(₹ in Lakhs)

| Particulars | Year Ended 31.03.2021 | Year Ended 31.03.2020 |
|--|--------------------------|--------------------------|
| Consumption of stores and spares part | 8,815.25 | 10,303.71 |
| Power and Fuel | 5,515.63 | 7,167.10 |
| Rent | 569.25 | 535.98 |
| Repairs to buildings | 497.86 | 524.77 |
| Repairs to machinery | 364.30 | 454.16 |
| Repairs to others | 111.56 | 131.34 |
| Insurance | 491.89 | 601.00 |
| Rates and Taxes excluding taxes on Income | 411.42 | 452.42 |
| Freight,Packing and Transport | 1,284.00 | 1,212.39 |
| Erection Expenses | 5,687.60 | 6,767.09 |
| Drawings and Designs | 1.01 | 2.33 |
| Royalty & Knowhow | 24.01 | 60.72 |
| Research & Development | 129.54 | 106.25 |
| Selling Agents Commission | 62.32 | 13.81 |
| Selling Expenses | 134.61 | 294.76 |
| Director's Sitting Fees | 23.35 | 25.40 |
| Director's Commission | 12.41 | 13.61 |
| Payments to the Auditor | - | - |
| As Auditor | 22.00 | 21.20 |
| For Tax Audit | 4.75 | 4.50 |
| For Quarterly Review | 3.60 | 3.60 |
| For Fees for Other Services (incl for issuing various certificates) | 5.11 | 8.78 |
| As Cost Auditor | 1.85 | 1.85 |
| For Reimbursement of out of pocket expenses | 5.01 | 4.64 |
| Donation | 1.04 | 200.70 |
| CSR Expenses* | 11.61 | 62.96 |
| Miscellaneous Expenses | 2,555.95 | 3,413.57 |
| Sundry Debit Balance Adjusted | 37.54 | 1.14 |
| Capital WIP Written Off | 378.48 | - |
| Allowance for bad & doubtful debts | 330.91 | 394.66 |
| Bad Debt/Impairment /Loss of unbilled Revenue | 8,817.50 | 2,681.07 |
| Less: Allowance for bad & doubtful debts | (8,766.32) | (2,582.63) |
| Net (gain)/loss on foreign currency transaction | (394.15) | (465.06) |
| (Profit)/ Loss on sale of PPE (Net) | 7.57 | - |
| Provision & Excess Liabilities Written Back | 0.94 | - |
| Total | 27,159.40 | 32,417.82 |

*Note on CSR Expense:

i) Gross amount required to be spent by the Company during the year: ₹ 7.31 Lakhs

ii) Amount spent in cash during the year on

| Particulars | In Cash | Total |
|--|--------------|--------------|
| i) Construction/acquisition of any asset | - | - |
| ii) On purposes other than (i) above | 11.61 | 11.61 |
| Total | 11.61 | 11.61 |

Notes on Consolidated Financial Statement

Note 1.36 Other Comprehensive Income

(₹ in Lakhs)

| Particulars | For the period ended 31.03.2021 | For the period ended 31.03.2020 |
|--|---------------------------------|---------------------------------|
| (A) Items that will not be reclassified to profit or loss | | |
| (i) Remeasurements of the defined benefit plans | 23.19 | 17.60 |
| (ii) Equity Instruments through Other Comprehensive Income; | 2,123.60 | (1,191.09) |
| (iii) Share of Other Comprehensive Income in Associates and Joint Ventures, to the extent not to be classified into profit or loss | 2.22 | (1.48) |
| | 2,149.01 | (1,174.97) |
| (B) Items that will be reclassified to profit or loss | | |
| (i) Exchange differences in translating the financial statements of a foreign operation | 166.76 | (212.38) |
| Total | 166.76 | (212.38) |

Note 1.37 Related Party Disclosure

(a) Name of the related parties and relationship as per Ind AS 24, where transaction exists.

| Relationship | Parties where control Exist 2020-21 | Parties where control Exist 2019-20 |
|-----------------------------|--|--|
| A. Key Management Personnel | Mr. Saroj Kumar Poddar Executive Chairman - Mr. Indrajit Mookerjee, Managing Director (Redesignated w.e.f: 02nd April, 2020) Mr. A. K. Vijay, Executive Director (Finance) & CFO Mr. D. H. Kela Executive Director & CEO (SF) Mr. Ashish Kr. Gupta, Deputy Managing Director (Appointed w.e.f: 17th November,2020) - Mr. Ravi Varma Company Secretary Mr. A. C. Chakrabortti, Independent Director Mr. D. R. Kaarthikeyan, Independent Director Ms. Mridula Jhunjunwala, Independent Director (Ceased w.e.f 19th March, 2021) Mr. Sunil Mitra, Independent Director Mr. Utsav Parekh, Independent Director Mr. Virendra Sinha, Independent Director (Appointed w.e.f: 17th Feb, 2021) | Mr. Saroj Kumar Poddar Executive Chairman Mr. Sandeep Fuller, Managing Director (Resigned w.e.f. 31st March, 2020) Mr. Indrajit Mookerjee, Non-Executive Director Mr. A. K. Vijay, Executive Director (Finance) & CFO Mr. D. H. Kela Executive Director & CEO (SF) - Mr. G. C. Agarwal, ED & CEO (HED) (Resigned w.e.f. 31st March, 2020) Mr. Ravi Varma Company Secretary (Appointed w.e.f: 14th December, 2019) Mr. A. C. Chakrabortti, Independent Director Mr. D. R. Kaarthikeyan, Independent Director Ms. Mridula Jhunjunwala, Independent Director Mr. Sunil Mitra, Independent Director Mr. Utsav Parekh, Independent Director - |

Notes on Consolidated Financial Statement

| Relationship | Parties where control Exist 2020-21 | Parties where control Exist 2019-20 |
|--|---|---|
| | Ms. Rusha Mitra, Independent Director (Appointed w.e.f: 17th Feb,2021) - | - |
| | Mr. Akshay Poddar, Non – Executive Director | Mr. V. K. Sharma, Independent Director (Resigned w.e.f: 29th June, 2020) Mr. Akshay Poddar, Non – Executive Director |
| B. Relative of Key Management Personnel | Ms. Jyotsna Poddar (Wife of Mr. S.K.Poddar) | Ms. Jyotsna Poddar (Wife of Mr. S.K.Poddar) |
| | Ms. Puja Poddar (Daughter in Law of Mr. S.K.Poddar) | Ms. Puja Poddar (Daughter in Law of Mr. S.K.Poddar) |
| | Ms. Shradha Agarwal (Daughter of Mr. S.K.Poddar) | Ms. Shradha Agarwal (Daughter of Mr. S.K.Poddar) |
| C. Joint Ventures | Touax Texmaco Railcar Leasing Pvt. Ltd. (50% of Capital held by Company) Wabtec Texmaco Rail Pvt. Ltd. (40% of Capital held by Company) Kalindee Cobra JV Kalindee Kapoor Railcon JV Kalindee Karthik JV Kalindee VNC JV Kalindee IF&LS JV GMR TPL KRNL JV Kalindee Rahee JV Kalindee URC JV JMC – GPT – Vijaywargi – Bright Power JV JMC – Vijaywargi – Bright Power JV Bright – Vijaywargi JV Bright – Kalindee JV Bright – Texmaco JV ISC Projects- Texmaco JV Kalindee ASIS JV Tata Projects – Kalindee JV Texmaco Rahee JV | Touax Texmaco Railcar Leasing Pvt. Ltd. (50% of Capital held by Company) Wabtec Texmaco Rail Pvt. Ltd. (40% of Capital held by Company) Kalindee Cobra JV Kalindee Kapoor Railcon JV Kalindee Karthik JV Kalindee VNC JV Kalindee IF&LS JV GMR TPL KRNL JV Kalindee Rahee JV Kalindee URC JV JMC – GPT – Vijaywargi – Bright Power JV JMC – Vijaywargi – Bright Power JV Bright – Vijaywargi JV - - - - Tata Projects – Kalindee JV TexmacoRahee JV |
| D. Group Company where Transaction Exists. | Duke Commerce Ltd. Adventz Securities Enterprises Ltd. Zuari Global Ltd. New Eros Tradecom Ltd. Master Exchange & Finance Ltd. Adventz Investments Co. Pvt. Ltd. Adventz Finance Pvt. Ltd. Eureka Traders Pvt. Ltd. Abhishek Holdings Pvt. Ltd. Greenland Trading Pvt. Ltd. Indrakshi Trading Company Pvt. Ltd. Zuari Management Services Ltd. High Quality Steels Ltd. Lionel India Ltd. Lionel Edwards Ltd. Texmaco Infrastructure & Holdings Ltd. Zuari Investments Ltd. Zuari Sugar and Power Ltd. Paradeep Phosphate Ltd. Magnacon Electricals India Ltd. The Pench Valley Coal Company Ltd. | Duke Commerce Ltd. Adventz Securities Enterprises Ltd. Zuari Global Ltd. New Eros Tradecom Ltd. Master Exchange & Finance Ltd. Adventz Investments Co. Pvt. Ltd. Adventz Finance Pvt. Ltd. Eureka Traders Pvt. Ltd. Abhishek Holdings Pvt. Ltd. Greenland Trading Pvt. Ltd. Indrakshi Trading Company Pvt. Ltd. Zuari Management Services Ltd. High Quality Steels Ltd. Lionel India Ltd. Lionel Edwards Ltd. Texmaco Infrastructure & Holdings Ltd. Zuari Investments Ltd. - Paradeep Phosphate Ltd. Magnacon Electricals India Ltd. - |

Notes on Consolidated Financial Statement

(b) Related Party Transactions

(₹ in Lakhs)

| Transactions | Other Related Party | Subsidiary | Associate | Joint Ventures | Key Mgmt. Personnel | Grand Total | Balance outstanding as on 31/03/2021 |
|---|-----------------------|------------|------------|--------------------|---------------------|-----------------------|--------------------------------------|
| Remuneration Paid | | | | | | | |
| - Mr. Saroj Kumar Poddar | -- (--) | -- (--) | -- (--) | -- (--) | 274.37 (379.26) | 274.37 (379.26) | -- (53.85) |
| - Mr. Sandeep Fuller (Resigned w.e.f. 31st March,2020) | -- (--) | -- (--) | -- (--) | -- (--) | -- (114.01) | -- (114.01) | -- (15.41) |
| - Mr. Indrajit Mookerjee (Appointed w.e.f: 02nd April, 2020) | -- (--) | -- (--) | -- (--) | -- (--) | 58.90 (--) | 58.90 (--) | -- (--) |
| - Mr. A.K. Vijay | -- (--) | -- (--) | -- (--) | -- (--) | 54.80 (67.26) | 54.80 (67.26) | -- (5.19) |
| - Mr. D. H. Kela | -- (--) | -- (--) | -- (--) | -- (--) | 95.38 (126.68) | 95.38 (126.68) | -- (10.53) |
| - Mr. Girish Chandra Agarwal (Resigned w.e.f. 31st March,2020) | -- (--) | -- (--) | -- (--) | -- (--) | -- (56.31) | -- (56.31) | -- (6.31) |
| - Mr. Ashish Kr. Gupta (Appointed w.e.f: 17th November,2020) | -- (--) | -- (--) | -- (--) | -- (--) | 52.08 (--) | 52.08 (--) | -- (--) |
| - Mr. Ravi Varma | -- (--) | -- (--) | -- (--) | -- (--) | 22.03 (12.20) | 22.03 (12.20) | -- (0.50) |
| - Mr. A. C. Chakrabortti (Sitting Fees & Commission) | -- (--) | -- (--) | -- (--) | -- (--) | 6.85 (7.75) | 6.85 (7.75) | -- (--) |
| - Mr. D.R. Kaarthikeyan (Sitting Fees & Commission) | -- (--) | -- (--) | -- (--) | -- (--) | 5.85 (5.45) | 5.85 (5.45) | -- (--) |
| - Ms. Mridula Jhunjhunwala (Sitting Fees & Commission) | -- (--) | -- (--) | -- (--) | -- (--) | 6.53 (7.50) | 6.53 (7.50) | -- (--) |
| - Mr. Sunil Mitra (Sitting Fees & Commission) | -- (--) | -- (--) | -- (--) | -- (--) | 5.75 (7.05) | 5.75 (7.05) | -- (--) |
| - Mr. Utsav Parekh (Sitting Fees & Commission) | -- (--) | -- (--) | -- (--) | -- (--) | 4.00 (3.85) | 4.00 (3.85) | -- (--) |
| - Mr. Akshay Poddar (Sitting Fees & Commission) | -- (--) | -- (--) | -- (--) | -- (--) | 5.00 (4.35) | 5.00 (4.35) | -- (--) |
| - Mr. V. K. Sharma (Sitting Fees & Commission) | -- (--) | -- (--) | -- (--) | -- (--) | -- (0.90) | -- (0.90) | -- (--) |
| - Ms. Rusha Mitra (Sitting Fees & Commission) | -- (--) | -- (--) | -- (--) | -- (--) | 0.89 (--) | 0.89 (--) | -- (--) |
| - Mr. Virendra Sinha (Sitting Fees & Commission) | -- (--) | -- (--) | -- (--) | -- (--) | 0.89 (--) | 0.89 (--) | -- (--) |
| - Mr. Indrajit Mookerjee (Sitting Fees & Commission) | -- (--) | -- (--) | -- (--) | -- (--) | 0.01 (2.17) | 0.01 (2.17) | -- (--) |
| Investment | | | | | | | |
| - Touax Texmaco Railcar Leasing Pvt. Ltd. | -- (--) | -- (--) | -- (--) | 466.83 (450.00) | -- (--) | 466.83 (450.00) | 4931.82 (4464.99) |
| - Texmaco Infrastructure & Holdings Ltd. | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) | 1644.87 (727.27) |
| - Wabtec Texmaco Rail Pvt. Ltd | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) | 328.17 (328.17) |
| Loans & Advances Given | | | | | | | |
| - Bright-Vijaywargi-JV | -- (--) | -- (--) | -- (--) | 48.41 (234.90) | -- (--) | 48.41 (234.90) | 106.10 (149.40) |
| - Bright- Kalindee-JV | -- (--) | -- (--) | -- (--) | 44.97 (--) | -- (--) | 44.97 (--) | (23.65) (15.26) |
| - Bright- Texmaco-JV | -- (--) | -- (--) | -- (--) | 124.48 (--) | -- (--) | 124.48 (--) | (140.60) (-92.25) |
| Loans & Advances Received/Repaid | | | | | | | |
| - Adventz Finance Pvt. Ltd. ## | -2080.00 (4100.00) | -- (--) | -- (--) | -- (--) | -- (--) | -2080.00 (4100.00) | 3120.00 (5200.00) |

Notes on Consolidated Financial Statement

| Transactions | Other Related Party | Subsidiary | Associate | Joint Ventures | Key Mgmt. Personnel | Grand Total | Balance outstanding as on 31/03/2021 |
|---|---------------------|------------|-----------|----------------|---------------------|---------------------|--------------------------------------|
| - Adventz Securities Enterprises Ltd. | 375.00 (-150.00) | -- (-) | -- (-) | -- (-) | -- (-) | 375.00 (-150.00) | 1075.00 (700.00) |
| - Magnacon Electricals India Ltd. | -800.00 (800.00) | -- (-) | -- (-) | -- (-) | -- (-) | -800.00 (800.00) | -- (800.00) |
| - Zuari Management Services Ltd. | 3600.00 (-) | -- (-) | -- (-) | -- (-) | -- (-) | 3600.00 (-) | 3600.00 (-) |
| - Zuari Investments Limited | 9000.00 (-) | -- (-) | -- (-) | -- (-) | -- (-) | 9000.00 (-) | 9000.00 (-) |
| - Zuari Sugar and Power Ltd. | 1150.00 (-) | -- (-) | -- (-) | -- (-) | -- (-) | 1150.00 (-) | 1150.00 (-) |
| - Mr. Saroj Kumar Poddar** | -- (-) | -- (-) | -- (-) | -- (-) | 1500.00 (-) | 1500.00 (-) | 1500.00 (-) |
| - Pench Valley Coal Company Ltd. | 20.00 (-) | -- (-) | -- (-) | -- (-) | -- (-) | 20.00 (-) | 20.00 (-) |
| Dividend Paid | | | | | | | |
| - Mr.Saroj Kumar Poddar | -- (-) | -- (-) | -- (-) | -- (-) | 4.15 (12.06) | 4.15 (12.06) | -- (-) |
| - Ms Jyotsna Poddar | 0.07 (0.25) | -- (-) | -- (-) | -- (-) | -- (-) | 0.07 (0.25) | -- (-) |
| - Ms. Puja Poddar | 0.03 (0.10) | -- (-) | -- (-) | -- (-) | -- (-) | 0.03 (0.10) | -- (-) |
| - Mr. Akshay Poddar | -- (-) | -- (-) | -- (-) | -- (-) | 0.01 (0.05) | 0.01 (0.05) | -- (-) |
| - Ms. Shradha Agarwal | 0.01 (0.05) | -- (-) | -- (-) | -- (-) | -- (-) | 0.01 (0.05) | -- (-) |
| - Abhishek Holdings Pvt. Ltd. | -- (-) | -- (-) | -- (-) | -- (-) | -- (-) | -- (-) | -- (-) |
| - Adventz Securities Enterprises Ltd. | 3.81 (13.33) | -- (-) | -- (-) | -- (-) | -- (-) | 3.81 (13.33) | -- (-) |
| - Adventz Finance Pvt. Ltd. | 8.48 (29.32) | -- (-) | -- (-) | -- (-) | -- (-) | 8.48 (29.32) | -- (-) |
| - Adventz Investments Co. Pvt. Ltd. | 3.04 (10.62) | -- (-) | -- (-) | -- (-) | -- (-) | 3.04 (10.62) | -- (-) |
| - Duke Commerce Ltd. | 7.51 (26.30) | -- (-) | -- (-) | -- (-) | -- (-) | 7.51 (26.30) | -- (-) |
| - Eureka Traders Pvt. Ltd. | -- (-) | -- (-) | -- (-) | -- (-) | -- (-) | -- (-) | -- (-) |
| - Greenland Trading Pvt. Ltd. | 0.04 (0.12) | -- (-) | -- (-) | -- (-) | -- (-) | 0.04 (0.12) | -- (-) |
| - Master Exchange & Finance Ltd. | 0.02 (0.05) | -- (-) | -- (-) | -- (-) | -- (-) | 0.02 (0.05) | -- (-) |
| - New Eros Tradecom Ltd. | 0.74 (2.58) | -- (-) | -- (-) | -- (-) | -- (-) | 0.74 (2.58) | -- (-) |
| - Indrakshi Trading Company Pvt. Ltd. | 0.03 (0.11) | -- (-) | -- (-) | -- (-) | -- (-) | 0.03 (0.11) | -- (-) |
| - Texmaco Infrastructure & Holdings Ltd. | 58.50 (191.10) | -- (-) | -- (-) | -- (-) | -- (-) | 58.50 (191.10) | -- (-) |
| - Zuari Investments Ltd. | 25.06 (101.37) | -- (-) | -- (-) | -- (-) | -- (-) | 25.06 (101.37) | -- (-) |
| - Zuari Global Ltd. | 4.04 (14.12) | -- (-) | -- (-) | -- (-) | -- (-) | 4.04 (14.12) | -- (-) |
| - Mr. D. H. Kela | -- (-) | -- (-) | -- (-) | -- (-) | 0.03 (0.11) | 0.03 (0.11) | -- (-) |
| - Mr. Sandeep Fuller (Resigned w.e.f. 31st March,2020) | -- (-) | -- (-) | -- (-) | -- (-) | -- (0.18) | -- (0.18) | -- (-) |
| - Mr. A.K. Vijay | -- (-) | -- (-) | -- (-) | -- (-) | 0.05 (0.18) | 0.05 (0.18) | -- (-) |

Notes on Consolidated Financial Statement

| Transactions | Other Related Party | Subsidiary | Associate | Joint Ventures | Key Mgmt. Personnel | Grand Total | Balance outstanding as on 31/03/2021 |
|--|---------------------|------------|------------|----------------------|---------------------|----------------------|--------------------------------------|
| - Mr. Ravi Varma | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) | -- (--) |
| - Mr. A. C. Chakrabortti | -- (--) | -- (--) | -- (--) | -- (--) | -- (0.01) | -- (0.01) | -- (--) |
| Dividend Received | | | | | | | |
| - Texmaco Infrastructure & Holdings Ltd. | 4.70 (4.70) | -- (--) | -- (--) | -- (--) | -- (--) | 4.70 (4.70) | -- (--) |
| Others | | | | | | | |
| - Adventz Finance Pvt. Ltd. (Rent Paid) | 15.79 (15.73) | -- (--) | -- (--) | -- (--) | -- (--) | 15.79 (15.73) | -- (--) |
| - Adventz Finance Pvt. Ltd. (Interest Paid) | 710.74 (515.23) | -- (--) | -- (--) | -- (--) | -- (--) | 710.74 (515.23) | 127.90 (105.10) |
| - Adventz Securities Enterprises Ltd. (Interest Paid) | 106.97 (103.72) | -- (--) | -- (--) | -- (--) | -- (--) | 106.97 (103.72) | 27.12 (22.55) |
| - Magnacon Electricals India Ltd. (Interest Paid) | 90.73 (68.11) | -- (--) | -- (--) | -- (--) | -- (--) | 90.73 (68.11) | -- (68.11) |
| - Zuari Management Services Ltd. (Interest Paid) | 438.06 (--) | -- (--) | -- (--) | -- (--) | -- (--) | 438.06 (--) | 405.21 (--) |
| - Zuari Sugar and Power Ltd. (Interest Paid) | 58.68 (--) | -- (--) | -- (--) | -- (--) | -- (--) | 58.68 (--) | 54.28 (--) |
| - Zuari Investment Ltd. (Interest Paid) | 29.25 (--) | -- (--) | -- (--) | -- (--) | -- (--) | 29.25 (--) | 27.06 (--) |
| - Pench Valley Coal Company Ltd (Interest Paid) | 0.37 (--) | -- (--) | -- (--) | -- (--) | -- (--) | 0.37 (--) | 0.34 (--) |
| - Mr. Saroj Kumar Poddar (Interest Paid) | -- (--) | -- (--) | -- (--) | -- (--) | 349.81 (--) | 349.81 (--) | 326.44 (--) |
| - High Quality Steels Ltd. (Services Received) | 530.97 (492.43) | -- (--) | -- (--) | -- (--) | -- (--) | 530.97 (492.43) | 59.14 (--) |
| - Lionel India Ltd. (Services Received) | 24.17 (151.64) | -- (--) | -- (--) | -- (--) | -- (--) | 24.17 (151.64) | 14.44 (60.36) |
| - Lionel Edwards Ltd. (Services Received) | -- (37.22) | -- (--) | -- (--) | -- (--) | -- (--) | -- (37.22) | -- (9.77) |
| - Zuari Management Services Ltd. (Services Received) | 19.19 (335.27) | -- (--) | -- (--) | -- (--) | -- (--) | 19.19 (335.27) | 9.71 (53.87) |
| - Texmaco Infrastructure & Holdings Ltd. (Rent Received) | 0.72 (0.72) | -- (--) | -- (--) | -- (--) | -- (--) | 0.72 (0.72) | -- (--) |
| - Texmaco Infrastructure & Holdings Ltd. (Rent Paid) | 68.74 (68.74) | -- (--) | -- (--) | -- (--) | -- (--) | 68.74 (68.74) | 73.03 (114.60) |
| - Texmaco Infrastructure & Holdings Ltd. (Services Received) | -- (149.09) | -- (--) | -- (--) | -- (--) | -- (--) | -- (149.09) | -- (26.54) |
| - Wabtec Texmaco Rail Pvt. Ltd. (Sale of Goods) | -- (--) | -- (--) | -- (--) | 412.40 (516.35) | -- (--) | 412.40 (516.35) | 156.22 (330.34) |
| - Wabtec Texmaco Rail Pvt. Ltd. (Purchase of Goods) | -- (--) | -- (--) | -- (--) | 431.95 (1590.60) | -- (--) | 431.95 (1590.60) | -- (282.81) |
| - Wabtec Texmaco Rail Pvt. Ltd. (Sale of Services) | -- (--) | -- (--) | -- (--) | 169.43 (209.36) | -- (--) | 169.43 (209.36) | 43.29 (29.20) |
| - Touax Texmaco Railcar Leasing Pvt. Ltd. (Sale of Goods & Services) | -- (--) | -- (--) | -- (--) | 2181.17 (4228.11) | -- (--) | 2181.17 (4228.11) | 2550.19 (112.45) |
| - Touax Texmaco Railcar Leasing Pvt. Ltd. (Rent Received) | -- (--) | -- (--) | -- (--) | 3.23 (1.37) | -- (--) | 3.23 (1.37) | 0.48 (--) |
| - Touax Texmaco Railcar Leasing Pvt. Ltd. (Deposit Against Order) | -- (--) | -- (--) | -- (--) | -- (700.56) | -- (--) | -- (700.56) | 24.56 (1964.72) |
| - Touax Texmaco Railcar Leasing Pvt. Ltd. (Interest receivable against CCD given) | -- (--) | -- (--) | -- (--) | 298.04 (301.35) | -- (--) | 298.04 (301.35) | 862.25 (491.71) |
| - Paradeep Phosphate Ltd (Rent Received) | 3.59 (7.69) | -- (--) | -- (--) | -- (--) | -- (--) | 3.59 (7.69) | -- (--) |

Notes on Consolidated Financial Statement

| Transactions | Other Related Party | Subsidiary | Associate | Joint Ventures | Key Mgmt. Personnel | Grand Total | Balance outstanding as on 31/03/2021 |
|---|---------------------|------------|-----------|-----------------------|---------------------|-----------------------|--------------------------------------|
| - Bright-Vijaywargi JV (Sale of Goods & Services) | -- (-) | -- (-) | -- (-) | 2796.59 (5536.84) | -- (-) | 2796.59 (5536.84) | 528.30 (1570.70) |
| - Bright-Vijaywargi JV (Mobilization Advance Received) | -- (-) | -- (-) | -- (-) | -- (637.82) | -- (-) | -- (637.82) | -- (196.88) |
| - JMC-GPT-Vijaywargi-Bright Power JV (Sale of Goods & Services) | -- (-) | -- (-) | -- (-) | 123.85 (-) | -- (-) | 123.85 (-) | 122.21 (120.52) |
| - JMC-Vijaywargi-Bright Power JV (Sale of Goods & Services) | -- (-) | -- (-) | -- (-) | 49.74 (-) | -- (-) | 49.74 (-) | 308.40 (264.39) |
| - Bright-Kalindee JV (Sale of Goods & Services) | -- (-) | -- (-) | -- (-) | 744.47 (633.52) | -- (-) | 744.47 (633.52) | 239.38 (230.72) |
| - Bright-Textmaco JV (Sale of Goods & Services) | -- (-) | -- (-) | -- (-) | 3518.28 (10747.90) | -- (-) | 3518.28 (10747.90) | 750.14 (1486.99) |
| - ISC Projects -Textmaco JV (Sale of Goods & Services) | -- (-) | -- (-) | -- (-) | 1948.70 (-) | -- (-) | 1948.70 (-) | 356.46 (-) |
| - JMC-Vijaywargi-Bright Power JV (Amount paid on behalf of Company) | -- (-) | -- (-) | -- (-) | -- (-) | -- (-) | -- (-) | 1.15 (1.15) |
| - JMC-GPT-Vijaywargi-Bright Power JV (Amount paid on behalf of Company) | -- (-) | -- (-) | -- (-) | -- (-) | -- (-) | -- (-) | 2.45 (2.45) |
| - Kalindee Cobra JV (Sale of Goods) | -- (-) | -- (-) | -- (-) | 1431.00 (1244.80) | -- (-) | 1431.00 (1244.80) | 573.41 (870.44) |
| - Kalindee Cobra JV (Amount paid by the company on behalf of others) | -- (-) | -- (-) | -- (-) | 1.44 (0.60) | -- (-) | 1.44 (0.60) | -- (-) |
| - Kalindee IL & FS JV (Sale of Goods) | -- (-) | -- (-) | -- (-) | 19.64 (685.33) | -- (-) | 19.64 (685.33) | 1346.48 (2406.91) |
| - Kalindee Kapoor Railcon JV (Sale of Goods) | -- (-) | -- (-) | -- (-) | 90.47 (2282.72) | -- (-) | 90.47 (2282.72) | 316.04 (2279.31) |
| - Kalindee Kapoor Railcon JV (Amount paid on behalf of the company) | -- (-) | -- (-) | -- (-) | 1.71 (12.66) | -- (-) | 1.71 (12.66) | -- (-) |
| - Kalindee Karthik JV (Sale of Goods) | -- (-) | -- (-) | -- (-) | 112.64 (-4.78) | -- (-) | 112.64 (-4.78) | 529.31 (401.46) |
| - Kalindee Rahee JV (Amount paid by the company on behalf of others) | -- (-) | -- (-) | -- (-) | 28.02 (1386.49) | -- (-) | 28.02 (1386.49) | 905.79 (2364.64) |
| - Kalindee URC JV (Sale of Goods) | -- (-) | -- (-) | -- (-) | 212.25 (363.69) | -- (-) | 212.25 (363.69) | 181.43 (223.35) |
| - Kalindee URC JV (Amount paid by the company on behalf of others) | -- (-) | -- (-) | -- (-) | -- (2.81) | -- (-) | -- (2.81) | -- (-) |
| - Kalindee VNC JV (Amount paid by the company on behalf of others) | -- (-) | -- (-) | -- (-) | 32.89 (178.79) | -- (-) | 32.89 (178.79) | 1681.28 (1604.02) |
| - GMR TPL KRNL JV (Sale of Goods) | -- (-) | -- (-) | -- (-) | 849.28 (170.43) | -- (-) | 849.28 (170.43) | 878.34 (1270.02) |
| - Tata Projects- Kalindee JV (Sale of Goods) | -- (-) | -- (-) | -- (-) | 553.49 (529.95) | -- (-) | 553.49 (529.95) | 465.30 (112.88) |
| - Textmaco-Rahee JV (Sale of Goods) | -- (-) | -- (-) | -- (-) | 691.05 (378.25) | -- (-) | 691.05 (378.25) | 67.24 (67.24) |
| - Textmaco-Asis JV (Sale of Goods) | -- (-) | -- (-) | -- (-) | 12.05 (-) | -- (-) | 12.05 (-) | -- (-) |
| Corporate Guarantee Given | | | | | | | |
| - Touax Textmaco Railcar Leasing Pvt. Ltd. (Against Sale of Wagons) | -- (-) | -- (-) | -- (-) | 958.48 (-) | -- (-) | 958.48 (-) | 2664.87 (1706.39) |
| Corporate Guarantee Received | | | | | | | |
| - Textmaco Infrastructure & Holdings Ltd. (Against Cash Credit facility) | -- (-) | -- (-) | -- (-) | -- (-) | -- (-) | -- (-) | -- (5000.00) |

Note: Figures in brackets are for previous financial year.

** Loan (ICD) received from Shri Saroj Kumar Poddar during the year amounts to ₹ 6500.00 Lakh out of which ₹ 5000.00 Lakh is converted to Equity Share Capital by way of Preferential Allotment.

*** Loan (ICD) received from Adventz Finance Pvt. Ltd. during the year amounts to ₹ 1720.00 Lakh out of which ₹ 2900.00 Lakh is converted to Equity Share Capital by way of Preferential Allotment. Loan Repaid ₹ 900.00 during the year.

Notes on Consolidated Financial Statement

Note 1.38 Earning Per Share – The Numerator And Denominator Used To Calculate Basic/ Diluted Earning Per Share

| Particulars | | 2020-21 | 2019-20 |
|---|------------|--------------|--------------|
| Net Profit for the period from ordinary activities attributable to equity shareholders (Excluding Preference Share Dividend) – used as numerator. | ₹ in Lakhs | 1,415.83 | (6,483.02) |
| Weighted average number of Equity share outstanding used as denominator for Basic earning per share. | Number | 22,74,42,678 | 22,48,57,832 |
| Weighted Average Number of Equity share used on denominator for Diluted Earning Per Share | Number | 22,74,42,678 | 22,48,57,832 |
| (A) Basic Earning per share (face value of ₹ 1/- each) | ₹ | 0.62 | (2.88) |
| (B) Diluted Earning per share (face value of ₹ 1/- each) | ₹ | 0.62 | (2.88) |

Note No. 1.39 Principles of Consolidation

- a) The consolidated financial statements include results of the subsidiaries of Texmaco Rail & Engineering Limited., consolidated in accordance with Ind AS 110 'Consolidated Financial Statements'.

| Name of the Company | Country of Incorporation | % Shareholding |
|---------------------------------------|--------------------------|----------------|
| Belur Engineering Pvt. Ltd. | India | 100% |
| Texmaco Transtrak Pvt. Ltd. | India | 51% |
| Texmaco Rail Systems Pvt. Ltd. | India | 67.11% |
| Texmaco SA (PTY) Ltd. | India | N.A. |
| Texmaco Rail Electrification Pvt Ltd. | India | 100% |
| Texmaco Engineering Udyog Pvt Ltd. | India | 100% |

- b) These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provision of the Act.

All assets and liabilities have been classified as current or non – current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

- c) Accounting policies applicable in consolidated financial statements
- The Company combines the financial statements of the parent and its subsidiaries line adding together like items of assets, liabilities, equity, income and expenses. Inter-company transaction, balance and unrealised gains on transactions between group companies are eliminated.
 - Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Balance Sheet respectively.
 - Investments in Associates are accounted for using the equity method of accounting, after initially being recognized at cost. Under the equity method of accounting, the investments are adjusted thereafter to recognise the Company's share of the post – acquisition profit or losses of the investee in profit and loss, and the company's share of other comprehensive income of the investee in other comprehensive income.
 - Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Notes on Consolidated Financial Statement

Note 1.40 Financial Instruments

A. Accounting classification and fair values

(₹ in Lakhs)

| 31st March 2021 | Carrying amount | | | Fair value | | | | |
|---|-----------------|-----------------|-------------------|-------------------|-----------------|-----------------|-------------------|-------------------|
| | FVTPL | FVTOCI | Amortised Cost* | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets (Long Term) | | | | | | | | |
| - Investments | - | 3,935.36 | 5,650.86 | 9,586.22 | 3,935.36 | 5,650.86 | - | 9,586.22 |
| - Loans & Advances | - | - | 568.36 | 568.36 | - | - | 568.36 | 568.36 |
| - Bank Balances | - | - | 1,025.16 | 1,025.16 | - | - | 1,025.16 | 1,025.16 |
| - Others | - | - | 178.53 | 178.53 | - | - | 178.53 | 178.53 |
| Financial Assets (Short Term) | | | | | | | | |
| - Investments | 3,546.91 | - | - | 3,546.91 | 3,546.91 | - | - | 3,546.91 |
| - Trade Receivable | - | - | 61,148.82 | 61,148.82 | - | - | 61,148.82 | 61,148.82 |
| - Cash and cash equivalents | - | - | 2,260.14 | 2,260.14 | - | - | 2,260.14 | 2,260.14 |
| - Bank Balances & Others | - | - | 8,270.02 | 8,270.02 | - | - | 8,270.02 | 8,270.02 |
| - Loans & Advances | - | - | 1,877.52 | 1,877.52 | - | - | 1,877.52 | 1,877.52 |
| Total | 3,546.91 | 3,935.36 | 80,979.41 | 88,461.68 | 7,482.27 | 5,650.86 | 75,328.55 | 88,461.68 |
| Financial liabilities (Long Term) | | | | | | | | |
| - Borrowings | - | - | 3,575.21 | 3,575.21 | - | - | 3,575.21 | 3,575.21 |
| Financial liabilities (Short Term) | | | | | | | | |
| - Borrowings | - | - | 72,690.04 | 72,690.04 | - | - | 72,690.04 | 72,690.04 |
| - Trade Payable | - | - | 43,016.86 | 43,016.86 | - | - | 43,016.86 | 43,016.86 |
| - Other Financial Liabilities | - | - | 6,074.56 | 6,074.56 | - | - | 6,074.56 | 6,074.56 |
| - | - | - | - | - | - | - | - | - |
| Total | - | - | 125,356.67 | 125,356.67 | - | - | 125,356.67 | 125,356.67 |

(₹ in Lakhs)

| 31st March 2020 | Carrying amount | | | Fair value | | | | |
|---|-----------------|-----------------|-------------------|-------------------|-----------------|-----------------|-------------------|-------------------|
| | FVTPL | FVTOCI | Amortised Cost* | Total | Level 1 | Level 2 | Level 3 | Total |
| Financial Assets (Long Term) | | | | | | | | |
| - Investments | - | 1,811.76 | 4,749.60 | 6,561.36 | 1,811.76 | 4,749.60 | - | 6,561.36 |
| - Loans & Advances | - | - | 725.03 | 725.03 | - | - | 725.03 | 725.03 |
| - Bank Balances | - | - | 1,109.34 | 1,109.34 | - | - | 1,109.34 | 1,109.34 |
| - Others | - | - | 103.60 | 103.60 | - | - | 103.60 | 103.60 |
| Financial Assets (Short Term) | | | | | | | | |
| - Investments | 3,499.62 | - | - | 3,499.62 | 3,499.62 | - | - | 3,499.62 |
| - Trade Receivable | - | - | 64,450.00 | 64,450.00 | - | - | 64,450.00 | 64,450.00 |
| - Cash and cash equivalents | - | - | 1,676.29 | 1,676.29 | - | - | 1,676.29 | 1,676.29 |
| - Bank Balances & Others | - | - | 6,684.65 | 6,684.65 | - | - | 6,684.65 | 6,684.65 |
| - Loans & Advances | - | - | 1,470.69 | 1,470.69 | - | - | 1,470.69 | 1,470.69 |
| Total | 3,499.62 | 1,811.76 | 80,969.20 | 86,280.58 | 5,311.38 | 4,749.60 | 76,219.60 | 86,280.58 |
| Financial liabilities (Long Term) | | | | | | | | |
| - Borrowings | - | - | 5,269.99 | 5,269.99 | - | - | 5,269.99 | 5,269.99 |
| Financial liabilities (Short Term) | | | | | | | | |
| - Borrowings | - | - | 69,711.48 | 69,711.48 | - | - | 69,711.48 | 69,711.48 |
| - Trade Payable | - | - | 55,416.13 | 55,416.13 | - | - | 55,416.13 | 55,416.13 |
| - Other Financial Liabilities | - | - | 5,546.64 | 5,546.64 | - | - | 5,546.64 | 5,546.64 |
| - | - | - | - | - | - | - | - | - |
| Total | - | - | 135,944.24 | 135,944.24 | - | - | 135,944.24 | 135,944.24 |

* The carrying value and the fair value approximates.

Notes on Consolidated Financial Statement

B. Measurement of fair values

The table shown above analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

C. Valuation techniques

The following methods and assumptions were used to estimate the fair values

- 1) Fair value of the cash and short term deposits, current loans and advances and other current financial liabilities, short term borrowing from banks and other financial institutions and other similar items approximate their carrying value largely due to short term maturities of these instruments.
- 2) Long-term receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- 3) The fair value of unquoted instruments, loans from banks/financial institution and other financial liabilities is estimated by discounting future cash flows using rates currently available for debt of similar terms, credit risk and remaining maturities.

Note 1.41 Tax Expense

(₹ in Lakhs)

| Particulars | For the Year ended | |
|---|--------------------|-------------------|
| | 31.03.2021 | 31.03.2020 |
| a) Tax Expense | | |
| Current Tax | | |
| - Current tax on profits for the year | - | 747.00 |
| - Adjustments for current tax of prior periods | (21.80) | (109.89) |
| - Total current tax expense | (21.80) | 637.11 |
| Deferred Tax | | |
| - Decrease/(increase) in deferred tax assets | (524.78) | (3,702.16) |
| - (Decrease)/increase in deferred tax liabilities | 519.31 | 36.86 |
| - Total deferred tax expenses/(benefit) | (5.47) | (3,665.30) |
| MAT credit entitlement | - | (257.46) |
| Tax Expense | (27.27) | (3,285.65) |
| b) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate | | |
| Profit before tax | 333.67 | (10,199.81) |
| Tax at the Indian tax rate of 34.944% (previous year - 34.944%) | 116.60 | (3,564.22) |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income | | |
| - Corporate social responsibility expenditure | 4.19 | 22.00 |
| - Disallowance of estimated expenditure to earn tax exempt income | | 10.83 |
| - Others | | 160.74 |
| Tax effect of amounts which are deductible (non-taxable) in calculating taxable income | | |
| - Weighted deduction on R&D expenses | | (18.56) |
| - Income from Investment | (82.12) | (78.97) |
| - Income from rented property | (101.69) | (38.49) |
| - Others | | (27.61) |
| Tax effect of other adjustment | | |
| - Income tax for earlier years | (21.80) | (110.78) |
| - MAT Credit/carry forward losses adjustment & Others | 57.55 | 359.41 |
| Tax Expense | (27.27) | (3,285.65) |

Notes on Consolidated Financial Statement

Note 1.42: Information on Segment Working is given below-

(₹ in Lakhs)

| Particulars | 2020-21 | | | | 2019-20 | | | |
|--|----------------------|------------------|------------------|-------------------|----------------------|------------------|------------------|-------------------|
| | Heavy Engg. Division | Steel Foundry | Rail EPC | Total | Heavy Engg. Division | Steel Foundry | Rail EPC | Total |
| | 1 | 2 | 3 | 4 (1+2+3) | 1 | 2 | 3 | 4 (1+2+3) |
| Revenue (Net of Excise Duty and Cess) | | | | | | | | |
| Gross Sales | 72,907.26 | 31,657.35 | 77,570.92 | 182,135.53 | 83,642.51 | 34,781.42 | 82,449.14 | 200,873.07 |
| Internal-Segment Sales | (1,728.57) | (12,328.54) | - | (14,057.11) | (1,810.74) | (17,036.78) | - | (18,847.52) |
| Other Operating Revenue | 289.60 | 305.45 | 211.32 | 806.37 | 1,154.43 | - | - | 1,154.43 |
| Total | 71,468.29 | 19,634.26 | 77,782.24 | 168,884.79 | 82,986.20 | 17,744.64 | 82,449.14 | 183,179.98 |
| Result | | | | | | | | |
| Segment Result | 1,430.73 | 1,426.86 | 5,150.06 | 8,007.65 | 3,374.43 | 4,026.80 | 4,231.55 | 11,632.78 |
| Others (Net of Unallocated Expenses) | | | | 997.28 | | | | 421.13 |
| Operating Profit/(Loss) | | | | 9,004.93 | | | | 12,053.91 |
| Interest Expense | | | | (9,006.99) | | | | (7,870.76) |
| Interest Income | | | | 335.73 | | | | 609.01 |
| Total Profit/(Loss) before Tax | | | | 333.67 | | | | 4,792.16 |
| Provision for Current Tax | | | | - | | | | (489.54) |
| Provision for Deferred Tax | | | | 5.47 | | | | 3,665.30 |
| Income Tax for Earliar Year | | | | 21.80 | | | | 109.89 |
| Profit/(Loss) from ordinary activities | | | | 360.94 | | | | 8,077.81 |
| Extra ordinary items | | | | - | | | | (14,991.97) |
| Net Profit/(Loss) | | | | 360.94 | | | | (6,914.16) |
| Other Information | | | | | | | | |
| Segment Assets | 88,097.47 | 40,593.12 | 122,364.07 | 251,054.66 | 97,269.56 | 46,204.23 | 135,121.26 | 278,595.05 |
| Unallocated Corporate assets | | | | 13,133.13 | | | | 10,060.98 |
| Total assets | | | | 264,187.79 | | | | 288,656.03 |
| Segment liabilities | 51,202.68 | 9,518.38 | 89,326.77 | 150,047.83 | 57,928.03 | 19,387.91 | 108,606.89 | 185,922.83 |
| Unallocated corporate liabilities | | | | - | | | | - |
| Total Liabilities | | | | 150,047.83 | | | | 185,922.83 |
| Capital expenditure | | | | 1,500.05 | | | | 7,359.71 |
| Depreciation | | | | 3,745.35 | | | | 3,609.27 |
| Non-cash expenses other than depreciation | | | | 798.11 | | | | 494.24 |

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

Notes on Consolidated Financial Statement

Note 1.43 Information for Consolidated Financial Statements pursuant to Schedule III of the Companies Act, 2013

(₹ in lakhs)

| Name of the entity | Net Assets, i.e., total assets minus total liabilities | | Share in Profit or (Loss) | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|--|---------------------|-------------------------------------|---------------------|---|---------------------|-------------------------------------|---------------------|
| | As % of consolidated Net Assets | Amount (₹ in lakhs) | As % of consolidated profit or loss | Amount (₹ in lakhs) | As % of consolidated other comprehensive income | Amount (₹ in lakhs) | As % of total comprehensive income | Amount (₹ in lakhs) |
| Parent | | | | | | | | |
| Texmaco Rail & Engineering Ltd. | 100.04% | 113,966.32 | 98.70% | 1,186.63 | 99.90% | 2,313.55 | 99.49% | 3,500.18 |
| Indian Subsidiaries | | | | | | | | |
| Belur Engineering Pvt. Ltd. | 0.03% | 34.97 | 1.71% | 20.61 | - | - | 0.59% | 20.61 |
| Texmaco Transtrack Pvt. Ltd. | -0.40% | (455.85) | -36.24% | (435.66) | - | - | -12.38% | (435.66) |
| Texmaco Rail Systems Pvt. Ltd. | - | (0.15) | -0.07% | (0.90) | - | - | -0.03% | (0.90) |
| Texmaco Rail Electrification Pvt. Ltd. | - | 1.74 | -0.02% | (0.26) | - | - | -0.01% | (0.26) |
| Texmaco Engineering Udyog Pvt. Ltd. | - | 0.82 | -0.01% | (0.18) | - | - | -0.01% | (0.18) |
| Texmaco SA (PTY) Ltd. | - | - | -0.01% | (0.11) | - | - | -0.01% | (0.11) |
| Non Controlling Interest in all subsidiaries | -0.20% | (223.41) | -17.76% | (213.57) | - | - | -6.07% | (213.57) |
| Joint Ventures | | | | | | | | |
| Touax Texmaco Railcar Leasing Pvt. Ltd. | - | - | 55.98% | 673.01 | - | - | 19.13% | 673.01 |
| Wabtech Texmaco Rail Pvt. Ltd. | - | - | 14.14% | 169.98 | 0.10% | 2.22 | 4.89% | 172.20 |
| Associate Companies | | | | | | | | |
| Texmaco Defence Pvt. Ltd. | - | - | -0.14% | (1.68) | - | - | -0.05% | (1.68) |
| Consolidation Adjustment and Elimination | 0.52% | 592.11 | -16.27% | (195.61) | - | - | -5.56% | (195.61) |
| Total | 100.00% | 113,916.55 | 100.00% | 1,202.26 | 100.00% | 2,315.77 | 100.00% | 3,518.03 |

Notes on Consolidated Financial Statement

Other Disclosures

Other notes and disclosures to be inserted in the consolidated financial statements are similar to those of standalone financial statements of Texamco Rail & Engineering Ltd.; and hence have not been repeated here.

The relevant note references in the standalone financial statements are given below:

| Particulars | Note Reference of standalone financial statements |
|---|---|
| Commitments & Contingent Liabilities | Note 1.37 |
| Movement of Provisions during the year as required under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets. | Note 1.38 |
| Employee Benefits Obligation | Note 1.44 |
| Amount Remitted During the Year on Account of Dividend (As Certified by the Management) | Note 1.45 |
| Value of Raw Materials and Stores Consumed (Including Components and Spare Parts) Services Etc. | Note 1.46 |
| Value of Imports on C.I.F. Basis | Note 1.47 |
| Analysis of Raw Material Consumed | Note 1.48 |
| Expenditure in Foreign Currency | Note 1.51 |
| Income in Foreign Exchange | Note 1.52 |
| Details of Inventory of Work in Progress | Note 1.53 |
| As a part of company's risk management policy, the financial risks mainly relating to changes in the exchange rates are hedged by using a combination of forward contracts, besides the natural hedges. | Note 1.54 |
| Details of Income / Expenses disclosed on net basis | Note 1.55 |
| Financial Risk Management Objectives and policies | Note 1.57 |
| Covid-19 Impact | Note 1.63 |

There are no changes arising out of inclusion of the subsidiaries/associate amounts in the above disclosures

Note 1.44 Previous year figure have been regrouped/ rearranged/ restated/ recast wherever necessary to confirm this year classification.

Note 1.45 Figures below ₹ 500/- have been omitted for rounding off, ₹ 500/- and above have been rounded off to the next ₹ 1000/-.

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

For **L. B. Jha & Co.**
Chartered Accountants
Firm Registration No: 301088E

D.N. Roy
Partner
Membership No.300389
Place: B2/1, Gillander House
8, Netaji Subhas Road
Kolkata-700 001
Dated: 14th May, 2021

Ravi Varma
Company Secretary

Directors
S. K. Poddar
A. C. Chakrabortti
Indrajit Mookerjee
A. K. Gupta
D. H. Kela
A. K. Vijay

Foreign delegates meet **TEXMACO RAIL TEAM**





TEXMACO RAIL & ENGINEERING LIMITED

The Total Rail Solution Provider
Belgharia, Kolkata 700 056

