



TEXMACO RAIL & ENGINEERING LTD.

Annual Report 2017-18

Going Global



A journey is only as good as the progress we make, consistently, and on a greater scale than before.

For Texmaco Rail & Engineering, our journey from being a single product manufacturer, to a multi-business entity as a **total rail solution provider** has been a story of continuous improvements, innovations and victories. We have made our mark across the length and breadth of the country and strengthened and sustained our position as a key national player. And now, we are trading a step further, moving beyond borders and going global with our strategies grounded, capabilities optimum and vision soaring !

Contents

Corporate Overview

Corporate Information	003
Business Units	004
Chairman's Message	006
Financial highlights for ten years	010
Meeting of the Board of Directors	012
Products / Process	014
Corporate Social Responsibility	018
Work-Life Balance	019
Rail EPC	020

Statutory Reports

Report of the Board of Directors	022
Report on Corporate Governance	051
Business Responsibility Report	061

Financial Statements

Auditor's Report	066
Balance Sheet	072
Statement of Profit and Loss	073
Cash Flow Statement	074
Statement of Changes in Equity	075
Notes to Financial Statements	076
Consolidated Financial Statements	119
Notes to Consolidated Financial Statements	128

Corporate Information

Directors

Mr S. K. Poddar, Executive Chairman
Mr Sandeep Fuller, Managing Director#
Mr A. C. Chakrabortti
Mr D. R. Kaarthikeyan
Mr Sunil Mitra
Mr Sabyasachi Hajara
Mr V. K. Sharma
Ms Mridula Jhunjunwala
Mr Akshay Poddar
Mr D. H. Kela, ED & CEO (SF)
Mr G. C. Agrwal, ED & CEO (HED)*
Mr A. K. Vijay, ED & CFO

Re-designated w.e.f 15th May 2018

* Appointed w.e.f. 15th May 2018

Company Secretary

Mr Ravi Varma

Auditors

Messrs L. B. Jha & Co., Kolkata

Bankers

State Bank of India
HDFC Bank
YES Bank
Axis Bank
ICICI 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 700 001
Phone: (033) 3057 3700
Fax: (033) 2242 5833

Regional Offices

• New Delhi • Mumbai • Jaipur

Works (Kolkata)

Heavy Engineering

• Agarpara • Sodepur • Panihati • Belgharia

Steel Foundry

• Belgharia

Subsidiaries

Texmaco Hi-tech Private Limited
Bright Power Projects (India) Private Limited
Texmaco Defence Systems Private Limited
Texmaco Transtrak Private Limited
Texrail SA (Pty) Limited
Belur Engineering Private Limited

Joint Ventures

Touax Texmaco Railcar Leasing Private Limited
Wabtec Texmaco Rail Private Limited

Registrar & Share Transfer Agent

Messrs Karvy Computershare Private Limited
Plot No: 31- 32, Gachibowli, Financial District,
Nanakramguda, Hyderabad
Telangana 500032
Phone: 040-67162222
E-mail: einward.ris@karvy.com

CIN

L29261WB1998PLC087404

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)
- Defence Equipment Wagons
- Auto Car Wagons
- High capacity Parcel vans
- Brake Vans (type BVCMI)

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

Exports

- High Axle Load Bogie Castings
- Shroud Castings
- Center Plate
- AAR Yokes & Follower

Rail EPC

Design, Supply, Installation & Commissioning

- Main Line Railway Tracks
- Metro Railway Tracks
- Railway Signaling
- Railway Telecom
- Buildings, Platforms & Foot Over Bridges
- Bridges & Culvert for Railways
- Automatic Fare Collection

Railway Overhead & other Electrification

- Railways Electrification
- Other Power Supply Installation

Traction & Coaching

- Loco-shells, Bogies & Components
- Coach-bogies & Underframes
- EMU Coaches

Process Equipment & Others

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

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



We have abiding faith in the native genius of our people and their will and determination to rise as an 'United India'. We believe in people empowerment and will continue to strive relentlessly to attain our full potential, given strong national leadership.

Inspired India

India has caught the imagination of the world as the fastest growing economy in a democratic framework. There is a new found respect for India on the world stage and an expressive recognition in the comity of nations impressed with the aura of our Prime Minister, Shri Narendra Modi. The economy has gained momentum to reshape India's future. Our country is acknowledged as a dominant global player with its rich natural resources, entrepreneurial mindset and youth power as the core strengths. India ranks world's 7th largest economy based on IMF report of 2018. The Forex Reserves of the country are at an all-time high at over US\$ 400 billion, and the GDP growth at around 7% is faster than in any G-20 country. We aim at a US\$ 10 trillion economy by 2030 to emerge as the 3rd largest in the World, next only to US and China.

The present government is on a mission to transform India, touching the lives of the lowest sections of society. Some of the groundbreaking reforms include 'Aadhar' card creating an identity for every single citizen of the country, which will help the government to deliver the fruits of reforms direct to the intended beneficiaries. The country has been inspired by the Prime

Minister's new Digital India vision. The Government's scheme to provide bank accounts to all citizens, and have them linked to mobile phones and biometric national IDs, has turbocharged digital payments. It is helping to push more of the Indian economy out of the shadows. The year also witnessed a major structural reform of implementation of The Goods and Services Tax (GST) on 1st July, 2017. It ushered 'one nation, one tax' regime. GST is expected to boost the entire tax structure of the country and spur economic growth and investments in the long run. It must be added, however, that the GST, which was defined as a 'Good and Simple Tax', still suffers from quite a bit of complexity.

Infrastructure Development – Focus on Rail Sector

The Government has accorded high priority to buttress the industrial and social infrastructure in the country, which has suffered from gross under-investment over successive 5-year Plans. It is evident from the Asian Development Bank's report 'Meeting Asia's infrastructure needs', which placed India's investment in infrastructure at a meagre 5.5% of GDP in 2015. According to the

World Economic Forum's 'Global Competitiveness Report for 2017-18', India ranked 66th out of 137 countries in its infrastructure rating. In contrast, the emerging economies in South East Asia spent as much as 7 – 10% of their GDP on infrastructure during their growing years. It is acknowledged that we will have to substantially scale up our allocation on infrastructure to fulfil our aspiration to be the Growth Engine of the world. The 'Make in India' movement launched by the Prime Minister would require India to grow into a major manufacturing hub. It would call for robust expansion of the manufacturing sector as a prime mover of economic growth. The issues bearing on the growth of this sector need to be holistically addressed to create a conducive environment for world class hi-tech facilities.

Rail Network Transformation

The Government of India has planned unprecedented thrust on improving the rail infrastructure entailing massive outlays on network upgradation and expansion - involving track renewals & doubling, electrification and signalling with advanced Train Protection and Warning System (TPWS). Significantly, the electrification in FY 17-18 has increased 7 times.

The Indian Railways is planning to treble its freight traffic to 3 billion tonnes by 2030 on the back of the Eastern and Western Dedicated Freight Corridors, which are slated to be commissioned by April 2020. This will throw up a huge demand for wagons and locomotives, generating good business for your company as the leading manufacturer in the field.

Texmaco, as the total rail solution provider, with its recent acquisition of EPC companies - Kalindee specialising in track laying & signalling and Bright Power in overhead electrification (OHE), has built a substantial order book thru' successful participation in key railway projects across the country. The company has also secured some major projects in neighbouring countries and expects to tap export opportunities in other countries in South East Asia, Africa and West Asia in the near future.

Challenges in Banking Sector

Lately, the Banks have come under spotlight as a key sector crying out for reform. Banks were nationalised in 1969. Almost 5 decades later, there is a jolt to the entire banking system. State-owned lenders, which account for around two-third of the Sector have a bloated portfolio of stressed loans . Going by reports, some of these banks embarked on an ill-advised lending spree, backing lots of infrastructure projects that got snarled in bureaucracy. Bad loans have piled up, and there is disruption of the normal flow of credit to the trade and industry, demanding swift action including recapitalising the Banks.

International Trade - Borderless World

We are at the crossroads of disquieting global trade conflicts. There is a surge of politicised national identity in the garb of protectionism. The leading powers are overtaken by a skewed view of international trade settlement with all the portents of ugly consequences. The global economy is mired in structural malaise impacted by the spectre of the 'trade war' and rising oil prices. It is hoped that mature leadership of G-7 countries would save the world from plunging into a catastrophic situation.

Building a Knowledge & Happy Society

Our country has, no doubt, a huge demographic dividend. But, we cannot be frittering it away by smugly reproducing illiteracy and poverty, perpetuating the historic legacy of unequal society. Our Constitution mandates that the people have a fundamental right to a fair opportunity of starting out in life given equity and dignity. In our social ethos, we have to find a soul to bring purpose and meaning in the lives of the people.

The vital aspect of Population Management is proper education, failing which the greatest national asset will turn into an unlimited liability. There is a dire need to create millions of jobs for the skilled and not-so-skilled personnel. For sustained economic growth, the key challenge is transformation of our society into a 'knowledge society'. India has about 800 Universities, but these have to distinguish as centres of knowledge to reach global fame and preferred destination for R&D excellence.

Corporates and well-to-do individuals have all to volunteer and share the responsibility to meet the aspirations of the teeming millions to be partners in the growth of the country. Accordingly, our governance model has to target Gross National Happiness (GNH) of the people beside GDP/GNP. India ranked 133rd among 156 countries in World Happiness Index 2018, released by a UN Agency recently.

A Strong India

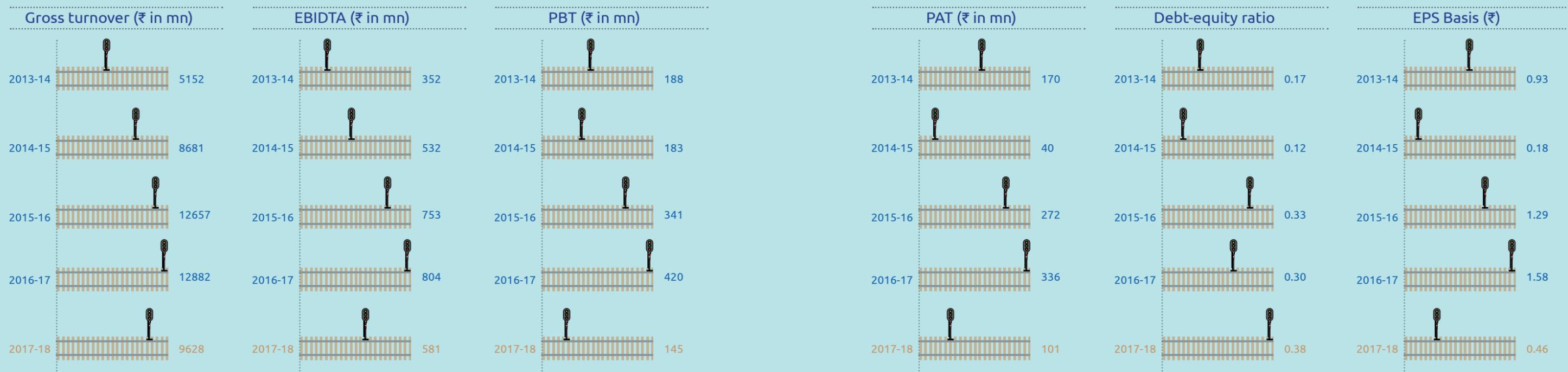
We have abiding faith in the native genius of our people and their will and determination to rise as an 'United India'. We believe in people empowerment and will continue to strive relentlessly to attain our full potential, given strong national leadership.

S.K. Poddar

Moments of Joy

*Ms. Jyotsna Poddar
the first lady of
Adventz Group
on a visit to
Texmaco Works*





Financial highlights of the last ten years

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15*	FY 2015-16	FY 2016-17	FY 2017-18
Gross sales **	1,09,125.45	112549.43	111750.32	94514.54	103596.50	51,517.43	86808.45	126572.68	128815.71	96275.19
Other income	796.95	1452.96	1866.49	2560.74	3096.69	2,289.02	3184.43	4492.58	4730.61	5159.91
Gross profit (PBDT)	12,273.12	15086.20	18424.71	14543.52	14415.85	3049.72	3499.17	4869.00	5817.36	3321.06
Profit before tax	11,137.72	13937.64	17566.21	13625.72	13476.67	1,875.94	1825.25	3414.27	4201.46	1451.41
Tax for the year	3,508.36	4592.03	5418.16	4320.03	4049.76	178.72	-196.27	693.81	844.16	443.70
Profit after tax	7,629.36	9345.01	12147.60	9305.72	9426.91	1,697.22	400.47	2720.46	3357.30	1007.71
Extraordinary items	45.38	41.13	-	-	-	-	-	-	-	-
Profit after tax and extraordinary	7,583.98	9304.48	12147.60	9305.72	9426.91	1,697.22	400.47	2720.46	3357.30	1007.71
Equity	1,107.83	1271.83	1817.83	1820.27	1820.27	1820.27	2100.64	2192.95	2194.15	2198.28
Free reserves	28,409.95	52978.05	40571.05	47837.94	55135.23	56300.04	97232.94	87476.34	91204.94	93072.00
Equity share book value (H)	26.64	42.65	23.00	27.28	31.29	31.93	47.29	40.89	42.57	43.34
Rate of dividend	75%	90%	100%	100%	100%	25%	25%	25%	25%	25%

* Figures for the year 2014-15 and onwards are post merger of Kalindee Rail Nirman (Engineers) Limited into Texmaco Rail & Engineering Limited.

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

Meeting of the Board of Directors

Board & governance

Our Board of Directors comprise some of the most experienced minds in the industry and they have been at the core of our success as a Company.

Collectively, the Board members bring in a multifaceted array of skills and knowledge that give us the edge when it comes to taking well-rounded

decisions. Under their able and strategic guidance, the Company has successfully dealt with challenges and capitalised on rising opportunities.



Products



MTV Tank Wagon Rake for transportation of Milk



Electric Locomotive WAG 12 (12000 HP)
The First in India
Successfully commissioned by Alstom



BTPGLN Tank Wagon for transportation of Liquefied Petroleum Gas

Electric Locomotive Shell for Alstom being manufactured at Sodepur Works.

Products

Texmaco Foundry

recognised as

'STAR PERFORMER'

By EEPC

for consistent development,
& Global Accolades.

Export Shipment
ready for USA.



Corporate Social Responsibility



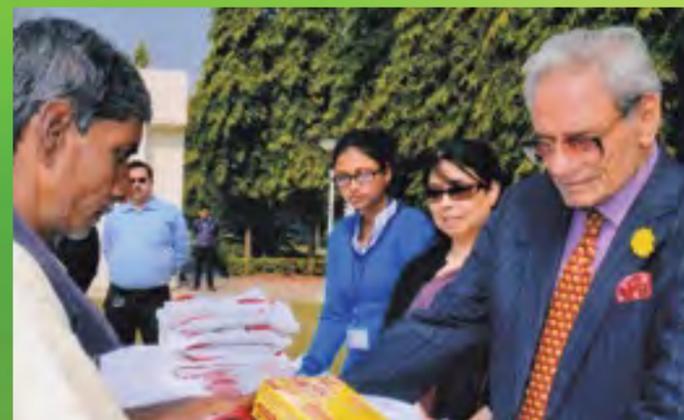
Texmaco Butterfly Park being inaugurated by the first lady of the Adventz Group, Ms. Jyotsna Poddar



Work-Life Balance



The Winning Team of Texmaco Cricket Premier League 2018



Distribution of blankets by Mr. Ramesh Maheshwari amongst the local underprivileged people



Swachh Bharat Abhiyaan Programme by Texmaco employees



Adventz day Celebrations at Texmaco Auditorium

Rail EPC : Hi-tech & High-value Projects ----- *proceeding at a fast pace*

Bright Power Projects
(a subsidiary company)



Nagpur Metro Rail - Overhead Electrification completed



Thanjavur Railway Station and The Signalling Control of DFCC

Freight on board set-up at Mhada

OHE Job on the Additional Lines between Andheri and Goregaon



REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders,

Your Directors have pleasure in presenting the 8th Operational Annual Report of the Company along with the Audited Financial Statements for the year ended 31st March 2018.

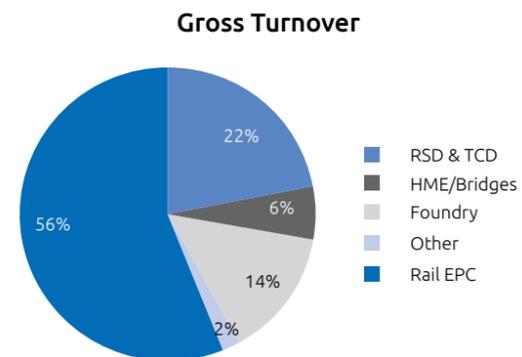
FINANCIAL HIGHLIGHTS

	(₹ in lakhs)	
	2017-18	2016-17
Operating Profit (PBIDT)	5,806.98	8,038.88
Less: Interest (Net)	2,485.92	2,221.52
Gross Profit (PBDT)	3,321.06	5,817.36
Less: Depreciation	1,869.65	1,615.90
Profit before Taxation	1,451.41	4,201.46
Less: Tax Expenses		
Current Tax including tax related to earlier years	503.87	1,169.73
MAT Credit entitlement	(398.00)	(541.00)
Deferred Tax	337.83	215.43
Profit after Taxation	1,007.71	3,357.30
Add: Balance brought forward from previous year	13,500.71	11,276.14
	14,508.42	14,633.44
Appropriations		
Dividend paid (Incl. tax)	660.77	632.73
General Reserve	100.00	500.00
Balance Carried Forward	13,747.65	13,500.71

Dividend

Your Directors have recommended payment of a dividend of 25% for the year ended 31st March 2018.

The Gross Turnover for the year stood at INR 9627.52 mn. The Gross Profit for the year (PBDT) and Profit Before Tax (PBT) were INR 332.10 mn and INR 145.14 mn respectively. The Net Profit was INR 100.77 mn, after providing net tax liability of INR 44.37 mn for the year as per the statement of Profit and Loss Account drawn up in accordance with the Indian Accounting Standards.



MANAGEMENT DISCUSSION AND ANALYSIS

The performance of the Company during the year was below expectation due to lack of orders from the Indian Railways (IR) for wagons. Correspondingly, its Steel Foundry Division was also affected for the greater part of the year as it had to run on a restricted production level. The performance of the Rail EPC division has shown improvement and will pick up further momentum in the current financial year.

With the release of wagon orders towards the end from IR, the current year starts on a positive note. The fresh tender for 22258 wagons from the Railways for 2 years requirement will further improve the outlook. There is a robust requirement from the Rail EPC segment and strong business opportunities are emerging in the field of Steel Castings, especially for exports and Rail EPC Division. With a strong order book, the current financial year holds a lot in promise.

The Company is now established as a 'Total Rail Solution Provider' with reduced dependence on a particular product line. With the prime focus of the Government of India on upgradation, modernisation and development of Rail Sector, emerging opportunities in Rail Sector in neighbouring countries, especially Middle East Asia and Africa, good business opportunities are developing in all areas of operation of the Company. The Company is also continuously focusing on backward and forward integration by timely entering into critical techno-commercial tie-ups to add value to its operation.

During the year, GST was implemented effective from 1st July 2017, followed by second round of tax slab reductions in November. The implementation of GST had resulted in initial market hiccups and given the backdrop of this historic transition that our country experienced, the performance for your Company during the year remained challenging.

While your Company welcomed the move and smoothly transitioned to the new tax regime, the performance during the 2nd & 3rd Quarters of the year was impacted as the site activities related to unpreparedness of the small contractors / traders resulted in sudden drop in execution rate of EPC Projects / contracts.

HEAVY ENGINEERING DIVISION

I. Rolling Stock Division

a. Freight Car & Coachings

During the greater part of the year, the division was hard pressed for orders. It was only towards the later part of the year that the IR finalised the tender for 9493 wagons, opened on 6th September 2017. Your Company bagged an order for 1764 wagons, valued about INR 4210 mn, the highest amongst the competing firms. With this tender, a paradigm shift in IR Procurement Policy for wagons was introduced whereby the IR has dispensed with the supply of free issue items

(steel, wheel sets and bearings), which will now be in suppliers' scope. The wagon industry, starving for long with low off take by IR, continued to quote un-remunerative prices to get a larger pie of the meagre tender quantity and thus the margins continued to remain under pressure.

The execution of this order, released on 28th December 2017, will commence from the first Quarter of the current financial year.

A silver lining for the Industry, however, is the fact that IR have finally conceded to the wagon industry's long pending demand of releasing bulk orders at a time, enabling firms to plan the procurement of material and execution of the orders in a coordinated manner. For the years 2018-19 and 2019-20, IR has already announced their procurement plan of 22258 wagons to be supplied in two years. Due to availability of bulk quantity of order for the industry, it is hoped that there will be some semblance of working at a workable price.

On the private wagon order front, the first half of the year had been rather lukewarm. However, during the second half of the year, your Company bagged sizeable orders including orders for rakes of car carrying wagons, container flat wagons, cement wagons and alumina powder carrying wagons.

Further, the private market is evincing a lot of interest towards specialized wagons such as car carrying wagons. Many transporters, moving cars through road, are now obtaining AFTO license from IR to enable them to move the cars from the manufacturers premises to consumers by Rail, which is both safe and cost effective. Being the pioneer, your Company stands to benefit from the emerging demand from this sector.

Your Company bagged an order from COFMOW (IR) for retro-fitment of Centre Buffer Couplers in 600 Nos. of ICF designed coaches (valued INR 830 mn). However, with the new guidelines of IR for retro-fitment of coaches, future prospects in the field are not exciting and the availability of coaches in economical numbers will remain a challenge.

On the export front, the division has an order book of INR 445 mn which will be executed within the current financial year.

b. Locomotive Components / Assemblies

Your Company has successfully diversified into manufacture of Electric Locomotive Shells and Sub-Assemblies and is now a leading supplier of Complete Shell Assemblies and other Loco Shell and under carriage components to various Locomotive plants in India. These are now under regular production with strong growth in volumes every year. The value of manufactured Locos / Sub-Assemblies in FY'18 was INR 473.50 mn as against INR 201.80 mn in FY'17. i.e. an increase of 135 %. The growth trend is expected to be maintained during the current financial year.

As reported earlier, your Company has received an order from Alstom for manufacture of E-LoCo car body shells for 480 Dual Locomotives to be manufactured at Madhepura, for INR 5000 mn to be executed over a period of 7 years. The Company is well poised and equipped to supplement Alstom in this prestigious project for the fabrication of new generation locomotives for heavy haulage, high speed movement of freight on DFC and other routes of IR. The first car body shell has been delivered to Alstom in May 2018. This has established your Company as a premier supplier of Assemblies and Sub-Assemblies for modern locomotives in the forthcoming years.

II. Hydro-mechanical Eqpt.

Hydro-mechanical Equipment Division of the Company, which in past had suffered due to natural calamities and political agitation at the project sites, has shown significant improvement during FY'18. The division has achieved a turnover of INR 478 mn compared to previous year's turnover of INR 241 mn. The division expects to achieve still better performance during the current financial year with picking up of the activities at existing sites and commencement of projects at new sites.

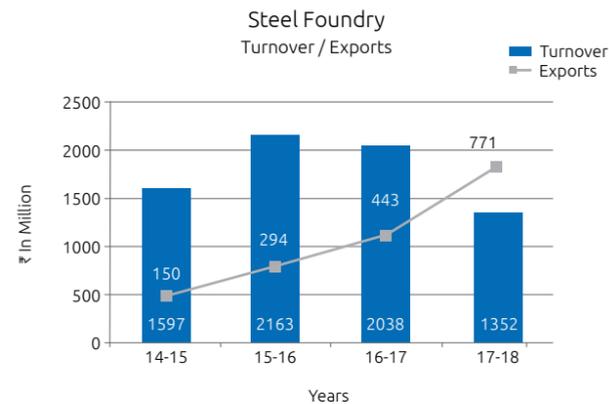
III. Bridge & other Steel Structures

The execution during the year had been at low key due to the process involved in proving credentials and tender finalisation. The Bridge Division, under the backdrop of successful commissioning of Bhairab Bridge at Bangladesh, has now built up a reasonable order book with some prestigious projects. During the year, on the strength of strong credential earned, the division has already built up an order book of INR 600 mn and many other orders are under active consideration.

STEEL FOUNDRY DIVISION

The continued fall in IR's demand for Rolling Stock during FY'18 affected the overall performance of the Foundry division due to its operating at reduced capacity because of lack of orders. The production and dispatch during the year were 12147 MT & 10879 MT against 16444 MT & 17204 MT in FY'17. The turnover of the Foundry stood at INR 1352 mn. On the export front, your Directors are pleased to inform that the Foundry achieved the highest ever export turnover of INR 771 mn compared to INR 450 mn in the preceding year, which is around 57% of Foundry's total turnover. During the year, the division has successfully developed hi-tech premium bogie castings for North America and new design meter gauge bogie for Thailand market. With this achievement, the Foundry is now equipped with 5 designs of export potential bogies which are being used by almost all wagon builders in North America, South America, Canada, etc.

Your Directors are further pleased to inform that the American export demand is looking buoyant and during the last three



months (January-March) Foundry's the average export had been INR 91.9 mn per month as compared to average of INR 54.8 mn in the earlier months. In addition, for the first time, we have developed 2 new Railway components for the American market (Yoke & Center Plate) which have substantial demand. The initial supplies have already commenced. This will further help in the improvement of export business and your Directors are confident that Foundry's export during the current financial year will be far better than the previous year.

Your Directors take this opportunity to share the most prestigious credential the Foundry has earned. Based on last three years successful supplies of quality castings of critical specifications for mining industry with zero defect, Sandvik, has upgraded the status of the Foundry as their Tier One supplier and decided to increase the volume substantially from the present 80T per month by transferring business from other international suppliers.

We are further pleased to announce that the Foundry has been selected for "STAR PERFORMER AWARD" by Engineering Export Promotion Council of India for doing highest export of steel casting in Eastern Region.

RAIL EPC DIVISION

Post merger of Kalindee, the Rail EPC Division has been focusing on closing of old contracts and fast pacing of the new contracts. During FY'18, three major projects have been completed and handed over to the IR. Three more projects are reaching towards substantial completion. All the commissioning were carried out strictly within the timelines allocated by the IR and to their satisfaction.

The signalling and Telecommunication work on Western Dedicated Freight Corridor is proceeding at a fast pace and one section is expected to be commissioned by mid of the current financial year. With the said commissioning, this division would complete this section to the existing international standards.

The division has also focused on Metros and is in the process of bidding for Track and AFC packages for Nagpur, Mumbai, Pune and Bangalore, the upcoming Metro expansion. Being the largest provider of ballast-less track in the Country, it is expected that the order book from this front shall be sizeable.

As a part of foray in the international market, the division had bid for packages in Bangladesh and Israel and has already got one order from Bangladesh Railways for INR 4500 mn. More orders are expected in the current financial year.

With various high-tech and high-value projects which are being targeted by the division, efforts are on to improve the delivery mechanism including extensive use of mechanization. This will help the division to complete projects timely in a cost-effective manner.

SUBSIDIARY COMPANIES

i. Bright Power Projects (India) Private Limited

During the year, Bright Power, pioneer in the field of Overhead Electrification of railway system, has achieved a turnover of INR 2165.90 mn with an EBITDA of INR 306 mn and has successfully commissioned some critical and complicated work along with commissioning of 240 TKM Railway Electrification works. The commissioned section includes about 200 KMS continuous OH Electrification in Haryana & Punjab and priority section of Nagpur Metro.

Bright Power has been breaking new grounds with booking of orders from Metro Rail and Power Grid Corporation apart from its core Railways Rail Overhead Electrification work. With the Government's thrust on expeditiously electrifying Rail network, the business prospects for Bright Power is promising.

ii. Texmaco Hi-tech Private Limited

The working for the year continued to be quite challenging due to the need to develop new products and customers. The EBIDTA of Texmaco Hi-Tech for the current financial year was 18.62 mn.

It has received developmental order for fabricated Bogie, Platform, etc., from GE for Marhaura Locomotive Project, from Alstom Transport for Sydney Metro Project apart from other small orders from discerning customers. Texmaco Hi-tech has been successful in development of new products and establish its proto-types and is slowly on its revival path.

Texmaco Hi-tech is confident that the capacity available will be efficiently utilised for manufacture of high precision products / components, such as, bogies, cab structures, booms, primary parts, etc., for locomotives, coaches and material handling equipment, where there is a reasonable demand potential.

iii. Texmaco Transtrak Private Limited

During the year, your Company has incorporated a subsidiary namely Texmaco Transtrak Private Limited. The EBIDTA of Texmaco Transtrak for the current financial year was (0.06) mn. Texmaco Transtrak has signed an arrangement with CAF, Spain to be the technology provider for electronic interlocking and Train Protection and Warning Systems which are expected to be introduced in a big way in the Railways in the coming years. Presently, the Company has made application for its facility and product approval.

iv. Texmaco Defence Systems Private Limited

With a legacy, vision and commitment to serve the Nation, bequeathed by the founding father of the Birla Empire Late G. D. Birla and his son, the founder of Texmaco, Late Dr. K. K. Birla, our Group Chairman Mr S. K. Poddar, with his passion to take up challenges, has undertaken a strategic group initiative of setting up Texmaco Defence Systems Private Limited, as a subsidiary of the Company, focussed on "Make-in-India" projects in the Defence & Homeland Security segments. Texmaco Defence intends to initiate indigenous production of equipments required by the Armed & Paramilitary Forces and bring in the state-of-the-art technologies for current & future requirements, thereby getting substantial work orders for your Company.

v. Texrail SA (Pty) Limited

Your Company has incorporated a new subsidiary Company in Johannesburg, South Africa to expand its footprint especially in Rail EPC export business, to develop South African market and introduce the Company's products and range of services in Pan African countries.

JOINT VENTURES

i. Touax Texmaco Railcar Leasing Private Limited

The leasing business for wagons is now picking up and with the slew of measures taken up by IR to improve rail share of business in transportation, the prospects for the JV company look good. To promote procurement of wagons by the leasing group of some industries, IR has removed some of the entry barriers with reference to specific policies like AFTO and SFTO, reducing the licence fees, past experience stipulations, minimum fleet size and so on. The freight rebate scheme introduced last year has been very successful with many large rail customers embracing the scheme. About 6 million tons of cargo move under this scheme.

The introduction of GST is a positive welcome for the leasing industry. Further, opening up of hitherto cargo reserved for carriage by the Indian Railways to conventional wagon is likely to have a positive impact on the wagon leasing business. The turnover of Touax Texmaco for the current financial year was 127.10 mn.

The JV company has turned out a modest profit as population of wagons has gradually built up to more than 500.

ii. Wabtec Texmaco Rail Private Limited

Wabtec Texmaco Rail Private Limited, Texmaco's JV company with Wabtec Corporation, USA, started its operation in the year 2016, had achieved a turnover of INR 1618.50 mn for the year. Few new products are being added in the product range in the current financial year. The JV company has been maintaining its leadership position for the products it has introduced in the market. The JV company's new facility is under construction on Texmaco property at Belgharia, Kolkata and the JV company plans to commission the new facility in the 2nd Quarter of the current financial year. It will strengthen the position of the JV company in the Indian and neighbouring countries markets and will significantly contribute to the overall performance of the Company.

EXPORTS

The Company's HME division bagged an order for INR 400 mn and the Rolling Stock division bagged an order for INR 300 mn from neighbouring countries. Your Company is further targeting some new tenders in the current financial year which are likely to be floated shortly.

Apart from India, other countries mainly from South East Asia, Middle East Asia and Pan African countries, are investing heavily in Rail Infrastructure, upgrading the existing infrastructure and other railway projects, and there is potential of business opportunities for your Company. The Company accordingly, has established an office in South Africa to identify and develop the markets.

The efforts of the Company in the field of Rail EPC are fructified. The Company has participated in large export enquiries in the field of Rail EPC which presently are under evaluation.

The Foundry has further developed its export business and its products through existing customers are now being supplied to other geographical locations with better acceptability. The Foundry expects to reach a level of 70% of its products to be exported.

R & D ACTIVITIES

The R & D Centre of your Company is a registered and recognised Centre under the Department of Scientific and Industrial Research (DSIR), Govt. of India. It is engaged in carrying 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 your Company in saving precious energy and resources and improving cost effectiveness.

A. Steel Foundry Division

- a) New Product Development:
- 1) 4 new designs of centre plate castings have been developed for North American market by unique metallurgical and process improvement. This has enabled your Company to expand its export footprint in the USA.
 - 2) 22 new components with improved wear resistance have been developed for ground excavating applications.
- b) New Process Development:
- 1) The induction hardening process has been developed for critical application in certain fast wearing casting parts.
 - 2) A unique heat treatment process has been developed for components engaged in Ground Excavating Applications to improve their toughness and wear resistance.

The R & D Division has also undertaken the following projects:

- 1) Development of a computational model to predict mechanical properties of various steel grades from their chemical composition and heat treatment histories through artificial neural networks. This would help to develop new grades and would also eliminate costly trials.
- 2) Investigation of the effect of austenizing temperature, soaking time, grain size and tempering temperature on the impact toughness of AAR M201 Gr-E steels. The results from this study have been utilised to fine-tune the heat treatment process for AAR M201 Gr-E steels to receive uniform mechanical properties.
- 3) Development of a modified heat treatment cycle for WD 70-BD grades to achieve cost and energy savings.
- c) The R & D department of Steel Foundry Division has further undertaken in collaboration with reputed institutes, development of new generation of castings, processes to assist in improving the quality and life cycle of the products.

B. Heavy Engineering Division

1. Rolling Stock

The Rolling Stock Division has developed the Prototype of Double Deck Wagon 'A' Car for which its designs have been approved by RDSO.

The Double Deck Car Carrying Wagon had been designed with technical support from renowned European company and the proto type 'A' Car has been successfully made with sophisticated lifting mechanism features.

The external drive system to rotate the shaft for the lifting mechanism has been imported from Germany to enable smooth movement of upper deck loaded with cars for testing purposes.

The Proto type for the 'B' Car is delayed as the manufacturing Bay is occupied with the execution of BCACBM orders.

Further improvement in the design is being considered in respect of 'B' Car.

2. Hydro-mechanical Eqpt.

Hydro-mechanical Division has indigenously developed a new design for expansion joints with dismantling flanges to be mounted in the free spanning penstock section having very heavy sections up to 90mm thickness. The design is suitable for earthquake prone horizontal penstocks and is subjected to extreme conditions of hydro-dynamic loading. Further, adequate sealing arrangement designs have been introduced to ensure leak-proofness under considerable design head.

IT SERVICES

The IT department, on an on-going basis, keeps upgrading its systems and measures to protect the IT network of the organisation from external threats and ensure a secure environment to prevent data loss. All the manufacturing units, corporate and administrative offices are integrated through secured online connectivity with high bandwidth. All divisions of your Company are maintaining ERP applications to track regular business operations of the organization, maintained by the in-house team of your Company.

HUMAN RELATIONS

Human Relations aids in improving the organization's effectiveness and employees' well-being. It acts as a framework for enabling employees to develop their individual and organizational knowledge and abilities. It is a set of systematic and planned activities designed to provide the employees with necessary skills to meet the corporate needs focusing on both micro and macro levels.

Human Resource Development, being a continuous process, involves allocation and proper utilization of organizational resources and facilitates in contributing to the quality of work-life and creating a favourable environment for the organization.

OPPORTUNITIES & THREATS

In the new economic era ushered under the present Government, infrastructure development is the cornerstone of the master

planning by Niti Aayog under the chairmanship of the Prime Minister, Shri Narendra Modi. Fortunately for your Company, the pride of place in the new scheme of things has gone to Rail Sector, where Texmaco has emerged as a Total Rail Solution provider, equipped with latest technologies sourced from world-over. The economists too are seeing Rail Sector as a Polestar on the industrial horizon which will transform the national economy.

Starting with Dedicated Freight Corridor (DFC), which is nearing completion by March 2020, there is so much more on the way with the Golden Quadrilateral Rail on the planning board. It will keep the industry engaged for years to come at a brisk pace. Your Company, hitherto recognised as a leading wagon builder, is already gaining recognition in the critical segments of track laying, signalling and telecommunication, overhead electrification (OHE), rail bridges, etc. The ambitious plan of the Government has also triggered the demand for modern hi-tech wagons and heavy haulage locomotives, where your Company has already established a strong presence. Besides, Rail Safety is a critical area in which the Government has committed a huge outlay, and the Company is reaching out to actively participate in related rail services thru' its collaboration with top multinationals.

With such unprecedented opportunities thrown up in the wake of massive ongoing expansion plans of Railways, the major challenge to your Company is to beef up its own resources in terms of organisation, financial wherewithal and supply chain management, etc. The Company's top brass management is fully seized of it and is committed to deliver. In this hugely inspiring backdrop, it is no less important that the Government of India must have a stable policy for sustained engagement of the private sector, and it should eschew any flip-flop policy which tends to dampen the long term plans of the private sector.

CORPORATE SOCIAL RESPONSIBILITY

'Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development with improving the quality of life of the local community and society at large.' Your Company has taken initiatives in the areas of Health, Education, Skill Development, Women Empowerment, Environment, etc., to contribute to a better society and a greener environment.

It has been your Company's motto to infuse enthusiasm in its employees for coming together to make the earth greener.

Around the sprawling factory premises of your Company, the Management has made a massive investment in greening the environment. Trees, bushes & hedges all over, lush green parks & lawns, royal palms, fountains, waterfalls, water bodies, etc., have

made the environment eco-friendly and relaxing, which indeed helps maintain a green earth. Early this year, your Company has taken a CSR initiative to build a Butterfly Park in the backyard of the Steel Foundry. The project was undertaken in consultation with NEWS (Nature Environment and Wildlife Society), a nature conservation NGO, based in Kolkata. The Park was inaugurated on 24th June 2017 by Ms Jyotsna Poddar, the first lady of the Adventz Group.

Yet another initiative is taken to set up a Vocational Training Institute in your Company's campus in collaboration with The George Telegraph Training Institute (GTTI), partnered with The National Skill Development Corporation (NSDC). The Centre is being created with a humble objective to make the youth employable, especially those coming from financially backward class and / or who could not continue their education by imparting them vocational training in various disciplines. Skill development is an increasingly important factor in adapting societies to changing economic and environmental conditions. It will bring innovation, enhance productivity, stimulate economic competitiveness and underpin inclusive approaches to development. Vocational Skill Development meets the skill requirement of the industry at large. The Annual Report on CSR activities is enclosed as **Annexure A**.

GREEN INITIATIVES

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

PARTICULARS OF EMPLOYEES

The number of employees as at 31st March 2018 was 1811. In terms of the provisions of Section 197(12) of the Companies Act, 2013 ('Act') read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is enclosed as **Annexure B**.

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

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

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**.

BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Meetings of the Board

During the year under review, five (5) Board Meetings were held on 22nd May 2017, 24th July 2017, 18th September 2017 (adjourned), 16th October 2017 and 8th February 2018.

Changes in Directors and Key Managerial Personnel

At the 19th Annual General Meeting held on 16th September 2017, Ms Mridula Jhunjhunwala, was re-appointed as an Independent Director w.e.f. 20th March 2018 for a period of three (3) years.

Mr Akshay Poddar retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting.

The Board of Directors at its Meeting held on 15th May 2018, based on the recommendation of the Nomination and Remuneration Committee had appointed Mr Girish Chandra Agrawal as the Additional Director and designated him as the Executive Director, and re-designated Mr Sandeep Fuller, Executive Director as the Managing Director of the Company w.e.f. 15th May 2018.

The terms and conditions of their appointment are enumerated in the Notice calling the Annual General Meeting for the approval of the Shareholders. The Board has recommended their appointments.

Board Evaluation

The Company has formulated a Policy for performance evaluation of Independent Directors, Board Committees and other Directors, by fixing certain criteria, duly approved by the Nomination and Remuneration Committee and adopted by the Board. The criteria for the evaluation include their functioning as Members of Board or Committees of the Directors.

A structured questionnaire, evolved through discussions within the Board, has been used for this purpose. Further, on the basis of recommendations of the Nomination and Remuneration Committee and the performance review by the Independent Directors, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors.

Appointment of Directors and Remuneration Policy

The Nomination 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.

Your Company has a well defined Remuneration Policy for Directors, KMP 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, 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 our website at the link <http://texmaco.in/webfiles/texmaco/file/Remuneration-Policy.pdf>.

Declaration by Independent Directors

All Independent Directors of your Company have given declarations that they meet the criteria of independence as laid down under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

AUDIT COMMITTEE AND AUDITORS

Composition of Audit Committee

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

Statutory Auditors

At the 19th Annual General Meeting ('AGM') held in the year 2017, M/s L. B. Jha & Co., Chartered Accountants, Statutory Auditors of the Company were appointed by the Shareholders to hold the office as such from the conclusion of 19th AGM until the conclusion of 24th AGM of the Company, subject to ratification of their appointment at every AGM. The Ministry of Corporate Affairs vide its notification dated 7th May 2018 has omitted the requirement of Shareholders' ratification at every AGM and accordingly, the Auditors will continue to hold the office as such till the conclusion of the 24th AGM of the Company.

Cost Auditors

Your Company has appointed M/s DGM & Associates, Cost Accountants, for conducting the Cost Audit for FY'19 in terms of the provisions of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014.

Secretarial Auditor

Your Company has appointed M/s S. R. Associates & Co., Company Secretaries, for conducting the Secretarial Audit for FY'18 in terms of the provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014. The Secretarial Audit Report is enclosed as **Annexure E**.

INTERNAL FINANCIAL CONTROLS AND RISK MANAGEMENT

The Company has a proper and adequate system of internal controls. This ensures that all transactions are authorised, recorded and reported correctly and assets are safeguarded and protected against loss from unauthorized use or disposition. In addition there are operational 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.

The Risk Management Policy adopted by the Company has in its scope, the establishment of a process for risk assessment, identification of risks both internal and external, and a detailed process for evaluation and treatment of risks and is reviewed periodically by the Audit Committee. The objectives pertaining to Risk Management is 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.

DISCLOSURES

- There has been no change in the nature of business of the Company during the year under review.
- There has been no significant and material orders passed by the Regulators / Courts that would impact the going concern status of the Company and its future operations.
- There has been 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.
- Merger**

The Board of Directors of the Company looking to the synergy of the business of Bright Power Projects (India) Private Limited ('Bright Power'), an Overhead Rail Electrification company with the Company's Rail EPC division and synergy of business of Texmaco Hi-tech Private Limited ('Texmaco Hi-tech') with the Company's Heavy Engineering

Division and to consolidate its business for optimal utilization of resources, has approved the Scheme of Amalgamation ('Scheme') of Bright Power and Texmaco Hi-tech into the Company, effective date being 1st April 2017. In terms of the provision of the Companies Act, 2013, the Company has filed necessary applications before the National Company Law Tribunal, for the approval of the Scheme. Similar applications were also filed by Bright Power and Texmaco Hi-tech.

The merger procedure is expected to be completed within the current financial year.

(e) **Share Capital**

During the year, your Company has allotted 4,13,450 Equity Shares of INR 1 each to eligible Employees pursuant to exercise of Options under Texmaco Employee Stock Option Scheme 2014.

(f) **Deposits**

During the year, your Company has not accepted any Deposits under the Companies Act, 2013.

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

Your Company has an Internal Complaints Committee (ICC) to redress complaints received regarding sexual harassment which meets at regular intervals. No complaints pertaining to sexual harassment were received during FY'18.

(h) **Whistle Blower Policy**

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

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

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

OTHER INFORMATION

Extract of Annual Return

The extract of Annual Return in Form MGT 9 as on the financial year ended 31st March 2018 is enclosed as a separate **Annexure F** and forms a part of this Report.

Dividend Distribution Policy

The Dividend Distribution Policy of the Company is attached as a separate **Annexure G** and forms a part of this Report.

Corporate Governance

A report on Corporate Governance pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as a separate **Annexure H** and forms a part of this Report.

Business Responsibility Report

A report on Business Responsibility pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as a separate **Annexure I** and forms a part of this Report.

Particulars of Loans, Guarantees and Investments

The details of Loans, Corporate Guarantees and Investments made during the year under the provisions of Section 186 of the Companies Act, 2013 have been disclosed in the Note nos. 1.04, 1.14, 1.35, 1.03 and 1.10 respectively to the Financial Statements of the Company.

Related Party Transactions

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

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

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

Your Directors state that:

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

(b) the accounting policies as adopted 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 this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the annual accounts 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

Place: Kolkata
Dated: 15th May 2018

S. K. Poddar
Chairman
DIN: 00008654

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) Rules, 2014]

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

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

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

2. The Composition of the CSR committee:

- a) Mr D. H. Kela, *Executive Director* Chairman
- b) Mr Sunil Mitra, *Independent Director* Member
- c) Mr A. K. Vijay, *Executive Director* Member

3. Average Net Profits of the Company for the last three financial years:

Average profit (₹ in lakhs) 1452.14

4. Prescribed CSR expenditure:

2% of the net profit (₹ in lakhs) 29.04

5. Details of CSR spent during the year:

(1) Sl. No.	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or Programmes (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise (₹ in lakhs)	(6) Amount spent on the projects or programs		(7) Amount spent: Direct or through implementing agency
					1) Direct expenditure on projects or Programs (₹ in lakhs)	2) Overheads	
1	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Health & Sanitation, Drinking Water	Local Area	29.04	8.11	-	Direct
2	Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly, and the differently abled and livelihood enhancement projects.	Education	Local Area		13.39	-	Direct

(1) Sl. No.	(2) CSR project or activity identified	(3) Sector in which the Project is covered	(4) Projects or Programmes (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	(5) Amount outlay (budget) project or programs wise (₹ in lakhs)	(6) Amount spent on the projects or programs		(7) Amount spent: Direct or through implementing agency
					1) Direct expenditure on projects or Programs (₹ in lakhs)	2) Overheads	
3	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the clean ganga fund set up by the Central Government for rejuvenation of river ganga.	Sports	Local Area		11.55	-	Direct
Total				29.04	33.05		

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

The Company has spent more than 2% of the average net profit of last 3 years.

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

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

S. K. Poddar
Chairman

D. H. Kela
Chairman of the Committee

ANNEXURE-B

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

(1) Name	(2) Designation	(3) Age (Years)	(4) Remuneration (₹)	(5) Qualification	(6) Experience (Years)	(7) Date of Commencement of Employment	(8) Previous Employment
Top Ten Employees in terms of Remuneration drawn / employed through out the year and employees in receipt of remuneration aggregating ₹1,02,00,000 or more							
1. Poddar Saroj Kumar	Executive Chairman	72	3,62,21,805	B. Com (Hons)	49	01-01-2006	M/s Poddar Heritage Investments Limited
2. Maheshwari Ramesh	Corporate Advisor	85	1,45,98,909	M. Com., L.L.B.	62	01-02-1962	M/s F & Cosler (India) Limited & Sister Concerns
3. Kela Damodar Hazarimal	Executive Director	77	1,23,13,013	B.E. (Metallurgy)	52	14-11-2000	M/s Hindusthan Engineering & Industries Limited
4. Fuller Sandeep	Executive Director	52	1,11,83,178	B. Tech & PG D in Management	32	01-02-2014	M/s L&T Limited
5. Jain Jitendra Kumar	COO- Kalindee Rail Nirman	51	83,00,974	M. Tech (IIT)	27	16-10-2016	M/s DIMTS Limited
6. Vijay Ashok Kumar	Executive Director	65	69,97,752	FCA, ACS	41	17-10-2001	M/s Hindusthan Engineering & Industries Limited
7. Darbari Tribhuvan Shankar	Chief Executive – Corp. Business	60	57,89,000	M.A, PGDPM, MBA	35	01-02-2017	China Petroleum Pipe Line Bureau & Chindia Chambers of Commerce and Industry
8. Mohan Kumar Mysore Subbanna	Chief Executive (Projects) – Kalindee Rail Nirman	52	51,73,452	BE (Electrical)	30	15-01-2014	M/s L & T Limited
9. Bharthuar Varun	Chief Executive – Corp. Projects	66	46,81,533	Fellow of the Institution of Mechanical Engineers, UK	41	01-08-2013	East Central Railway
10. Kejriwal Prakash Chandra	CFO – Kalindee Rail Nirman	50	45,03,796	FCA	26	01-04-2015	M/s Duncans Tea Limited
11. Agrawal Girish Chandra	CEO – HED	61	3,65,806	B. Tech	39	05-03-2018	Western Railways

Notes:

- 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;
- Mr Akshay Poddar is the son of Mr Saroj Kumar Poddar;
- Employees named above are Whole-time / contractual employees of the Company;
- 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 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

a. The ratio of remuneration of the Directors / KMP to the median remuneration of the employees of the Company for the financial year ended 31st March 2018 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	211:1	-
ii.	Mr D. H. Kela	Executive Director & CEO (SF)	72:1	10
iii.	Mr Sandeep Fuller	Executive Director & CEO (HED)	65:1	10
iv.	Mr A. K. Vijay	Executive Director & CFO	41:1	10
v.	Mr A. C. Chakrabortti	Independent Director	4:1	-
vi.	Mr D. R. Kaarthikeyan	Independent Director	3:1	-
vii.	Mr Sunil Mitra	Independent Director	3:1	-
viii.	Mr Sabyasachi Hajara	Independent Director	2:1	-
ix.	Ms Mridula Jhunjhunwala	Independent Director	4:1	-
x.	Mr V. K. Sharma	Independent Director	2:1	-
xi.	Mr Akshay Poddar	Non-executive Director	2:1	-
xii.	Mr Ravi Varma	Company Secretary	8:1	10

b. The percentage increase in the median remuneration of employees in the financial year ended 31st March 2018: 3%

c. The number of permanent employees in the Company as at 31st March 2018: 1811

d. - Median Remuneration and Average Remuneration of all employees have increased by 3% & 7% respectively.
- Average remuneration of employees excluding KMP has also increased by 7%, which is based on their performance. The increase in remuneration is in line with the market trends, internal parity and current salary of the employees. In order to ensure that remuneration reflects Company's performance, the variable pay is linked to organization and business unit's performance, apart from individual's performance.
- Remuneration of KMP has increased by 10%.

e. The remuneration of the Directors, KMP 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 <http://texmaco.in/webfiles/texmaco/file/Remuneration-Policy.pdf>

ANNEXURE-D

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

(A) Conservation of energy-

- the steps taken or impact on conservation of energy:
 - Installation and commissioning of Power Factor Improvement System continued during the year.
 - Load management for reducing max. demand continued during the year and downward revision of contract demand from 10000 KVA to 800 KVA for 33 KV power supply from WBSIEDCL w.e.f. billing cycle of June 2017.
- the steps taken by the Company for utilising alternate sources of energy:

Installation of 50 KW solar panel on roof top of the NAOB is in progress and is likely to be put in operation in the month of June 2018.
- the capital investment on energy conservation equipments:

One 20T Knock – out Grid with Vibro. Motor of ISKW (7.5KW x 2) has been manufactured and commissioned – To replace the TRF make co- centric shaft e-centric weight with 45 KW – Motor saving thereby 30 KW power in HPML – 1.

(B) Technology absorption-

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

The in-house R&D Centre of the Company has been recognised by Department of Scientific & Industrial Research, Ministry of Science & Technology and Government of India. A number of projects on development of new products and improvement on the existing products have been successfully carried out during the year.
- In case of imported technology (imported during the last three years reckoned from the beginning of the current financial year)- N.A.
- The expenditure incurred on Research and Development - ₹ 85.19 lakhs

(C) Foreign exchange earnings ₹ 10787.54 lakhs and Outgo ₹ 2969.78 lakhs

ANNEXURE-E
Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31.03.2018
[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 2018 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 2018 according to the provisions of the following, in so far as they are applicable to the Company:

1. The Companies Act, 2013 with Companies Act, 1956 (to the extent applicable) and the rules made thereunder the relevant Act;
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 there under 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, 2009;
 - d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
 - g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
6. The following other laws specially applicable to the Company:-
 - A) Factories Act, 1948 read with Rules;
 - B) Industrial Dispute Act, 1947 read with Rules ;
 - C) 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

We further report that:

- the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non – Executive Directors and Independent Directors. There are 6 (Six) Independent Directors on the Board of Directors of the Company as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the provisions of the Companies Act, 2013 ('Act'). There were no changes in the composition of the Board of Directors that took place during the period under review.
- 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 meetings.
- 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 4,13,450 Equity Shares through Texmaco Employee Stock Option Scheme 2014 (ESOP) raising ₹ 1,69,51,450 at a premium of ₹ 40 per share i.e Equity Shares of face value of ₹ 1/- each were issued at ₹ 41/- each.

We further report that the during the audit period, the Board of Directors of the Company has approved the Scheme of Amalgamation under section 230 and 232 of the Companies Act, 2013 for merger of Texmaco Hi-tech Private Limited and Bright Power Projects (India) Private Limited into the Company. The Scheme of Amalgamation has been submitted with the National Company Law Tribunal (NCLT) on 20th April 2018.

For S R & Associates

Sd-
Geeta Roy Chowdhury
Partner

Unique Code of Partnership Firm: **P2008WB016700**

Name of Company Secretary in Practice:

GEETA ROY CHOWDHURY

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

Unique Code of Number: **12007WB599800**

Place: Kolkata

Dated: 15th May 2018

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

Sd-
Geeta Roy Chowdhury
Partner

Unique Code of Partnership Firm: **P2008WB016700**

Name of Company Secretary in Practice:

GEETA ROY CHOWDHURY

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

Unique Code of Number: **12007WB599800**

Place: Kolkata

Dated: 15th May 2018

**ANNEXURE - F
Form MGT-9**

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2018

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

I. REGISTRATION AND OTHER DETAILS

i.	CIN:	L29261WB1998PLC087404
ii.	Registration Date:	25th June 1998
iii.	Name of the Company:	Texmaco Rail & Engineering Limited
iv.	Category:	Public Company
v.	Sub-Category of the Company:	Limited by Shares
vi.	Address of the Registered office and contact details:	Belgharia, Kolkata – 700 056, Phone no. 033 2569 1500, Fax no. 033 2541 2448
vii.	Whether listed company:	Yes
viii.	Name, Address and Contact details of Registrar and Transfer Agent:	M/s Karvy Computershare Private Limited, Plot No. 31 & 32 Gachibowli Financial District, Nanakramguda, Hyderabad, Telangana – 500 032 Phone no. 040-67162222

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the Company shall be stated

Sl. No.	Name and Description of main products / services	NIC Code of the product / service	% to total turnover of the Company
1.	Rolling Stock	302	30
2.	Engineering Procurement & Construction	439	56
3.	Steel Castings	243	14

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Addresses of the Company	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of Shares held	Applicable Sections
1.	Texmaco Hi-tech Private Limited Belgharia, Kolkata – 700 056	U35201WB2009PTC133330	Subsidiary	100.00	2 (87)
2.	Belur Engineering Private Limited Belgharia, Kolkata – 700 056	U28100WB2017PTC19523	Subsidiary	100.00	2 (87)
3.	Bright Power Projects (India) Private Limited Belgharia, Kolkata – 700 056	U32109MH1994PTC075960	Subsidiary	55.00	2 (87)
4.	Texmaco Defence Systems Private Limited* Birla Mills Compound, G. T. Road, Clock Tower, New Delhi 110 007	U35100DL2018PTC328277	Subsidiary	51.00	2 (87)

Sl. No.	Name and Addresses of the Company	CIN / GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of Shares held	Applicable Sections
5.	Texmaco Transtrak Private Limited# 238A, AJC Bose Road, Unit 5D/2, 5th Floor, Kolkata 700 020	U35923WB2017PTC223786	Subsidiary	51.01	2 (87)
6.	Texrail (SA) Pty Limited^ Atrium, 9th floor, 5th street, Sandton, Johannesburg, 2196 South Africa	2018/213036/07	Subsidiary	100.00	2 (87)
7.	Touax Texmaco Railcar Leasing Private Limited Belg haria, Kolkata – 700 056	U74999WB2011PTC167754	Joint Venture	50.00	2 (6)
8.	Wabtec Texmaco Rail Private Limited Belgharia, Kolkata – 700 056	U35122WB2015FTC207096	Joint Venture	40.00	2 (6)

* Became subsidiary w.e.f. 10th January 2018.

Became subsidiary w.e.f. 16th January 2018.

^ Became subsidiary w.e.f. 22nd March 2018.

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

Paid-up Equity Share Capital of the Company has increased from 21,94,14,993 at 31st March 2017 to 21,98,28,443 at 31st March 2018 on account of allotment of 4,13,450 Equity Shares under Texmaco Employee Stock Option Scheme 2014.

(i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF	3579510	-	3579510	1.63	3579510	-	3579510	1.63	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	111504110	-	111504110	50.82	111504110	-	111504110	50.72	(0.10)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(1)	115083620	-	115083620	52.45	115083620	-	115083620	52.35	(0.10)
(2) Foreign									
a) NRIs- Individuals	43390	-	43390	0.02	43390	-	43390	0.02	-
b) Other-Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	43390	-	43390	0.02	43390	-	43390	0.02	-
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	115127010	-	115127010	52.47	115127010	-	115127010	52.37	(0.10)
B. Public Shareholding									
1. Institutions									
a. Mutual Funds	39495802	-	39495802	18.00	31349394	-	31349394	14.26	(3.74)
b. Banks / FI	3303945	-	3303945	1.50	1425261	-	1425261	0.65	(0.85)
c. Central Govt	-	-	-	-	-	-	-	-	-

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
d. State Govt(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	0	10	10	0.00	0	10	10	0.00	-
g. FIs	17084491	-	17084491	7.79	16941230	-	16941230	7.71	(0.08)
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
j. Foreign Nationals	-	-	-	-	581	-	581	0.00	0.00
Sub-total (B)(1)	59884238	10	59884248	27.29	49716466	10	49716476	22.62	(4.68)
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	11376893	273428	11650321	5.31	12819194	271838	13091032	5.96	0.65
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	22857236	1081313	23938549	10.91	29095546	1045205	30140751	13.71	2.80
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	3716666	-	3716666	1.69	5667870	-	5667870	2.58	0.89
c) Others (specify)									
NBFC	8057	-	8057	0.00	62052	-	62052	0.03	0.03
Trusts	3192	-	3192	0.00	42	-	42	0.00	-
Non Resident Indians	2346106	14840	2360946	1.08	3028580	14840	3043420	1.39	0.31
HUF	1529060	-	1529060	0.70	2223607	-	2223607	1.01	0.31
Clearing Members	844891	-	844891	0.39	221158	-	221158	0.10	(0.29)
Employees	260928	86575	347503	0.16	485400	45075	530475	0.24	0.08
Enemy Individuals	-	4550	4550	0.00	-	4550	4550	0.00	-
Sub-total (B)(2)	42943029	1460706	44403735	20.24	53603449	1381508	54984957	25.01	4.77
Total Public Shareholding (B)=(B)(1)+ (B)(2)	102827267	1460716	104287983	47.53	103319334	1381518	104700852	47.63	0.10
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	217954277	1460716	219414993	100.00	218446925	1381518	219828443	100.00	-

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total Shares	
1.	Mr Saroj Kumar Poddar	3447020	1.57	-	3447020	1.57	-	-
2.	Ms Jyotsna Poddar	71790	0.03	-	71790	0.03	-	-
3.	Ms Puja Poddar	28570	0.01	-	28570	0.01	-	-
4.	Mr Akshay Poddar	14820	0.01	-	14820	0.01	-	-
5.	Kumari Anisha Agarwala	32140	0.02	-	32140	0.01	-	(0.01)
6.	Kumari Aashti Agarwala	14280	0.01	-	14280	0.01	-	-
7.	Ms Shradha Agarwala	14280	0.01	-	14280	0.01	-	-
8.	Texmaco Infrastructure & Holdings Limited	54600000	24.88	-	54600000	24.84	-	(0.04)
9.	Zuari Investments Limited	28963900	13.20	-	28963900	13.18	-	(0.02)
10.	Adventz Finance Private Limited	8377400	3.82	-	8377400	3.81	-	(0.01)
11.	Duke Commerce Limited	7514000	3.42	-	7514000	3.42	-	-
12.	Zuari Global Limited	4035000	1.84	-	4035000	1.83	-	(0.01)
13.	Adventz Securities Enterprises Limited	3809140	1.74	-	3809140	1.73	-	(0.01)
14.	Adventz Investment Company Private Limited	3035710	1.38	-	3035710	1.38	-	-
15.	New Eros Tradecom Limited	738800	0.34	-	738800	0.34	-	-
16.	Premium Exchange and Finance Limited	188090	0.08	-	188090	0.08	-	-
17.	Jeewan Jyoti Medical Society	160500	0.07	-	160500	0.07	-	-
18.	Greenland Trading Private Limited	35000	0.02	-	35000	0.02	-	-
19.	Indrakashi Trading Company Private Limited	30000	0.01	-	30000	0.01	-	-
20.	Master Exchange & Finance Limited	15760	0.01	-	15760	0.01	-	-
21.	Eureka Traders Private Limited	530	0.00	-	530	0.00	-	-
22.	Abhishek Holdings Private Limited	280	0.00	-	280	0.00	-	-
	Total	115127010	52.47	-	115127010	52.37	-	(0.10)^

^ On account of allotment of 4,13,450 Equity Shares under Texmaco Employee Stock Option Scheme 2014.

(iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	At the beginning of the year	115127010	52.47	Nil	Nil
	Increase / (Decrease) in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity, etc)	Nil	Nil	Nil	Nil
	At the end of the year			115127010	52.37

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

Sl. No.	For each of the top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Reliance Capital Trustee Company Limited A/c Reliance Diversified Power Sector Fund				
	At the beginning of the year	17645332	8.04		
	Increase / (Decrease) in Shareholding during the year				
	26.05.17	311100	0.14	17956432	8.18
	04.08.17	972943	0.44	18929375	8.62
	04.08.17	(972943)	(0.44)	17956432	8.18
	11.08.17	(235293)	(0.11)	17721139	8.07
	18.08.17	(674707)	(0.31)	17046432	7.76
	15.09.17	(1604066)	(0.73)	15442366	7.03
	31.10.17	329188	0.15	15771554	7.18
	10.11.17	2180000	0.99	17951554	8.17
	10.11.17	(2245072)	(1.02)	15706482	7.15
	17.11.17	(1388328)	(0.63)	14318154	6.52
	24.11.17	(1163865)	(0.53)	13154289	5.99
	01.12.17	(1349235)	(0.61)	11805054	5.38
	08.12.17	(300000)	(0.14)	11505054	5.24
	22.12.17	(1347399)	(0.61)	10157655	4.63
	12.01.18	640000	0.29	10797655	4.92
	12.01.18	(640000)	(0.29)	10157655	4.63
	09.03.18	(54181)	(0.03)	10103474	4.60
	16.03.18	(2179993)	(0.99)	7923481	3.61
23.03.18	(486183)	(0.22)	7437298	3.39	
30.03.18	(400643)	(0.19)	7036655	3.20	
	At the end of the year			7036655	3.20
2	HDFC Trustee Company Ltd. MF Monthly Income PL				
	At the beginning of the year	10261983	4.68		
	Increase / (Decrease) in Shareholding during the year				
	15.09.17	1550000	0.70	11811983	5.38
	22.09.17	12000	0.01	11823983	5.39
	06.10.17	115600	0.05	11939583	5.44
	27.10.17	850000	0.39	12789583	5.83
	31.10.17	180000	0.08	12969583	5.91
	03.11.17	556000	0.25	13525583	6.16

Sl. No.	For each of the top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	10.11.17	200000	0.09	13725583	6.25
	01.12.17	1000000	0.46	14725583	6.71
	12.01.18	291000	0.13	15016583	6.84
	26.01.18	179000	0.08	15195583	6.92
	02.02.18	281000	0.13	15476583	7.05
	09.02.18	165000	0.07	15641583	7.12
	23.02.18	1294000	0.58	16935583	7.70
		At the end of the year			16935583
3	National Westminster Bank PLC as Trustee of the Jupiter Asian Fund				
	At the beginning of the year	7495280	3.42		
	Increase / (Decrease) in Shareholding during the year				
	30.06.17	454225	0.20	7949505	3.62
	09.02.18	71369	0.03	8020874	3.65
	At the end of the year			8020874	3.65
4	Canara Robeco Mutual Fund A/c Canara Robeco Emerging Equity				
	At the beginning of the year	4319060	1.97		
	Increase / (Decrease) in Shareholding during the year				
	07.04.17	548319	0.25	4867379	2.22
	21.04.17	150000	0.07	5017379	2.29
	28.04.17	100000	0.04	5117379	2.33
	05.05.17	161195	0.07	5278574	2.40
	12.05.17	180000	0.08	5458574	2.48
	02.06.17	20000	0.01	5478574	2.49
	23.06.17	(44000)	(0.02)	5434574	2.47
	30.06.17	44000	0.02	5478574	2.49
	07.07.17	(352121)	(0.16)	5126453	2.33
	14.07.17	(75000)	(0.03)	5051453	2.30
	21.07.17	(100000)	(0.05)	4951453	2.25
	28.07.17	(75000)	(0.03)	4876453	2.22
	04.08.17	25000	0.01	4901453	2.23
	25.08.17	57994	0.03	4959447	2.26
	01.09.17	(226287)	(0.10)	4733160	2.16
	29.09.17	(211619)	(0.10)	4521541	2.06
	06.10.17	(227200)	(0.10)	4294341	1.96
	13.10.17	(35500)	(0.02)	4258841	1.94
20.10.17	(14200)	(0.01)	4244641	1.93	
27.10.17	250000	0.11	4494641	2.04	
27.10.17	(35500)	(0.01)	4459141	2.03	
03.11.17	150000	0.07	4609141	2.10	
03.11.17	(27100)	(0.01)	4582041	2.09	
10.11.17	45000	0.02	4627041	2.11	
10.11.17	(55395)	(0.02)	4571646	2.09	
17.11.17	100000	0.04	4671646	2.13	
24.11.17	100000	0.04	4771646	2.17	
08.12.17	100000	0.04	4871646	2.21	
15.12.17	(20000)	(0.01)	4851646	2.20	

Sl. No.	For each of the top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	22.12.17	100000	0.04	4951646	2.24
	29.12.17	100000	0.04	5051646	2.28
	05.01.18	55000	0.03	5106646	2.31
	05.01.18	(20000)	(0.01)	5086646	2.32
	19.01.18	(25000)	(0.01)	5061646	2.31
	09.02.18	(390000)	(0.18)	4671646	2.12
	09.03.18	(25000)	(0.01)	4646646	2.11
	16.03.18	(659608)	(0.30)	3987038	1.81
	At the end of the year			3987038	1.81
5	Parvest Equity India				
	At the beginning of the year	4000000	1.82		
	Increase / (Decrease) in Shareholding during the year				
	08.09.17	(74745)	(0.03)	3925255	1.79
	15.09.17	(384000)	(0.18)	3541255	1.61
	13.10.17	(311255)	(0.14)	3230000	1.47
	20.10.17	(53056)	(0.02)	3176944	1.45
	27.10.17	(1154967)	(0.53)	2021977	0.92
	31.10.17	(560977)	(0.25)	1461000	0.67
	16.02.18	(1004291)	(0.46)	456709	0.21
	23.02.18	(225000)	(0.10)	231709	0.11
	At the end of the year			231709	0.11
6	Life Insurance Corporation of India				
	At the beginning of the year	3029180	1.38		
	Increase / (Decrease) in Shareholding during the year				
	13.10.17	(553498)	(0.25)	2475682	1.13
	20.10.17	(456554)	(0.21)	2019128	0.92
	27.10.17	(613008)	(0.28)	1406120	0.64
	31.10.17	(376940)	(0.17)	1029180	0.47
	At the end of the year			1029180	0.47
7	L & T Mutual Fund Trsutee Ltd- L & T Equity Fund				
	At the beginning of the year	2858492	1.30		
	Increase / (Decrease) in Shareholding during the year				
	07.04.17	100000	0.05	2958492	1.35
	14.04.17	200000	0.09	3158492	1.44
	07.07.17	(452107)	(0.21)	2706385	1.23
	14.07.17	(293703)	(0.13)	2412682	1.10
	21.07.17	(2412682)	(1.10)	0	0.00
	At the end of the year			0	0.00
8	Jupiter South Asia Investment Company Limited				
	At the beginning of the year	2415006	1.10		
	Increase / (Decrease) in Shareholding during the year				
	23.06.17	(246991)	(0.11)	2168015	0.99
	09.02.18	(24872)	(0.01)	2143143	0.98
	At the end of the year			2143143	0.97

Sl. No.	For each of the top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
9	UTI Long Term Equity Fund (Tax Saving)				
	At the beginning of the year	1668328	0.76		
	Increase / (Decrease) in Shareholding during the year				
	07.04.17	(90000)	(0.04)	1578328	0.72
	14.04.17	(180000)	(0.08)	1398328	0.64
	21.04.17	(180000)	(0.08)	1218328	0.56
	28.04.17	(180000)	(0.08)	1038328	0.48
	05.05.17	(100000)	(0.04)	938328	0.44
	19.05.17	(72013)	(0.03)	866315	0.39
	02.06.17	(75000)	(0.03)	791315	0.36
	16.06.17	(225000)	(0.10)	566315	0.26
	07.07.17	(20850)	(0.01)	545465	0.25
	14.07.17	(100000)	(0.05)	445465	0.20
	28.07.17	(79150)	(0.03)	366315	0.17
	08.09.17	(313244)	(0.15)	53071	0.02
	29.09.17	60000	0.03	113071	0.05
	29.09.17	(53071)	(0.02)	60000	0.03
	17.11.17	99269	0.04	159269	0.07
	24.11.17	53231	0.02	212500	0.09
	01.12.17	25000	0.01	237500	0.10
	08.12.17	197500	0.09	435000	0.19
	15.12.17	125000	0.06	560000	0.25
	12.01.18	100000	0.05	660000	0.30
	19.01.18	60000	0.03	720000	0.33
	02.02.18	50000	0.02	770000	0.35
	09.02.18	124684	0.06	894684	0.41
	16.03.18	79796	0.03	974480	0.44
	30.03.18	80638	0.04	1055118	0.48
	At the end of the year			1055118	0.48
10	ICICI Prudential Life Insurance Company Limited				
	At the beginning of the year	1435674	0.66		
	Increase / (Decrease) in Shareholding during the year				
	05.05.17	(60581)	(0.03)	1375093	0.63
	12.05.17	(7301)	(0.00)	1367792	0.62
	19.05.17	(7384)	(0.00)	1360408	0.62
	26.05.17	(1606)	(0.00)	1358802	0.62
	16.06.17	(1635)	(0.00)	1357167	0.62
	23.06.17	(3804)	(0.00)	1353363	0.62
	07.07.17	(57)	(0.00)	1353306	0.62
	11.08.17	(1793)	(0.00)	1351513	0.62
	01.09.17	(39620)	(0.02)	1311893	0.60
	13.10.17	(282111)	(0.13)	1029782	0.47
	19.01.18	24776	0.01	1054558	0.48
	At the end of the year			1054558	0.48
11	Hypnos Fund Limited				
	At the beginning of the year	0	0.00		
	Increase / (Decrease) in Shareholding during the year				
	16.03.18	2100000	0.96	2100000	0.96
	23.03.18	296000	0.13	2396000	1.09
	At the end of the year			2396000	1.09

Sl. No.	For each of the top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
12	Akash Bhansali				
	At the beginning of the year	1351587	0.62		
	Increase / (Decrease) in Shareholding during the year				
	19.01.18	14000	0.01	1365587	0.62
	At the end of the year			1365587	0.62
13	IDFC Tax Advantage (Elss) Fund				
	At the beginning of the year	0	0.00		
	Increase / (Decrease) in Shareholding during the year				
	28.07.17	700000	0.32	700000	0.32
	26.01.18	100000	0.04	800000	0.36
	09.02.18	200000	0.09	1000000	0.45
	09.03.18	50000	0.02	1050000	0.47
	16.03.18	124497	0.06	1174497	0.53
	23.03.18	75503	0.04	1250000	0.57
	30.03.18	50000	0.02	1300000	0.59
	At the end of the year			1300000	0.59
14	IIFL Best of Class Fund 1				
	At the beginning of the year	704936	0.32		
	Increase / (Decrease) in Shareholding during the year				
	07.04.17	16835	0.01	721771	0.33
	19.05.17	92659	0.04	814430	0.37
	16.06.17	100000	0.05	914430	0.42
	23.06.17	137955	0.06	1052385	0.48
	14.07.17	42883	0.02	1095268	0.50
	09.02.18	83352	0.04	1178620	0.54
		At the end of the year			1178620

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

(v) Shareholding of Directors and Key Managerial Personnel

Mr S. K. Poddar, Executive Chairman

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the year	3447020	1.57		
Increase / (Decrease) in Shareholding during the year	Nil	Nil	Nil	Nil
At the end of the year			3447020	1.57

Mr A. C. Chakrabortti, Independent Director

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the Company	No. of shares	% of total Shares of the Company
At the beginning of the year	1800	0.00		
Increase / (Decrease) in Shareholding during the year	Nil	Nil	Nil	Nil
At the end of the year			1800	0.00

Mr Akshay Poddar, Non - executive and Non-independent Director

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the year	14820	0.01		
Increase / (Decrease) in Shareholding during the year	Nil	Nil	Nil	Nil
At the end of the year			14820	0.01

Mr D. H. Kela, Executive Director

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the year	3000	0.00		
Increase / (Decrease) in Shareholding during the year				
11.05.17 (ESOP allotment)	17500	0.01	20500	0.01
31.10.17	(8500)	(0.00)	12000	0.01
At the end of the year			12000	0.01

Mr Sandeep Fuller, Executive Director

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the year	12500	0.01		
Increase / (Decrease) in Shareholding during the year				
11.05.17 (ESOP allotment)	17500	0.01	30000	0.01
At the end of the year			30000	0.01

Mr. A. K. Vijay, Executive Director & CFO

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
At the beginning of the year	15030	0.01		
Increase / (Decrease) in Shareholding during the year				
11.05.17 (ESOP allotment)	17500	0.01	32530	0.01
At the end of the year			32530	0.01

M/s D. R. Kaarthikeyan, Sunil Mitra, Sabyasachi Hajara, V. K. Sharma and Ms Mridula Jhunjunwala, Directors and Mr Ravi Varma, Company Secretary do not hold Shares of the Company.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment (₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the FY				
i) Principal Amount	27910.20	3000.00	-	30910.20
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	164.94	-	-	164.94
Total (i+ii+iii)	28075.14	3000.00	-	31075.14
Change in Indebtedness during the FY				
Addition / (Reduction)	9537.78	-	-	9537.78
Net Change	9537.38	-	-	9537.78
Indebtedness at the end of the FY				
i) Principal Amount	37447.98	3000.00	-	40447.98
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	35.03	-	-	35.03
Total (i+ii+iii)	37483.01	3000.00	-	40483.01

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of MD / WTD / Manager				Total Amount
		Mr S. K. Poddar Executive Chairman	Mr D. H. Kela [^] Executive Director	Mr Sandeep Fuller [^] Executive Director	Mr A. K. Vijay* Executive Director	
1	Gross Salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	324.99	89.52	74.12	41.18	529.81
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	1.23	2.39	10.77	5.39	19.78
	(c) Profits in lieu of salary under section 17(3) Income- Tax Act, 1961	-	-	-	-	-
2	Stock Option	-	9.84	9.84	9.84	29.52
3	Sweat Equity	-	-	-	-	-
4	Commission					
	i) As % of profit	-	-	-	-	-
	ii) Others, specify	-	-	-	-	-
5	Others					
	i) Co's Contribution to PF / Pension Fund	36.00	9.50	9.84	7.78	63.12
	ii) Value of Furniture	-	-	-	0.05	0.05
	iii) Superannuation	-	11.88	7.26	5.74	24.88
	Total	362.22	123.13	111.83	69.98	667.16
	Ceiling as per the Act					51.64

[^]M/s D. H. Kela and Sandeep Fuller are also the CEO (SF) & CEO (HED) of the Company respectively.

*Mr A. K. Vijay is also the CFO of the Company.

B. Remuneration to other Directors

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors							Total Amount
		Mr A.C. Chakrabortti	Mr D. R. Kaarthyayan	Mr Sunil Mitra	Mr S. Hajara	Mr V.K. Sharma	Ms Mridula Jhunjunwala	Mr Akshay Poddar	
	1. Independent Directors								
	Fee for attending board / committee meetings	4.60	2.60	3.50	1.70	1.70	4.40	-	18.50
	Commission	2.00	2.00	2.00	2.00	2.00	2.00	-	12.00
	Others, specify								
	Total (1)	6.60	4.60	5.50	3.70	3.70	6.40		30.50
	2. Other Non-executive Directors								
	Fee for attending board /committee meetings								
	Commission							2.20	2.20
	Others, specify							2.00	2.00
	Total (2)								
	Total (B)=(1+2)							4.20	34.70
	Total Managerial Remuneration								701.8
	Ceiling as per the Act								56.81

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

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of Company Secretary
		Mr Ravi Varma
1	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	12.49
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	0.50
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-
2	Stock Option	-
3	Sweat Equity	-
4	Commission	-
	i) As a % of profit	-
	ii) Others, specify	-
5	Others	-
	i) Co's Contribution to PF / Pension Fund	0.49
	ii) Superannuation	-
	Total	13.48

VII. There were no penalties / punishment / compounding of offences under the Companies Act, 1956 / 2013 for the year ended 31st March 2018.

ANNEXURE-G DIVIDEND DISTRIBUTION POLICY

This Policy will regulate the process of dividend declaration and its pay-out by the Company in accordance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Regulations'), and the Companies Act, 2013 ('Act'), read with the applicable Rules framed thereunder, as may be in force for the time being.

Preamble

Dividend is the payment made by a Company to its shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be retained in business and used for acquisitions, expansion or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This Policy aims to reconcile between all these needs.

The objective of this policy is to ensure a regular dividend income for the shareholders and long term capital appreciation for all stakeholders of the Company. The Company would ensure to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes. The Board of Directors will refer to the policy while declaring/ recommending dividends on behalf of the Company. Through this policy, the Company would endeavor to maintain a consistent approach to dividend pay-out plans.

The Company believes that it operates in the high potential and fast growing internet segment. This offers huge investment opportunities. Therefore, the retention of surplus funds for future growth will over-ride considerations of returning cash to the shareholders. However, considering the consistent and impressive generation of profits year on year, there is a need to provide greater clarity on the dividend pay-out philosophy of the Company.

Process for approval of Payment of Final Dividend:

- Board to recommend quantum of final dividend payable to shareholders in its meeting in line with this Policy;
- Based on the profits arrived at as per the audited financial statements;
- Shareholders to approve in Annual General Meeting;
- Once in a financial year.

Declaration of Dividend

Subject to the provisions of the Regulations and the Act, dividend shall be declared or paid to the Shareholders.

The Board may, at its discretion, declare a Special dividend under certain circumstances such as extraordinary profits from sale of investments.

Factors to be considered while declaring Dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among

shareholders and amount of profit to be retained in business. The Board of Directors will endeavor to take a decision with an objective to enhance shareholders wealth and market value of the shares. However, the decision regarding pay-out is subject to several factors and hence, any optimal policy in this regard may be far from obvious.

The dividend pay-out decision of any company depends upon certain external and internal factors-

External Factors

State of Economy- in case of uncertain or recessionary economic and business conditions, the Board will endeavor to retain larger part of profits to build up reserves to absorb future shocks.

Capital Markets- when the markets are favorable, dividend pay-out can be liberal. However, in case of unfavorable market conditions, Board may resort to a conservative dividend pay-out in order to conserve cash outflows.

Statutory Restrictions- The Board will keep in mind the restrictions imposed by the Act with regard to declaration of dividend.

Internal Factors

Apart from the various external factors aforementioned, the Board will take into account various internal factors while declaring Dividend, which inter alia will include-

- Profits earned during the year;
- Present & future Capital requirements of the existing businesses;
- Brand / Business Acquisitions;
- Expansion / Modernization of existing businesses;
- Additional investments in subsidiaries / associates of the Company;
- Fresh investments into external businesses;
- Any other factor as deemed fit by the Board.

Dividend Range

The Company stands committed to deliver sustainable value to all its stakeholders. The Company will strive to distribute an optimal and appropriate level of the profits earned by it in its business and investing activity, with the shareholders, in the form of dividend. As explained in the earlier part of this Policy, determining the dividend pay-out is dependent upon several factors, both internal to a business and external to it. Taking into consideration the aforementioned factors, the Board will endeavor to maintain a dividend pay-out in the range of 10%-50% of profits after tax (PAT) on standalone financials.

Review

This Policy will be reviewed periodically by the Board.

ANNEXURE-H

REPORT ON CORPORATE GOVERNANCE

[Pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

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 Shareholders, employees and the society. The Company believes in adopting and adhering to the best Corporate Governance practices and continuously benchmarking itself against the best practices in the industry.

2. Board of Directors

The Company's Board comprises eleven Directors, representing the optimum mix of professionalism, knowledge and experience. Six Directors of the current strength of the Board are Independent Directors as on 31st March 2018. The category of Directorship, number of Board Meetings attended, attendance at the last Annual General Meeting (AGM), number of Directorships in other companies, number of Committees in which such Director is a Chairperson or Member, are mentioned below :-

Name of the Director	Category of Directorship	Director Identification Number (DIN)	No. of Board Meetings attended	Attendance at the last AGM	No. of Directorships in other companies #	No. of Chairpersonship/ Membership of Board Committees in companies ^	
						Chairperson	Member
Mr S. K. Poddar	Executive Chairman - Promoter	00008654	5	Yes	12	-	-
Mr A. C. Chakrabortti	Independent	00015622	5	Yes	8	2	2
Mr D. R. Kaarthikeyan	Independent	00327907	4	Yes	6	-	4
Mr Sunil Mitra	Independent	00113473	5	Yes	6	1	4
Mr Sabyasachi Hajara	Independent	00004485	5	Yes	6	1	-
Ms Mridula Jhunjhunwala	Independent	05339373	5	Yes	1	-	1
Mr V. K. Sharma	Independent	02051084	5	Yes	3	1	1
Mr Akshay Poddar*	Non-executive & Non-independent - Promoter	00008686	4	No	17	1	3
Mr D. H. Kela	Executive	01050842	5	Yes	4	-	2
Mr Sandeep Fuller	Executive	06754262	5	Yes	7	-	2
Mr A. K. Vijay	Executive	01103278	5	Yes	6	-	1

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

Excluding Foreign Companies.

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

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

Five Meetings of the Board of Directors were held during the year 2017 – 18. The details are given below:

22nd May 2017	24th July 2017
16th September 2017*	18th September 2017
16th October 2017	8th February 2018

*Adjourned.

3. Audit Committee

Terms of Reference and Composition

The terms of reference of the Committee cover the matters specified for the Audit Committee under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 177 of the Companies Act, 2013.

The Audit Committee comprises the following four Directors, and their attendance in the Committee Meetings is given hereunder:

Name of the Director	Category of Directorship	No. of Meeting(s) attended
Mr A. C. Chakrabortti, Chairman	Independent	5
Mr D. R. Kaarthikeyan	Independent	4
Ms Mridula Jhunjunwala	Independent	5
Mr Sandeep Fuller	Executive	5

Five Meetings of the Audit Committee were held during the year 2017 – 18. The details are given below:

22nd May 2017	24th July 2017
16th September 2017*	18th September 2017
16th October 2017	8th February 2018

*Adjourned.

4. Nomination and Remuneration Committee

Terms of Reference and Composition

The terms of reference of the Committee cover the matters specified for the Nomination and Remuneration Committee under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 178 of the Companies Act, 2013.

This Committee also has the responsibility for administering the Employee Stock Option Scheme of the Company.

The Nomination and Remuneration Committee comprises the following four Directors, and their attendance in the Committee Meetings is given hereunder:

Name of the Director	Category of Directorship	No. of Meeting(s) attended
Mr A. C. Chakrabortti, Chairman	Independent	2
Mr Akshay Poddar	Non-executive	2
Mr Sunil Mitra	Independent	2
Ms Mridula Jhunjunwala	Independent	2

Two Meetings of the Nomination and Remuneration Committee were held during the year 2017 – 18. The details are given below:

22nd May 2017	8th February 2018
---------------	-------------------

Remuneration of Directors

The Remuneration of Executive Directors is fixed by the Board of Directors upon recommendation by the Nomination and Remuneration Committee. Non-executive Directors are eligible for sitting fee and a commission not exceeding 1% of the net profit of the Company for each year, with a ceiling of ₹ 2,00,000/- per annum on commission for each Director. The sitting fee for attending the Board Meeting or Audit Committee Meeting is ₹ 30,000/- and the sitting fee for attending the other Committee / Sub-committee Meeting is ₹ 20,000/- as approved by the Board of Directors. The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is available on the website of the Company at the link <http://texmaco.in/webfiles/texmaco/file/Remuneration-Policy.pdf>

The details of remuneration paid to the Directors during the year 2017-18 are as follows:

i) Non-executive Directors

Name of the Director	Sitting Fee for the year (₹)	Commission for the year (₹)	Total (₹)	No. of Equity Shares held in the Company
Mr A. C. Chakrabortti	4,60,000	2,00,000	6,60,000	1800
Mr D. R. Kaarthikeyan	2,60,000	2,00,000	4,60,000	Nil
Mr Sunil Mitra	3,50,000	2,00,000	5,50,000	Nil
Mr Sabyasachi Hajara	1,70,000	2,00,000	3,70,000	Nil
Ms Mridula Jhunjunwala	4,40,000	2,00,000	6,40,000	Nil
Mr V. K. Sharma	1,70,000	2,00,000	3,70,000	Nil
Mr Akshay Poddar	2,20,000	2,00,000	4,20,000	14820

ii) Executive Directors

Name of the Director	Designation	Salary (₹)	Perquisites and Allowances* (₹)	Sitting Fees (₹)	Retirement Benefits (₹)
Mr S. K. Poddar	Executive Chairman	3,00,00,000	62,21,805	N.A.	As per Company's Rules
Mr D. H. Kela	Executive Director	79,20,000	43,93,013	N.A.	- DO -
Mr Sandeep Fuller	Executive Director	48,42,000	63,41,178	N.A.	-DO-
Mr A. K. Vijay	Executive Director	38,28,000	31,69,752	N.A.	-DO-

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

5. Stakeholders Relationship Committee

Terms of Reference and Composition

The terms of reference of the Committee cover the matters specified for the Stakeholders Relationship Committee under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 178 of the Companies Act, 2013.

The Stakeholders Relationship Committee comprises the following four Directors, and their attendance in the Committee Meeting is given hereunder:

Name of the Director	Category of Directorship	No. of Meeting(s) attended
Mr Akshay Poddar, Chairman	Non-executive	1
Mr D. H. Kela	Executive	1
Mr Sunil Mitra	Independent	1
Mr A. K. Vijay	Executive	1

The Stakeholders Relationship Committee met once during the year on 8th February 2018.

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

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

In order to provide quick service to Shareholders, the Board has delegated certain powers to few Senior Executives to deal with various matters including transfer and transmission of Equity Shares, etc. During the year, 22 complaints were received from the Shareholders, which were resolved within the stipulated time period.

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

6. CSR Committee

Terms of Reference and Composition

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

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

Name of the Director	Category of Directorship	No. of Meeting(s) attended
Mr D. H. Kela, Chairman	Executive	1
Mr A. K. Vijay	Executive	1
Mr Sunil Mitra	Independent	1

The CSR Committee met once during the year on 8th February 2018.

7. Independent Directors Meeting

A meeting of the Independent Directors of the Company was held on 6th March 2018 during the year 2017-18. All the Independent Directors attended the Meeting. The matters discussed at the meeting of the Independent Directors, *inter-alia*, included the evaluation of the performance of Non-independent Directors including the Chairman of the Company.

8. Induction & Training of Board Members

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

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

9. Whistle Blower Policy

The Company believes in promoting ethical behaviour and accordingly there is a mechanism for reporting unethical behaviour, actual or suspected fraud or violation against the Company's Code of Conduct. The objective of the policy is to provide adequate safeguard measures against victimization. The Company has a Whistle Blower Policy under which the

employees are free to report any such grievances to the Nodal Officer appointed for the purpose. Mr Ravi Varma, Company Secretary & Compliance Officer of the Company is the Nodal Officer appointed for this purpose. In certain circumstances, employees may also report to the Chairman of the Audit Committee. The Policy is also placed on the website of the Company at the link: <http://texmaco.in/webfiles/texmaco/file/Whistle%20Blower%20Policy.pdf>

10. Internal Control System

The Internal Control System of the Company is aimed at proper utilization and safeguarding of the Company's resources and to promote operational efficiency.

The findings of the Internal Audit and consequent corrective actions initiated and implemented from time to time are placed before the Audit Committee. The Audit Committee reviews such audit findings and the adequacy of the Internal Control System.

11. Policy on Material Subsidiary

The Company has six subsidiaries namely Texmaco Hi-tech Private Limited, Belur Engineering Private Limited, Bright Power Projects (India) Private Limited, Texmaco Defence Systems Private Limited, Texmaco Transtrak Private Limited and Texrail SA (Pty) Limited. The Company has a policy to determine its material subsidiary. The policy is also placed on the website of the Company at the link: <http://texmaco.in/webfiles/texmaco/file/2015-16/Annexure%2010.pdf>

13. Disclosure

There are no materially significant related party transactions entered into by the Company with its Promoters, Directors or Senior Management Personnel, Associates, etc., that may have potential conflict with the interests of the Company at large. Transactions carried out with the related parties are disclosed in Note No. 1.39 to the Audited Financial Statements.

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

14. Reconciliation of Share Capital Audit Report

A qualified 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 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.

15. Means of Communication

The Quarterly Un-audited Financial Results and the Annual Audited Financial Results as taken on record and approved by the Board of Directors of the Company are published generally in English and Vernacular newspapers namely The Financial Express and Aajkal. These results are sent immediately to all the Stock Exchanges with which the Equity Shares of the Company are listed.

These results are also posted on the Company's website www.texmaco.in Management Discussion & Analysis Report forms part of the Annual Report.

16. General Shareholder Information

AGM : Date, Time & Venue	Tuesday, 4th September 2018 at 2:30 PM at K. K. Birla Kala Kendra, Texmaco Estate, Belgharia, Kolkata – 700 056
Financial Calendar (Tentative)	1st April 2018 to 31st March 2019 First Quarter Results – Last week of July. Second Quarter Results – First week of November. Third Quarter Results – First week of February Results for the year ending 31st March 2019 – By Last week of May 2019
Dividend Payment Date	End September 2018
Date of Book Closure	Thursday, 30th August 2018 to Tuesday, 4th September 2018 (both days inclusive)
Listing on Stock Exchanges	1. National Stock Exchange of India Limited, Exchange Plaza, Bandra - Kurla Complex, Bandra (E), Mumbai – 400 051 2. BSE Limited, P. J. Towers, Dalal Street, Fort, Mumbai – 400 001 3. The Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata – 700 001 The Company has paid listing fees for the period 1st April 2018 to 31st March 2019.
CIN of the Company	L29261WB1998PLC087404
Stock Code	TEXRAIL
National Stock Exchange of India Limited	533326
BSE Limited	30285
The Calcutta Stock Exchange Limited	30285
Demat ISIN No. for NSDL / CDSL	INE 621L01012

12. General Body Meetings

Details of the Annual General Meeting (AGM) and the Extraordinary General Meeting (EGM) held in the last three years are given below:

Financial Year	Date and time of the AGM	Date and time of the EGM	Venue	No. of Special Resolutions approved at the AGM
2016-2017	16th September 2017 at 2.00 PM	-	K. K. Birla Kala Kendra, Texmaco Estate, Belgharia, Kolkata- 700 056	3
2015-2016	26th September 2016 at 2.00 PM	-		4
2014-2015	28th September 2015 at 2.15 PM	14th July 2015 at 10.30 AM		5

Whether Special Resolutions-

A	were put through Postal Ballot last year	No
B	are proposed to be conducted through postal ballot	No

High / Low market prices of the Company's Equity Share of ₹1/- each traded on the National Stock Exchange of India Limited and BSE Limited during the period April 2017 to March 2018 are furnished hereunder:

Period	National Stock Exchange of India Limited		BSE Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2017	104.00	93.00	103.90	93.00
May 2017	104.70	87.25	104.70	87.05
June 2017	92.40	86.05	92.50	86.25
July 2017	104.70	87.60	104.40	87.45
August 2017	94.90	83.25	94.85	84.00
September 2017	108.40	89.90	108.00	89.15
October 2017	117.50	98.15	117.40	98.10
November 2017	129.30	109.15	128.80	109.30
December 2017	126.55	103.30	126.35	103.10
January 2018	123.55	100.80	123.55	101.00
February 2018	103.40	89.10	103.45	89.00
March 2018	96.25	80.00	96.00	78.55

Note: There was no trading in the Equity Shares of the Company during the year on The Calcutta Stock Exchange Limited.

Registrar & Share Transfer Agent (RTA)	M/s Karvy Computershare Private Limited Plot No: 31- 32, Gachibowli Financial District, Nanakramguda, Hyderabad - Telangana: 500032	Phone: 040-67162222 Fax No: 040-23001153 E-mail: einward.ris@karvy.com Website: www.karvycomputershare.com
---	--	---

Share Transfer System

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

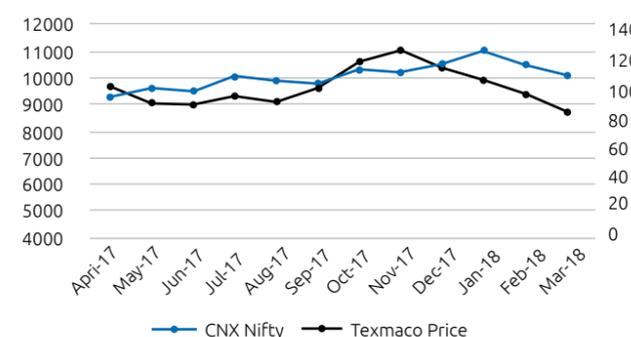
Distribution of Shareholding as on 31st March 2018

No. of Equity Shares held	No. of Folios	%	No. of Equity Shares	%
Upto 5000	67833	98.33	22738281	10.34
5001 to 10000	585	0.85	4270160	1.94
10001 to 20000	272	0.39	3873830	1.76
20001 to 30000	91	0.13	2327729	1.07
30001 to 40000	40	0.06	1390357	0.63
40001 to 50000	33	0.05	1502575	0.68
50001 to 100000	51	0.07	3647156	1.66
100001 and above	82	0.12	18078355	81.92
Total	68987	100.00	219828443	100.00

Shareholding Pattern as on 31st March 2018

Category	No. of Equity Shares	%
Promoters	115127010	52.37
Banks, Insurance Cos., and FIs	1425271	0.64
Mutual Funds	31349394	14.26
NRI / OCB / FIIs	19984650	9.10
Corporate Bodies	13091032	5.96
Indian Public	35808621	16.29
Others	3042465	1.38
Total	219828443	100.00

Texmaco Share Price vis a vis Nifty



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

Dematerialization of Equity Shares as on 31st March 2018 and Liquidity

The Company's Equity Shares are generally traded in dematerialised form on both the Depositories in India - NSDL and CDSL.

21,84,46,925 Equity Shares of the Company representing 99.37 % of the Company's Equity Share Capital are dematerialised as on 31st March 2018.

Code of Conduct and Ethics and Insider Trading

The Company has adopted a Code of Conduct and Ethics (Code) for the members of Board of Directors and Senior Management Personnel of the Company. The essence of the code is to conduct the business of the Company in an honest, fair and ethical manner, in compliance with 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 Executive Directors, is attached to this report.

The Company has also adopted the Code as framed under the SEBI (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.

Address for Correspondence	Shareholders may contact Mr Ravi Varma, Company Secretary & Compliance Officer at the Registered Office of the Company for any assistance. Telephone No : (033) 2569-1500 E-mail : ravi.varma@texmaco.in Shareholders holding Equity Shares in Electronic mode should address all their correspondence to their respective Depository Participants.
-----------------------------------	---

Investor Education and Protection Fund (IEPF)

Information under Section 124 of the Companies, Act 2013, read with the IEPF Rules 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 Un-paid Dividend	Due date for transfer to IEPF
31.03.2017	16.09.2017	21.10.2024	21.11.2024
31.03.2016	26.09.2016	02.11.2023	02.12.2023
31.03.2015	28.09.2015	02.11.2022	02.12.2022
31.03.2014	04.09.2014	09.10.2021	09.11.2021
31.03.2013	14.09.2013	19.10.2020	19.11.2020
31.03.2012	29.08.2012	03.10.2019	03.11.2019
31.03.2011	01.09.2011	06.10.2018	06.11.2018

Further, IEPF Rules mandate to transfer of Equity Shares of Shareholders whose dividends remain unpaid / unclaimed for a continuous period of seven (7) years to the demat account of IEPF Authority. Communication are being sent to the concerned Shareholders advising them to write to RTA or to the Company to claim the dividend. Members 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 IEPF Rules.

17. Adoption of mandatory and non-mandatory requirements of the SEBI (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 SEBI (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 Chairperson.

(ii) Shareholder Rights:

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

(iii) Audit Qualifications:

There are no audit qualifications on the Company's Financial Statements for the year ended 31st March 2018.

(iv) Separate posts of Chairman and CEOs:

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

(v) Reporting of Internal Auditor:

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

18. CEOs and CFO Certification

The CEOs and the CFO of the Company have given a certificate on financial reporting and internal controls to the Board in terms of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, which is attached to this Report.

19. Retirement of Directors by rotation and re-appointment

Mr Akshay Poddar is due for retirement by rotation and is eligible for re-appointment in the ensuing Annual General Meeting (AGM). The Board has recommended re-appointment of Mr Poddar as the Non-executive Director. Brief particulars regarding Mr Poddar is given in the Notice calling AGM of the Company.

Declaration by the Executive Directors

To the Members of
Texmaco Rail & Engineering Limited

In compliance with the requirements under the SEBI (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

D. H. Kela
Sandeep Fuller
A. K. Vijay } Executive Directors

Place: Kolkata
Dated: 14th May 2018

CEOs and CFO Certification

We certify that:

- we have reviewed Financial Statements and Cash Flow Statement for the year ended 31st March 2018 and that to the best of our knowledge and belief:
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - 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.
- 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.
- 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.
- we have indicated to the Auditors and the Audit Committee that:
 - there are no significant changes in internal control over financial reporting during the year;
 - there are no significant changes in accounting policies during the year; and
 - there are no instances of significant fraud of which we have become aware.

For Texmaco Rail & Engineering Limited

D. H. Kela
Sandeep Fuller
G. C. Agrawal } CEOs

A. K. Vijay
CFO

Place: Kolkata
Dated: 15th May 2018

Certificate

To the Members of
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 2018, 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 SEBI (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 account and other relevant records and documents maintained by the Company for the purposes 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 No.: 301088E)

(D.N. Roy)
Partner
(Membership No.: 300389)

Place : Kolkata
Date : 15th May 2018

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	2017 - 18
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Rolling Stock, Hydro – Mechanical Equipment, Steel Castings, Rail – EPC, Bridges and other Steel Structures
8.	List three key products / services that the Company manufactures / provides (as in balance sheet)	i. Rolling Stock ii. Rail – EPC iii. Steel Castings
9.	Total number of locations where business activity is undertaken by the Company	
i.	Number of International Locations	NIL
ii.	Number of National Locations	Registered & Corporate Office: Belgharia, Kolkata – 700 056 Regional Offices: i. Delhi ii. Mumbai iii. Jaipur Plant Locations: i. Belgharia ii. Agarpara iii. Sodepur iv. Panihati
10.	Markets served by the Company	National / International

SECTION B – FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (₹)	21,98,28,443
2.	Total Turnover (₹)	97,237.40 lakhs
3.	Total Profit after Taxes (₹)	1,007.71 lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of average Net profit of the Company for last 3 financial years	₹ 33.05 lakhs (2.28%)

5. List of activities in which expenditure in 4 above has been incurred:

- i. Education
- ii. Ecological Balance
- iii. Environment Protection
- iv. Health

SECTION C – OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	Yes. The Company has six subsidiaries namely: (i) Bright Power Projects (India) Private Limited (ii) Texmaco Hi-tech Private Limited (iii) Belur Engineering Private Limited (iv) Texmaco Transtrak Private Limited (v) Texmaco Defence Systems Private Limited (vi) Texrail SA (Pty) 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 and follow 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

SECTION D – BUSINESS RESPONSIBILITY (BR) INFORMATION

Details of Director / Directors Responsible for BR

The Executive Directors are empowered to look after the BR 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. The details of the Committee members as on 31st March 2018 are as follows:

Name	Designation	DIN
Mr D. H. Kela	Executive Director	01050842
Mr Sandeep Fuller	Executive Director	06754262
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 2nd Business Responsibility Report of the Company, which forms part of the Annual Report. The report is available on the website of the Company.

Principle 1: Ethics, Transparency and Accountability [P1]

Businesses should conduct and govern themselves with ethics, transparency and accountability:

Your Company believes in conducting business on the pillars of ethics, transparency and trust of stakeholders. The Company believes that the image and conduct are vital in adding value to the organisation.

The Company's policy on bribery and anti-corruption covers all individuals / associates working with it, and its subsidiaries at all levels and grades. The Policy on Code of Conduct prescribed by the Company applies to all its employees including the Directors, KMP, senior executives, officers and third parties including consultants, contractors, etc. A well-defined policy lists the tenets on ethical business conduct and the framework for reporting concerns.

The Company has well defined mechanisms for receiving and dealing with complaints from other stakeholders like Customers, Employees, Suppliers, etc.

As specified in the Corporate Governance Report, a total of 22 investor complaints were received during FY 2017-18. All the complaints were resolved within the prescribed time period.

Principle 2: Products Lifecycle Sustainability [P2]

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

Creating sustainable products is a part of the Company's endeavour towards responsible product stewardship. The Company ensures to make its products safe and environment friendly.

It is the Company's constant endeavour to design or manufacture products taking cognizance of the environment risks and concerns.

The Company's motto is to establish a long term relationship with its customers, vendors and work to 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. 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.

The Company places high credence to sustainability in its supply chain management.

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.

Presently, the Company does recycling of more than 80% of its scrap products. The scrap materials generated by the Company during process of manufacturing are recycled. Other waste generation are minimal and are disposed off in due compliance of local rules and regulations.

Principle 3: Employees' Well-being [P3]

Businesses should promote the well-being of all employees:

The Company is motivated towards creating a healthy work environment powered by work ethics and professionalism. Moreover, the most significant areas that it aims at is the up keep of Safety, Health and Environment.

Having its commitment to sustainability demands that corporate processes be reliably controlled, the Company acts towards taking humble initiatives in the areas of Health, Education, Women Empowerment, Environment etc., to contribute to a better society and a greener environment. The Company continuously strives to enhance the Quality of Life of its employees.

As part of its CSR, the Company has created an extensive social infrastructure in its sprawling Estate, comprising of Air-conditioned Auditorium, Swimming Pool, Staff Club, Football Pitch, Eco Park and a Health Hub with Physiotherapy, Gym & Yoga Centre, Butterfly Park in green surroundings with a water body, etc.

A noteworthy initiative of the Company is 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.

Total number of employees	1811	
Total number of employees hired on temporary / contractual / casual basis.	1962	
Number of permanent women employees	45	
Number of permanent employees with disabilities	4	
Percentage of under mentioned employees that were given safety & skill up-gradation training in the last year	Permanent Employees	10%
	Permanent Women Employees	0
	Casual / Temporary / Contractual Employees	4%
Employees with Disabilities	0	

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:

The Company fulfils its obligation by giving greater emphasis on building long-term relationships with the stakeholders. The stakeholders are one of the key drivers of business viability and long-term profitability. Ethical responsibility to customers and giving back to communities through community involvement and charitable donations are appreciated by the Company.

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

- i) Government and regulatory authorities
- ii) Employees
- iii) Customers
- iv) Local community
- v) Investors and Shareholders
- vi) Suppliers
- vii) Trade unions
- viii) NGOs

Straightforward, honest communication and transparent accounting are responsibly maintained between the Company and its Stakeholders.

Principle 5: Human Rights [P5]

Businesses should respect and protect human rights:

The essence of the Company's governance practices rests upon the key factors viz. environmental management, employee welfare, employee and community relations, standardized working conditions, social equity, gender balance, human rights, good governance, and anti-corruption measures.

There were no reported complaints during FY 2017-18.

Principle 6: Environment [P6]

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

The Company recognizes its moral and legal responsibility to ensure safety, health and well being of all staff, clients and visitors at our workplaces. 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. Your Company is committed to "Maintaining the Environmental Management System to ISO 14001 standard". To achieve our environmental commitments, your Company is involved in-

- Setting objectives and targets that define the reduction of impacts on the environment through conducting risk assessment and hazard analysis;
- Managing the operation in compliance with all applicable laws, legislation, regulations, standards and code of practices that minimize any adverse impact on the environment;
- Conserving resources, minimizing waste and seeking continual improvement of processes to protect the environment;
- Monitoring and evaluation, to ensure the environmental compliance and obligations are achieved;
- Providing appropriate training for awareness and education for the employees on environmental issues and specifically to individuals with environmental responsibilities.

There were no pending or unresolved show cause/ legal notices from CPCB / SPCB, as at 31st March 2018.

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. Your Company aims to create an environment that encourages supportive deliberations made in a responsible way.

The Company has its representation in several business and 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.

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 to their best.

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 on international qualities of economic, political, and social development.

In this diversity of Human Resources Management, your Company has adopted practices and policies enabling its employees face the challenges of industrialization and globalization of business.

Principle 9: Customer Value [P9]

Businesses should engage with, and provide value to their customers and consumers responsibly:

Understanding the customer needs is a key step in the Company's endeavour towards developing an efficient product stewardship programme. The Company ensures utmost care is taken towards customer safety.

The Company displays requisite product informations as mandated under the applicable law.

It provides adequate information relating to safety, operation and maintenance of the products to the customers.

There were 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 pending as at the end of the financial year.

Customer satisfaction is your Company's goal, driving it to ensure its products deliver performance that continually meet 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. These modes help your Company to understand customer requirements, satisfaction levels and expectations. The Company also conducts one-to-one meetings with customers to enable efficient communication and redressal of customers' grievances, if any.

Principle-wise BR Policy / Policies (Reply in Y / N)

Respect and integrity for its people, environment and other businesses have always been at the heart of your Company's Responsibility. Your Company believes in maintaining the highest standards of corporate behavior towards people / entities we work with, the communities we touch, 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?	Y	Y	Y	Y	Y	Y	Y	Y	Y
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 an on-going process to cover all stakeholders.								
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 Standalone Ind AS Financial Statements

1. We have audited the accompanying standalone Ind AS financial statements of **TEXMACO RAIL & ENGINEERING LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, signed by us under reference to this report and a summary of the 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 Rail EPC branch (herein after referred to as "Standalone Ind AS Financial Statements"). These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Management's Responsibility for the Standalone Financial Statements

2. 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act, read with Rules issued thereunder.

3. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

4. Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

5. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
6. We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.
7. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.
8. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

9. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matters

10. (a) We did not audit the financial statements/information of one branch included in the standalone Ind AS financial statements of the Company whose financial statements reflect total assets of ₹ 79,302.64 lakhs as at 31st March, 2018 and total revenues of ₹ 54,127.78 lakhs for the year ended on that date.

The financial statements of this branch 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 branch, is based solely on the report of such branch auditor.

- (b) The Comparative financial information of the Company for the year ended 31st March, 2017 included in these standalone Ind AS financial Statements, is based on the Ind AS financial statement for the year ended 31st March, 2017 which were audited by the Predecessor auditor who had expressed an unmodified opinion.

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

Report on Other Legal and Regulatory Requirements

11. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure-A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
12. 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 branch office 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, the Cash Flow Statement and 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 branch not visited by us.

- (e) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act, read with relevant rules issued thereunder.
- (f) On the basis of the written representations received from the directors as on 31st March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note No. 1.35 of the standalone Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. 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
(Registration number: 301088E)

(D. N. Roy)

Place : Kolkata
Date : 15th May, 2018

Partner
(Membership number 300389)

**ANNEXURE- A: TO THE INDEPENDENT AUDITORS' REPORT to the Members of TEXMACO RAIL & ENGINEERING LIMITED
[Referred to in paragraph 11 of the Independent Auditors' Report of even date]**

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of Property, plant and equipments. in respect of recovery of principal and interest of the above loans.
- (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 & Equipments 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 demerged/merged to the company under the scheme of arrangement approved by the Hon'ble High Court of Calcutta and Delhi are held in the name of erstwhile Texmaco Limited and Kalindee Rail Nirman(Engineers) Limited.
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.
3. (a) The Company has granted unsecured loan to the subsidiary companies covered in the register maintained under section 189 of the Companies Act, 2013 which is not prejudicial to the interest 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 of more than ninety days
4. According to the information and explanations given to us and the records of the Company examined by us, in respect of Loans, Investments, guarantees and security provisions of section 185 and 186 of the companies Act 2013, have been complied with.
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, sales-tax, service tax, duty of customs, duty of excise, value added tax, 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 2018 which has 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	386.63	2012-13	Appeal filed before the CESTAT
The Central Excise Act, 1944	Excise	271.35	1986-87 to 2011-12	Appeal filed before the CESTAT
The Central Excise Act, 1944	Excise	753.98	1993-94 to 2013-2014	Commissioner Appeal
The Central Excise Act, 1944	Excise	118.43	1995-96 to 2007-08	Supreme Court
Finance (Service Tax) Act, 1994	Service Tax	6697.13	2003-04 to 2010-11	Appeal filed before the CESTAT
Finance (Service Tax) Act, 1994	Service Tax	16.1	2006-07 to 2009-10	Commissioner Appeal
Entry Tax Act	Entry Tax	64.57	2009-10 to 2011-17	Commissioner Appeal
Income Tax Act, 1961	Income Tax	4.07	2011-12	Commissioner Appeal
Value Added Tax Act	Vat	172.13	2009-10 to 2015-16	Addl. Commissioner

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 the Executive Chairman is in excess of the prescribed limit mandated by the provisions of section 197 read with Schedule V to the Companies Act for which the Company has to make an application to The Ministry of Corporate Affairs for its waiver, post approval of its shareholders in the General Meeting. Further, application to The Ministry of Corporate Affairs for waiver of excess managerial remuneration paid to its Executive Directors for the financial years 2015-16 and 2016-17 are still pending with the Ministry.

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 No. 1.39 of the standalone financial statements for the year under audit.
14. The Company has neither made any preferential allotment of shares nor fully or partly convertible debentures during the year under audit.
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
(Registration number: 301088E)

(D. N. Roy)

Place : Kolkata
Date : 15th May, 2018

Partner
(Membership number 300389)

**ANNEXURE- B TO THE INDEPENDENT AUDITORS' REPORT to the Members of TEXMACO RAIL & ENGINEERING LIMITED
[Referred to in paragraph 12(g) of the Independent 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** ("the Company") as of 31st March, 2018 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 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 Companies Act 2013, 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 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, 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, 2018, 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 the Institute of Chartered Accountants of India.

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

(D. N. Roy)

Partner

Place : Kolkata

Date : 15th May, 2018

(Membership number 300389)

Balance Sheet as at 31st March, 2018

Particulars	Note No.	(₹ in Lakhs)	
		As at 31.03.2018	As at 31.03.2017
ASSETS:			
(1) Non-current Assets			
(a) Property, plant & equipment	1.01	25,039.91	24,235.78
(b) Capital work-in-progress	1.01	524.07	163.84
(c) Investment property	1.02	-	87.50
(d) Other intangible assets	1.01	226.95	254.31
(e) Financial assets			
(i) Investments	1.03	18,049.56	16,440.69
(ii) Loans	1.04	185.16	260.72
(iii) Bank balance	1.05	7.72	418.54
(iv) Others	1.06	2.66	36.87
(f) Deferred tax assets (net)	1.07	3,660.51	3,600.36
(g) Other non current assets	1.08	1,265.13	1,026.97
		48,961.67	46,525.58
(2) Current Assets			
(a) Inventories	1.09	28,407.29	22,695.89
(b) Financial assets			
(i) Investments	1.10	18,453.25	33,776.07
(ii) Trade receivables	1.11	58,114.46	43,737.37
(iii) Cash & cash equivalents	1.12	1,606.81	966.93
(iv) Bank balances other than (iii) above	1.13	1,830.53	3,258.69
(v) Loans	1.14	4,514.85	4,659.34
(c) Current tax assets (Net)	1.15	568.72	235.52
(d) Other current assets	1.16	44,042.39	26,446.81
		1,57,538.30	1,35,776.62
		2,06,499.97	1,82,302.20
TOTAL ASSETS			
EQUITY AND LIABILITIES:			
1 Equity			
(a) Equity share capital	1.17	2,198.28	2,194.15
(b) Other equity	1.18	1,04,196.44	1,02,329.38
		1,06,394.72	1,04,523.53
2 Non-current Liabilities:			
Financial liabilities			
(a) Borrowings	1.19	3,211.34	232.86
(b) Provisions	1.20	517.22	517.80
		3,728.56	750.66
3 Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	1.21	37,352.74	31,642.70
(ii) Trade payables	1.22	27,513.53	24,449.83
(iii) Other financial liabilities	1.23	3,378.32	4,239.80
(b) Other current liabilities	1.24	27,137.51	15,809.22
(c) Provisions	1.25	994.59	886.46
		96,376.69	77,028.01
		2,06,499.97	1,82,302.20
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
B2/1, Gillander House
8, Netaji Subhas Road
Kolkata- 700 001
Dated: 15th May, 2018

Ravi Varma
Company Secretary

Directors
S. K. Poddar
A. C. Chakrabortti
Sandeep Fuller
D. H. Kela
A.K. Vijay

Statement of Profit and Loss for the year ended 31st March, 2018

Particulars	Note No.	(₹ in Lakh)	
		Year Ended 31.03.2018	Year Ended 31.03.2017
I Revenue from operations	1.26	93,090.01	118,777.78
II Other income	1.27	5,159.91	4,730.61
III Total income (I +II)		98,249.92	123,508.39
IV EXPENSES			
Cost of materials consumed	1.28	70,811.61	77,763.33
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	1.29	(5,386.15)	7,051.63
Excise duty		400.66	3,362.82
Employee benefits expense	1.30	7,663.33	8,002.78
Finance costs	1.31	4,759.05	4,751.53
Depreciation and amortization expense	1.32	1,869.65	1,615.90
Other expenses	1.33	16,680.36	16,758.94
Total expenses (IV)		96,798.51	119,306.93
V Profit / (loss) before tax (III-IV)		1,451.41	4,201.46
VI Tax Expenses			
(1) Current tax		398.00	1,085.00
(2) MAT credit entitlement		(398.00)	(541.00)
(3) Deferred tax		337.83	215.43
(4) Income tax paid related to earlier years		105.87	84.73
Total tax expenses (VI)		443.70	844.16
VII Profit / (loss) for the period (V-VI)		1,007.71	3,357.30
VIII Other comprehensive income			
(i) Items that will not be reclassified to profit or loss	1.34	1,238.53	535.49
(ii) Items that will be reclassified to profit or loss		(52.57)	(9.34)
		1,185.96	526.15
IX Total Comprehensive Income for the period		2,193.67	3,883.45
X Earnings per equity share (for continuing operations)			
(1) Basic		0.46	1.59
(2) Diluted		0.46	1.58
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
B2/1, Gillander House
8, Netaji Subhas Road
Kolkata- 700 001
Dated: 15th May, 2018

Ravi Varma
Company Secretary

Directors
S. K. Poddar
A. C. Chakrabortti
Sandeep Fuller
D. H. Kela
A.K. Vijay

Statement of Cash Flow for the year ended 31st March, 2018

Particulars	(₹ in Lakhs)	
	Year Ended 31.03.2018	Year Ended 31.03.2017
A) Cash Flows From Operating Activities:		
Net Profit before Taxation & Exceptional Items	1,451.41	4,201.46
Adjustments For:		
Depreciation	1,869.65	1,615.90
Interest Paid	3,782.62	3,518.07
Bad Debt Written off	20.24	-
Property Plant & Equipments Written off	-	0.14
Employee Compensation Expenses under ESOP	168.78	390.30
Provision and Excess Liabilities Written Back	(2.99)	(1.15)
Interest Received	(1,296.70)	(1,296.55)
Income From Investments	(25.06)	(26.05)
Profit on Sale Of Investments-Current(Net)	(83.71)	(224.57)
Profit on Sale Of Investments-Long Term (Net)	(64.11)	(1,581.51)
Gain on Fair Value of bonds/Mutual	(1,466.36)	(1,346.21)
Loss/(Profit) on Sale Of Fixed Assets(Net)	(2.41)	26.35
Provision for Diminution in value of Investments	-	-
	2,899.95	1,074.72
Operating Profit before Working Capital Changes & Exceptional Items	4,351.36	5,276.18
(Increase)/Decrease in Trade & Other Receivables	(32,129.44)	(11,082.33)
(Increase)/Decrease in Inventories	(5,711.40)	11,420.25
Increase/(Decrease) in Trade Payables & Other Liabilities	13,748.62	(6,730.93)
	(24,092.22)	(6,393.01)
Cash Generated from Operations	(19,740.86)	(1,116.83)
Direct Taxes Paid	(837.07)	(1,186.25)
Cash Flow before Exceptional Items	(20,577.93)	(2,303.08)
Exceptional Items	-	-
Net Cash from Operating Activities	(20,577.93)	(2,303.08)
B) Cash Flows From Investing Activities		
Purchase of Property,Plant & Equipments	(4,050.15)	(3,067.62)
Sale of Property,Plant & Equipments	1,133.43	-
(Purchase)/Sale of Investments (Net)	16,586.50	7,743.21
Loan to Subsidiaries/ Body Corporates (Net)	(12.00)	(3,401.66)
Bank Deposits(Includes having original maturity more than three months)	1,838.98	478.72
Interest Received	1,461.33	1,196.24
Inter corporate Deposit	-	3,365.91
Dividend Received	25.06	26.05
Net Cash used in Investing Activities	16,983.15	6,340.85
C) Cash Flows From Financing Activities		
Receipt/(Payment) of Long Term Borrowings	2,978.48	(482.80)
Receipt/(Payment) of Short Term Borrowings	5,710.04	(654.78)
Increase in Share Capital	4.13	2.19
Increase in Securities Premium	165.38	87.55
Interest Paid	(3,912.53)	(3,491.58)
Dividend Paid	(546.51)	(525.17)
Dividend Tax Paid	(111.76)	(107.02)
Net Cash used in Financing Activities	4,287.23	(5,171.61)
D Changes in Foreign Currency Translation arising from Foreign Operations	(52.57)	(9.33)
Net Decrease in Cash and Cash Equivalents	639.88	(1,143.17)
Cash and Cash Equivalents at the beginning of the period	966.93	2,110.10
Cash and Cash Equivalents at the end of the period	1,606.81	966.93
Note:		
(1) Details of Cash and Equivalents as on		
Balances with banks		
Current Accounts	1,584.51	943.97
Cheques on hand	-	1.90
Cash on hand	22.30	21.06
	1,606.81	966.93

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

B2/1, Gillander House

8, Netaji Subhas Road

Kolkata- 700 001

Dated: 15th May, 2018

Ravi Varma

Company Secretary

Directors

S. K. Poddar

A. C. Chakrabortti

Sandeep Fuller

D. H. Kela

A.K. Vijay

Statement of Changes in Equity

a Equity Share Capital (₹ in Lakhs)

Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the year	Balance at the end of the reporting period
Equity Share	2,194.15	4.13	2,198.28

b Other Equity (₹ in Lakhs)

Particulars	Reserve and Surplus					Other Comprehensive Income		Total
	Capital Reserve	Securities Premium Reserve	General Reserve	Share Options Outstanding Account	Retained Earnings	Equity Instruments/ retained benefits through Other Comprehensive Income	Exchange differences on translating the financial statements of a foreign operation	
Balance as at 1st April, 2016	11,228.87	29,280.47	46,106.76	804.33	11,276.14	(106.78)	115.42	98,705.21
Income for the year	-	-	-	-	3,357.30	-	-	3,357.30
Other Comprehensive Income for the year	-	-	-	-	-	535.49	(9.34)	526.15
Cancellation of equity shares of earlier subsidiary on subsequent acquisition	(104.43)	-	-	-	-	-	-	(104.43)
Dividends & Tax on Dividends	-	-	-	-	(632.73)	-	-	(632.73)
Transfer from retained earnings	-	-	500.00	-	-	-	-	500.00
Transfer to General Reserve	-	-	-	-	(500.00)	-	-	(500.00)
Any other change (ESOP allotment)	-	87.55	-	390.33	-	-	-	477.88
Balance as at 31st March, 2017	11,124.44	29,368.02	46,606.76	1,194.66	13,500.71	428.71	106.08	1,02,329.38
Income for the year	-	-	-	-	1,007.71	-	-	1,007.71
Other Comprehensive Income for the year	-	-	-	-	-	1,238.53	(52.57)	1,185.96
Dividends & Taxes on Dividend	-	-	-	-	(660.77)	-	-	(660.77)
Transfer from retained earnings	-	-	100.00	-	-	-	-	100.00
Transfer to General Reserve	-	-	-	-	(100.00)	-	-	(100.00)
Any other change (ESOP allotment)	-	165.38	-	168.78	-	-	-	334.16
Balance as at 31st March, 2018	11,124.44	29,533.40	46,706.76	1,363.44	13,747.65	1,667.24	53.51	1,04,196.44

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

B2/1, Gillander House

8, Netaji Subhas Road

Kolkata- 700 001

Dated: 15th May, 2018

Ravi Varma

Company Secretary

Directors

S. K. Poddar

A. C. Chakrabortti

Sandeep Fuller

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 and The Calcutta 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 on turnkey basis. The Company has strengthened its position as a Total Rail Solution Provider Company.

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 which are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair 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.

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 recognised 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 (xx).

(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.

Notes on Financial Statement

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 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	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

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

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 amortisation 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.

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.

(v) 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 recognised 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 in the statement of profit and loss immediately.

Notes on Financial Statement

(vi) 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 amortised 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 amortised 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 in fair value recognised 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 amortised 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 recognised 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 recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(vii) 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).

Notes on Financial Statement

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.

(viii) Revenue Recognition

Sales revenue is measured at fair value of the consideration received or receivable and stated at net of Sales Tax / VAT and 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 recognised 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

b. Revenue from construction contracts

In accordance with Ind AS 11 on "Construction Contracts", revenue is recognized using the percentage of completion method. Percentage of completion method is determined as a proportion of cost incurred to date to the total estimated contract cost. Where the total cost of contract, based on technical and other estimates, is expected to exceed the corresponding contract value, such excess is provided during the year. For this purpose total contract costs are ascertained on the basis of actual costs incurred and costs to be incurred for completion of contract in progress, which is arrived at by the management based on the current technical data, forecasts and estimate of expenditure to be incurred in the future including contingencies. Revision in projected profit and loss arising from change in estimates are reflected in each accounting period which however cannot be disclosed separately in the financial statements as the effect thereof cannot be determined accurately.

In some old projects where substantial contract revenue has already been recognized in earlier periods, revenue is recognized as per Ind AS 18 "Revenue Recognition" 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.

Notes on Financial Statement

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.

(ix) 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 recognised 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 recognised 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 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 recognised in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the comprehensive income are not reclassified to the statement of profit and loss but recognised 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.

Notes on Financial Statement

(x) 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.

(xi) Excise / Cenvat, Custom Duty & Goods & Service Tax (GST)

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

(xii) 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.

(xiii) 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.

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

(xiv) Lease

a. Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Assets acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

b. Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of Profit & Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of Profit & Loss.

Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised 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.

(xv) Foreign Currency Transactions and Exchange Differences

The Company's functional currency is Indian Rupees. 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.

(xvi) Provisions, Contingent Liabilities and Contingent Assets

a. Provisions & Warranties

Provisions are recognised 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.

Notes on Financial Statement

The amount recognised 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 recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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 recognised 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 not 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.

(xvii) 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.

(xviii) 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.

(xix) Segment Reporting

- 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.
- 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.
- Capital Employed to each segment is classified on the basis of allocable assets minus allocable liabilities identifiable to each segment on reasonable basis.

Notes on Financial Statement

(xx) 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 recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised 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 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 recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised 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 recognised 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 recognised 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.

(xxi) 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 recognised 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:

- related to or used for assets are included in the Balance Sheet as deferred income and recognised as income over the useful life of the assets.
- 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.
- by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable. In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

(xxii) Earning 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.

Notes on Financial Statement

(xxiii) 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.

(xxiv) 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.
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 recognised in profits or losses.
	(b) Incorporated jointly controlled entities:
(i) Income on investments in incorporated jointly controlled entities is recognised 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.	

Notes on Financial Statement

Note 1.01 Property, Plant and Equipment

(₹ in lakhs)

Description of Assets	Gross Block				Depreciation				Net Block
	As at 1.4.2017	Additions during the year	Sales/ adjustments	As at 31.3.2018	As at 1.4.2017	During the year	Sales/ Adjustments	As at 31.3.2018	As at 31.3.2018
Tangible Assets									
Land	1,455.35	87.98	-	1,543.33	29.36	50.25	-	79.61	1,463.72
Buildings	8,745.05	376.08	-	9,121.13	423.63	241.17	-	664.80	8,456.33
Roads	111.63	4.80	-	116.43	40.90	16.39	-	57.29	59.14
Railway Sidings	215.16	-	-	215.16	19.28	9.56	-	28.84	186.32
Plant & Machinery	14,361.25	2,999.74	1,297.39	16,063.60	1,609.27	1,217.48	169.85	2,656.90	13,406.70
Electrical Machinery	652.06	2.89	-	654.95	91.56	53.95	-	145.51	509.44
Office Equipments	295.57	124.30	0.01	419.86	84.12	67.37	-	151.49	268.37
Furniture & Fittings	368.12	49.04	0.00	417.16	96.01	61.63	-	157.64	259.52
Vehicles	512.30	99.70	28.52	583.48	86.58	91.10	24.57	153.11	430.37
Total	26,716.49	3,744.53	1,325.92	29,135.10	2,480.71	1,808.90	194.42	4,095.19	25,039.91
Capital Work in Progress (CWIP)	163.84	1,912.60	1,552.37	524.07	-	-	-	-	524.07
Intangible Assets									
Software	385.72	33.39	-	419.11	131.41	60.75	-	192.16	226.95
Total	385.72	33.39	-	419.11	131.41	60.75	-	192.16	226.95
Grand Total	27,266.05	5,690.52	2,878.29	30,078.28	2,612.12	1,869.65	194.42	4,287.35	25,790.93

Previous Year

(₹ in lakhs)

Description of Assets	Gross Block				Depreciation				Net Block
	As at 1.4.2016	Additions during the year	Sales/ adjustments	As at 31.3.2017	As at 1.4.2017	During the year	Sales/ Adjustments	As at 31.3.2017	As at 31.3.2017
Tangible Assets									
Land	1,288.17	167.18	-	1,455.35	0.02	29.34	-	29.36	1,425.99
Buildings	8,177.45	567.60	-	8,745.05	202.45	221.18	-	423.63	8,321.42
Roads	111.63	-	-	111.63	20.15	20.75	-	40.90	70.73
Railway sidings	182.03	33.13	-	215.16	10.29	8.99	-	19.28	195.88
Plant & machinery	12,546.72	2,190.47	375.94	14,361.25	878.02	1,035.26	304.01	1,609.27	12,751.98
Electrical machinery	633.61	18.45	-	652.06	37.98	53.58	-	91.56	560.50
Office equipments	107.86	187.71	-	295.57	39.21	44.91	-	84.12	211.45
Furniture & fittings	267.60	100.52	-	368.12	45.23	50.78	-	96.01	272.11
Vehicles	557.58	62.78	108.06	512.30	87.11	84.91	85.44	86.58	425.72
Total	23,872.65	3,327.84	484.00	26,716.49	1,320.46	1,549.70	389.45	2,480.71	24,235.78
Capital Work in Progress (CWIP)	392.59	1,487.89	1,716.64	163.84	-	-	-	-	163.84
Total	392.59	1,487.89	1,716.64	163.84	-	-	-	-	163.84
Intangible assets									
Software	320.06	65.66	-	385.72	65.21	66.20	-	131.41	254.31
Total	320.06	65.66	-	385.72	65.21	66.20	-	131.41	254.31
Grand total	24,585.30	4,881.39	2,200.64	27,266.05	1,385.67	1,615.90	389.45	2,612.12	24,653.93

Notes on Financial Statement

Note 1.02 Investment Property

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
As per last account	87.50	87.50
Add: Addition during the year	-	-
Total	87.50	87.50
Less: Transfer/ Sold during the year	(87.50)	-
Total	-	87.50

Note 1.03 Non-Current Investments

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
A. Investments in Equity Instruments (Quoted) (At Fair Value)		
(i) Texmaco Infrastructure & Holdings Ltd. 23,49,809 (2017: 23,49,809) Shares of ₹ 1 each	1,434.57	955.21
(ii) Chambal Fertilisers & Chemicals Ltd. 10,00,000 (2017: 10,00,000) Shares of ₹ 10 each	1,646.50	867.50
B. Investments in Equity Instruments of Subsidiary Company (Unquoted)(At Cost)		
(i) Texmaco Hi Tech Pvt. Ltd. 2,34,50,000 (2017: 2,34,50,000) Shares of ₹ 10 each	4,101.25	4,101.25
(ii) Bright Power Projects (India) Pvt. Ltd. 7,15,000 (2017: 7,15,000) Shares of ₹ 10 each	4,053.58	4,053.58
(iii) Belur Engineering Pvt. Ltd. 1,00,000 (2017: 1,00,000) Shares of ₹ 10 each	10.00	10.00
(iv) Texmaco Transtrak Pvt. Ltd. 5,101 (2017: Nil) Shares of ₹ 10 each	0.51	-
C. Investments in Preference Shares of Subsidiary Company (Unquoted)(At Cost)		
Texmaco Hi Tech Pvt. Ltd. 60,00,000 (2017: 60,00,000) 5.32% Cumulative Redeemable Preference shares of ₹ 100 each	3,000.00	3,000.00
D. Investments in Equity Instruments of Joint Ventures (Unquoted)(At Cost)		
(i) Touax Texmaco Railcar Leasing Pvt. Ltd. 1,26,49,999 (2017: 1,26,49,999) Shares of ₹ 10 each	1,264.99	1,264.99
(ii) Wabtec Texmaco Rail Pvt. Ltd. 8,81,700 (2017: 8,81,700) Shares of ₹ 10 each	88.16	88.16
E. Investments in CCD of Joint Ventures (Unquoted)(At Cost)		
Touax Texmaco Railcar Leasing Pvt. Ltd. 24,50,000 (2017: 21,00,000) CCD of ₹ 100 each	2,450.00	2,100.00
Total	18,049.56	16,440.69
(i) Aggregate amount of quoted investments	3,081.07	1,822.71
(ii) Market value of quoted investments	3,081.07	1,822.71
(iii) Aggregate amount of unquoted investments	14,968.49	14,617.98

Note 1.04 Loans (Non-Current)

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
Security deposits	185.16	260.72
Total	185.16	260.72

Notes on Financial Statement

Note 1.05 Bank Balance

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
Margin Money	7.72	418.54
Total	7.72	418.54

Note 1.06 Other Non Current Financial Assets

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
Term deposit of more than twelve months maturity	2.50	2.50
Interest accrued on deposits & others	0.16	34.37
Total	2.66	36.87

Note 1.07 Deferred Tax Assets (net)

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
The major components of the Deferred Tax Liabilities / (Assets) based on the tax effects of timing differences are as follows:		
Deferred Tax Assets		
Items u/s 43B and u/s 40(a)(i)(a) of I.T. Act	575.72	1,264.49
Deferred tax assets on account of transition date adjustment	3,141.52	3,141.52
Deferred tax assets on GAAP differences during the year	(380.25)	(472.69)
MAT credit entitlement	1,483.44	1,085.44
Business loss	260.93	79.36
Provision for Contract Loss	33.45	16.45
Provision for Doubtful Debts & Advances	1,294.94	545.58
	6,409.75	5,660.15
Deferred Tax Liabilities		
Depreciation	(2,749.24)	(2,059.79)
Total	3,660.51	3,600.36

Deferred Tax Assets/Liability is recognised as per Ind AS 12 "Accounting for Taxes on Income" issued by the (Accounting Standard), Rules, 2006. The Deferred Tax Assets & Liabilities comprises of Tax effect of above timing differences.

Note 1.08 Other Non-Current Asset

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
(a) Capital Advances	126.11	147.99
(b) Prepaid Expenses	114.96	99.93
(c) Claims and other receivables (Statutory Dues)	1,024.06	779.05
Total	1,265.13	1,026.97

Note 1.09 Inventories

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
(a) Raw Material and Components	8,970.13	8,486.45
(b) Work in Progress	14,658.22	11,538.30
(c) Finished Goods	2,297.64	31.41
(d) Stores and Spares	1,358.72	979.13
(e) Goods in Transit (Raw Material and Components)	1,122.58	1,660.60
Total	28,407.29	22,695.89

Notes on Financial Statement

Note 1.10 Current Investments

Particulars	₹ in Lakhs	
	As at 31.03.2018	As at 31.03.2017
Fully paid-up		
(a) Investments in Equity Instruments (Quoted)		
Tata Teleservices (Maharashtra) Ltd. 22,666 (2017: 22,666) Units of ₹ 10 each	1.26	1.62
EIH Ltd. 10,000 (2017: 10,000) Shares of ₹ 2 each	15.91	12.05
SREI Infrastructure Finance Ltd. 1,800 (2017: 1,800) Shares of ₹ 10 each	1.32	1.49
Century Textiles & Industries Ltd. 500 (2017: 500) Shares of ₹ 10 each	5.71	5.27
NHPC Ltd. 1,01,471 (2017: 1,01,471) Shares of ₹ 10 each	28.11	32.67
Sub-total-(a)	52.31	53.10
(b) Investments in Bonds (Unquoted)		
In NABARD Nil. (2017: 8,750) Units of ₹ 8500 each (FV ₹ 20,000)	-	1,526.87
In 6.70% IRFC (Tax Free) 540 (2017: 540) Units of ₹ 1,00,000 each	540.00	540.00
In 8.10% IRFC (Tax Free) 21,751 (2017: 21,751) Units of ₹ 1,000 each	254.49	253.40
In 8.30% GOI 5,00,000 (2017: 5,00,000) Units of ₹ 100 each	500.00	500.00
In 8.30% NHAI (Tax Free) 49,448 (2017: 49,448) Units of ₹ 1,000 each	582.83	589.42
In 8.20% HUDCO (Tax Free) 50,000 (2017: 50,000) Units of ₹ 1,000 each	571.00	572.50
Sub-total-(b)	2,448.32	3,982.19
(c) Investments in Mutual Funds (Unquoted)		
Axis Treasury Advantage Fund Growth 645 (2017: 645) Units of ₹ 1000 each	12.48	11.71
Birla Sun Life Income Plus Growth Regular Plan Nil (2017: 21,15,639) Units of ₹ 10 each	-	1,550.50
Birla Sun Life Treasury Optimiser Fund Growth Nil (2017: 2,88,403) Units of ₹ 100 each	-	600.42
Birla Sun Life Short Term Opportunities Fund Growth Nil (2017: 21,90,494) Units of ₹ 10 each	-	594.36
Birla Sun Life Dynamic Bond Fund Retail Growth -Regular plan Nil (2017: 42,04,472) Units of ₹ 10 each	-	1,220.72
Franklin India Short Term Income Fund Growth 17,424 (2017: 17,424) Units of ₹ 1000 each	639.49	589.98
Franklin India Corporate Bond Opportunities Growth Nil (2017: 35,54,721) Units of ₹ 10 each	-	593.79
HDFC FMP 369 Days March 2017 (3) Series 29 Regular Growth Nil (2017: 79,00,000) Units of ₹ 10 each	-	1,013.09
HDFC Short Term Plan Growth 38,03,887 (2017: 38,03,887) Units of ₹ 10 each	1,309.83	1,232.83
HDFC Corporate Debt Opportunity Fund -Growth Nil (2017: 44,54,978) Units of ₹ 10 each	-	604.01
HDFC Gilt Fund LTP -Growth Nil (2017: 17,63,333) Units of ₹ 10 each	-	594.93

Notes on Financial Statement

Note 1.10 Current Investments (contd.)

Particulars	₹ in Lakhs	
	As at 31.03.2018	As at 31.03.2017
IDFC Super Saver Income Fund Institutional Plan Growth Regular Plan Nil (2017: 2,74,659) Units of ₹ 10 each	-	111.07
IDFC SSIF Medium Term Plan Growth Nil (2017: 21,27,651) Units of ₹ 10 each	-	589.94
ICICI Prudential Short Term Plan Growth 394,700(2017: 25,22,761) Units of ₹ 10 each	142.86	860.82
ICICI Prudential Regular Saving Fund Growth 81,96,176 (2017: 1,40,45,832) Units of ₹ 10 each	1,521.58	2,439.69
ICICI Prudential Saving Fund -Regular Plan -Growth Nil (2017: 6,50,785) Units of ₹ 100 each	-	1,591.46
Kotak Income Opportunity Fund- Growth Nil (2017: 6,30,282) Units of ₹ 10 each	-	113.10
Kotak Medium Term Fund Growth Nil (2017: 91,64,818) Units of ₹ 10 each	-	1,240.71
Reliance Short Term Fund -Growth 19,10,833 (2017: 19,10,833) Units of ₹ 10 each	623.94	588.86
Reliance Income Fund- Growth Plan - Bonus Option Nil (2017: 87,28,086) Units of ₹ 10 each	-	1,335.06
Reliance Corporate Bond fund 3,13,69,461 (2017: 1,80,66,505) Units of ₹ 10 each	4,393.54	2,378.60
Reliance Dynamic Bond Fund Direct Growth Plan Nil (2017: 37,49,367) Units of ₹ 10 each	-	862.29
Reliance Dynamic Bond Fund Growth Plan -Growth Option 56,93,711 (2017: 59,87,327) Units of ₹ 10 each	1,377.60	1,338.78
Reliance Regular Saving Fund Debt Plan- Growth Plan Growth Option 1,90,10,042 (2017: 1,90,10,042) Units of ₹ 10 each	4,599.53	4,307.05
SBI Magnum Income Fund Regular Plan - Growth 31,38,399 (2017: 38,52,150) Units of ₹ 10 each	1,331.77	1,555.06
SBI Magnum Gilt Fund -LTP Growth Nil (2017: 16,55,673) Units of ₹ 10 each	-	610.90
SBI Ultra Short Term Debt Fund Regular Plan Growth Nil (2017: 10,326) Units of ₹ 1000 each	-	216.90
SBI Premier Liquid Fund-Regular Plan-Growth Nil (2017: 15,717) Units of ₹ 1000 each	-	400.11
UTI Short Term Income Fund Growth Nil (2017: 29,79,383) Units of ₹ 10 each	-	594.04
Sub-total-(c)	15,952.62	29,740.78
Total	18,453.25	33,776.07
(i) Aggregate amount of quoted investments	70.13	70.13
(ii) Market value of quoted investments	52.31	53.10
(iii) Aggregate amount of unquoted investment	18,383.12	33,705.94

Notes on Financial Statement

Note 1.11 Trade Receivables

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
(a) Outstanding for a period exceeding six months from due date of payment		
Unsecured, considered good	22,626.28	16,495.41
Unsecured, considered doubtful	9,218.94	9,766.50
	31,845.22	26,261.91
(b) Other receivables		
Unsecured, considered good	35,488.18	27,241.96
	67,333.40	53,503.87
Allowance for bad and doubtful debts	(9,218.94)	(9,766.50)
Total	58,114.46	43,737.37

- (i) Other includes ₹ 13,196.74 Lakhs as retention money (2017: ₹ 13,146.55 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 provides allowance in trade receivables 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 1.12 Cash and Cash Equivalents

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
(a) Balances with banks		
- In current accounts	1,584.51	943.97
(b) Cheques/ Pay order in hand	-	1.90
(c) Cash on hand	22.30	21.06
Total	1,606.81	966.93

Note 1.13 Bank Balances Other than above

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
(a) Unpaid Dividend Account	26.58	24.08
(b) Term Deposit of upto Twelve Months Maturity	11.88	14.97
(c) Margin Money	1,792.07	3,219.64
Total	1,830.53	3,258.69

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

Note 1.14 Loans (Current)

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
(a) Security Deposits to others	53.33	29.11
(b) Loans to Related Parties		
Loan to Subsidiaries	3,902.00	3,890.00
(c) Other Loans		
Loan to Body Corporates	275.00	275.00
Interest accrued on Loans	482.96	647.59
Advance to Employee	76.56	92.64
	4,789.85	4,934.34
Less: Allowance for loan to Body Corporates	(275.00)	(275.00)
Total	4,514.85	4,659.34

Note 1.15 Current Tax Assets (Net)

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
Advance Payment of Income Tax (net of provision)	568.72	235.52
Total	568.72	235.52

Notes on Financial Statement

Note 1.16 Other Current Assets

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
(a) Advances to Related Parties		
- Advance to Subsidiaries	-	11.66
(b) Advance to Parties	4,063.66	3,185.58
(c) Other Advances	3,520.46	1,427.63
(d) Prepaid Expenses	529.86	457.86
(e) Balances with Government Dept	13,346.23	7,036.49
(f) Unbilled Debtors	22,582.18	14,327.59
Total	44,042.39	26,446.81

Note 1.17 Equity Share capital

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
Authorised Share Capital		
95,00,00,000 Equity shares at par value of ₹ 1/- each	9,500.00	9,500.00
(As at 31st March 2017: 95,00,00,000 equity share of ₹ 1/- each)	9,500.00	9,500.00
Issued, Subscribed and paid up capital		
21,98,28,443 Equity Share of ₹ 1/- each	2,198.28	2,194.15
(As at 31st March 2017: 21,94,14,993 equity share of ₹ 1/- each)	2,198.28	2,194.15

- (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 share.
- (ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (iii) Issued, Subscribed and Paid Up Capital includes 12,71,83,090 equity shares allotted on the basis of 1 equity shares in TexRail for ₹ 1/- each credited as fully paid-up for every 1 equity shares held by each member of Texmaco Infrastructure & Holdings Limited on record date without payment being received in cash.
- (iv) During the Year the Company has allotted 4,13,450 Equity Shares to its employees under Employee Stock Option Scheme.
- (v) Reconciliation of number of Issued,Subscribed and Paid-up Capital.

Particulars	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	Amount	No. of Shares	Amount
Number of Shares at the beginning of the year	21,94,14,993	2,194.15	21,02,83,723	2,102.84
Add: Allotment as per the scheme of merger	-	-	89,12,395	89.12
Add: Allotment under ESOP	4,13,450	4.13	2,18,875	2.19
Number of Shares at the end of the year	21,98,28,443	2,198.28	21,94,14,993	2,194.15

- (vi) After the reporting date, dividend of 0.25 paisa (2017: 0.25 Paisa) per equity share were proposed by the Board of Directors subject to the approval of the shareholders at the Annual General Meeting, the dividend has not been recognised as Liabilities. Dividends would attract Dividend Distribution Tax when declared or paid.

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

Name of Shareholders	As at 31.03.2018		As at 31.03.2017	
	% Holding	No. of Eq.	% Holding	No. of Eq.
Texmaco Infrastructure & Holdings Ltd.	24.84	5,46,00,000	24.88	5,46,00,000
Zuari Investments Ltd.	13.18	2,89,63,900	13.20	2,89,63,900

Notes on Financial Statement

Note 1.18 Other Equity

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
(i) Share Option Outstanding Reserve		
Balance as per last Account	1,194.66	804.33
Add: On issue of ESOP	168.78	390.33
	1,363.44	1,194.66
(ii) Capital Reserve		
Balance as per last Account	11,124.44	11,228.87
Less: Cancellation of Eq. Shares of Kalindee held as investments	-	(104.43)
	11,124.44	11,124.44
(iii) Securities Premium		
Balance as per last Account	29,368.02	29,280.47
Add: On issue of ESOP	165.38	87.55
	29,533.40	29,368.02
(iv) General reserve		
Balance as at the beginning of the year	46,606.76	46,106.76
Add: Transferred from Statement of Profit and Loss	100.00	500.00
	46,706.76	46,606.76
(v) Reserves representing unrealised gains/losses		
(a) Equity Instruments through Other Comprehensive Income		
Balance as at the beginning of the year	526.15	(25.48)
Addition during the year	1,258.37	551.63
	1,784.52	526.15
(b) Remeasurements of the net defined benefit Plans		
Balance as at the beginning of the year	(97.44)	(81.30)
Addition during the year	(19.84)	(16.14)
	(117.28)	(97.44)
(vi) Exchange differences on translating the financial statements of a foreign operation		
Balance as at the beginning of the year	106.08	115.42
Addition during the year	(52.57)	(9.34)
	53.51	106.08
(vii) Retained Earnings		
Surplus at the beginning of the year	13,500.71	11,276.14
Add : Profit for the year	1,007.71	3,357.30
Less : Transferred to General Reserve	(100.00)	(500.00)
Less: Dividend on Equity Shares	(549.01)	(525.71)
Less: Tax on dividend	(111.76)	(107.02)
	13,747.65	13,500.71
Total	104,196.44	102,329.38

- (i) **General Reserves:** The General Reserves is used from time to time to transfer profit from 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 included in the general reserve will not be reclassified subsequently to profit & loss.
- (ii) **Reserve for equity instrument through other comprehensive income (OCI):** This reserve represents the cumulative gain and 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 of.
- (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 is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision 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 offsetting earnings.

Notes on Financial Statement

Note 1.19 Borrowings (Non - Current)

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
a) Secured (From Banks)		
i) Term Loan/Foreign Currency Term Loan (TL / FCTL)	3,206.55	223.37
b) Unsecured		
i) Car Loan	-	9.49
ii) From other parties	4.79	-
Total	3,211.34	232.86

Term Loan from Bank is secure against the Property, Plant and Equipments created from such Loan, remaining Term Loan from bank is repayable in 53 monthly installments.

Note 1.20 Provisions (Non - Current)

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
a) Provision for employee benefits (Leave)	194.39	171.24
b) Provision for employee benefits (Gratuity)	133.84	157.57
c) Others		
i) For Contingency	1.00	1.00
ii) For Warranty and others	187.99	187.99
Total	517.22	517.80

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

Note 1.21 Borrowings (Current)

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
(a) Secured (From Banks)		
- Cash Credit	33,652.74	27,142.70
(b) Unsecured (From Banks)	3,000.00	3,000.00
(c) From Other Parties		
(i) Loans from Related Parties	700.00	700.00
(ii) Inter-Corporate Deposits	-	800.00
Total	37,352.74	31,642.70

- (i) Cash Credit facilities are secured by hypothecation of 1st charge on stocks, book debts and other current assets and 1st charge on Property, Plant and Equipments.
- (ii) Post Demerger of Heavy Engineering and Steel Foundry businesses of Texmaco Infrastructure & Holdings Ltd. (TexInfra), the 1st charge created on immovable property and Corporate Guarantee of TexInfra continues.

Note 1.22 Trade Payables

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
Dues to Micro and Small Enterprises	66.22	345.19
Others	27,447.31	24,104.64
Total	27,513.53	24,449.83

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

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:	31.03.2018	31.03.2017
(a) Principal amount due	66.22	345.19
Unpaid matured deposits and interest accrued thereon	-	-
(b) Interest paid during the period beyond the appointed day	-	-

Notes on Financial Statement

(c) Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act.	-	-
(d) Amount of interest accrued and remaining unpaid at the end of the period.	-	-
(e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act.	-	-

There are no material dues owed by the Company to MSME vendors which are outstanding for more than 45 days during the year 31st March, 2018. This information regarding Micro, Small and Medium Enterprises has been determined on the basis of information available with the Company. This has been relied up to by the Auditors.

Note 1.23 Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
(a) Current Maturities of Long-Term Debt		
Term Loan/Foreign Currency Term Loan (TL/FCTL)	574.41	524.18
Car Loan	9.50	10.46
(b) Interest Accrued		
Interest accrued but not due on borrowings	35.03	164.94
(c) Unclaimed/Unpaid dividends	26.58	24.08
(d) Others		
- Liabilities for Expenses	874.73	2,271.01
- Amount Due to Employee	517.15	560.56
- Others Misc. Payable	68.68	40.52
- Misc. Security Deposit	-	580.13
- Creditors for Capital Advance	1,272.24	63.92
Total	3,378.32	4,239.80

(i) Term Loan from Bank is secured against the property, Plant and Equipments created from such loan. The balance term loan is repayable in 12 monthly installments. Car loan is secured against hypothecation of car.

(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, 2018.

Note 1.24 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
(a) Revenue received in advance	302.39	-
(b) Advances from Customers	24,310.66	14,259.51
(c) Others		
- TDS and other taxes payable	1,217.25	883.98
- PF, ESI amount payable	115.89	91.19
- Security Deposits	1,191.32	574.54
Total	27,137.51	15,809.22

Note 1.25 Provisions (Current)

(₹ in Lakhs)

Particulars	As at 31.03.2018	As at 31.03.2017
(a) Provision for employee benefits (For Gratuity)	17.16	-
(b) Provision for employee benefits (For leave)	71.79	75.98
(c) Provision for Contract Loss Provision	96.65	47.53
(d) Provision for Expenses	808.99	762.95
Total	994.59	886.46

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

Notes on Financial Statement

Note 1.26 Revenue From operations

(₹ in Lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
(a) Sale of products	42,527.42	83,209.72
(b) Sale of services	53,747.77	45,605.99
Gross Sales	96,275.19	1,28,815.71
Less: Inter Segment Revenue	(4,147.39)	(10,308.70)
Net Sales	92,127.80	1,18,507.01
(c) Other operating revenues	962.21	270.77
Total	93,090.01	1,18,777.78

Note 1.27 Other Income

(₹ in Lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
(a) Interest Income		
From Bank	178.28	3.66
From Others	1,118.42	1,292.89
(b) Dividend Income		
Income from Non-Current Investments	25.06	26.05
(c) Other non-operating income		
Net gain on Sale of Current Investments	83.71	224.57
Net gain on Sale of Non-Current Investments	64.11	1,581.51
Compensation Against Old Refugee Settlement Area	1,900.00	-
Miscellaneous Receipts and Income	200.57	136.30
Sundry Credit Balance Adjusted	94.22	21.29
Profit/ (Loss) on sale of Fixed Assets (Net)	2.41	(26.35)
Rent Received	23.78	123.33
Provision & Excess Liabilities Written Back	2.99	1.15
Gain on fair valuation of Bonds/Mutual	1,466.36	1,346.21
Total	5,159.91	4,730.61

Note 1.28 Cost of Materials Consumed

(₹ in Lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Opening Stock of Raw Materials	3,324.50	4,608.80
Add: Raw materials Purchased and Departmental Transfers etc.	11,273.38	9,762.71
	14,597.88	14,371.51
Less: Closing Stock of Raw Materials	4,670.97	3,324.50
	9,926.91	11,047.01
Consumption of Components (Including Job Processing and Contract Labour Charges ₹ 3,406.18 Lakhs, Previous Year ₹ 4,493.38 Lakhs)	65,032.09	77,025.02
Less: Inter Segment Revenue	(4,147.39)	(10,308.70)
Total	70,811.61	77,763.33

Notes on Financial Statement

Note 1.29 Changes In Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress (₹ in Lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
(a) Opening Stock		
- Finished Goods	31.41	6,347.43
- Work-in-Progress	11,538.30	12,273.91
	11,569.71	18,621.34
(b) Less : Closing Stock		
- Finished Goods	2,297.64	31.41
- Work-in-Progress	14,658.22	11,538.30
	16,955.86	11,569.71
(Increase) / Decrease in Stock	(5,386.15)	7,051.63

Note 1.30 Employee Benefits Expenses (₹ in Lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
(a) Salaries ,Wages and Bonus	6,452.85	6,564.16
(b) Contribution to provident and other funds		
(i) Provident Fund and Pension Fund	515.05	506.02
(ii) Superannuation Fund	50.86	49.55
(c) Share based payments to employees	168.78	390.30
(d) Staff Welfare Expenses	450.31	457.51
(e) VRS Expenses	25.48	35.24
Total	7,663.33	8,002.78

Note 1.31 Finance Costs (₹ in Lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
(a) Interest		
(i) Banks	3,782.62	3,517.07
(ii) Others	-	1.00
(b) Other Borrowing Costs	976.43	1,233.46
Total	4,759.05	4,751.53

Note 1.32 Depreciation and Amortization Expense (₹ in Lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
(a) Depreciation on Tangible Assets	1,808.90	1,549.70
(b) Depreciation on Intangible Assets	60.75	66.20
Total	1,869.65	1,615.90

Notes on Financial Statement

Note 1.33 Other Expenses (₹ in Lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Consumption of stores and spares part	5,904.78	5,542.16
Power and Fuel	4,433.29	4,324.51
Rent	548.89	277.68
Repairs to buildings	492.16	368.09
Repairs to machinery	351.75	506.71
Repairs to others	66.82	103.39
Insurance	215.20	102.85
Rates and Taxes excluding taxes on Income	89.06	118.03
Freight,Packing and Transport (Net)	845.93	386.30
Erection Expenses	828.66	2,218.52
Drawings and Designs	8.61	4.36
Royalty & Knowhow	256.77	13.39
Research & Development	85.19	58.89
Selling Agents Commission	28.58	29.39
Selling Expenses	224.36	267.38
Director's Sitting Fees	20.70	24.43
Director's Commission	14.00	13.51
Payments to the Auditor		
As Auditor	17.78	13.32
For Tax Audit	4.11	5.01
For Quarterly Review	2.67	2.91
For Fees for Other Services (incl for issuing various certificates)	4.09	10.45
To Cost Auditor	1.40	1.40
For Reimbursement of out of poket expenses	2.55	3.54
Donation	0.89	1.96
CSR Expenses	23.04	23.62
Miscellaneous Expenses	2,202.86	2,227.65
Sundry Debit Balance Adjusted	7.91	25.38
Interest no longer receivable written off	-	71.81
Bad Debt written off	20.24	-
Property, Plant and Equipment Written off	-	0.14
Net (gain)/loss on foreign currency transaction	(21.93)	12.16
Total	16,680.36	16,758.94

Note on CSR Expense:

- (i) Gross amount required to be spent by the Company during the year: ₹ 29.04 Lakhs
(ii) **Amount spent in cash during the year on:**

Particulars	In Cash	Total
(i) Construction/acquisition of any asset	10.01	10.01
(ii) On purposes other than (i) above	23.04	23.04
Total	33.05	33.05

Note 1.34 Other Comprehensive Income (₹ in Lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
(A) Items that will not be reclassified to profit or loss		
(i) Remeasurements of the defined benefit plans	(19.84)	(16.14)
(ii) Equity Instruments through Other Comprehensive Income;	1,258.37	551.63
	1,238.53	535.49
(B) Items that will be reclassified to profit or loss		
(i) Exchange differences in translating the financial statements of a foreign operation	(52.57)	(9.34)
Total	1,185.96	526.15

Notes on Financial Statement

Note 1.35 Commitments and Contingent Liabilities

Particulars	Year Ended	
	31.03.2018	31.03.2017
	(₹ in Lakhs)	
(A) Commitments		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advance)	1,477.00	1,193.00
(B) Contingent Liabilities (not provided for) in respect of :		
(a) Guarantees given by Banks in the normal course of Business.	90,261.64	71,036.40
(b) Letters of Credit opened by Banks in the normal course of Business.	12,481.40	10,097.38
(c) Bonds issued to Custom Department	92.20	92.20
(d) Claims under dispute (Excise, Service Tax, Income Tax and others)	8,484.39	8,649.63
(e) Claims not acknowledged as debts (Amount unascertainable)	-	-
(f) Income Tax assessment under appeal (Amount unascertainable)	-	-

Note 1.36 Movement of Provisions during the year as required under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Particulars	Year Ended				
	Opening Provision As at 1.4.2017	Utilized during the year	Reversed during the year	Provision during the year	Closing provision As at 31.03.2018
(a) Site warranty period maintenance	183.99	--	--	--	183.99
(b) Others	763.98	5.11	--	54.12	812.99
Total	947.97	5.11	--	54.12	996.98
Previous Year	754.62	28.94	---	222.29	947.97

In accordance with the requirement of IndAS 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 ₹ 54.12 lakhs (Previous Year ₹ 222.29 lakhs).

Site warranty period maintenance: - The Company gives warranties and maintenance on certain products and services, undertaking to repair, replace and maintain the items for satisfactory working during the warranty period. Provision as at March 31,2018 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 recognised 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.

Note 1.37 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 1.38 Balance of debtors and loans and advances are subject to confirmation from respective parties.

Notes on Financial Statement

Note 1.39 Related party disclosure

(a) Name of the Related Parties and Relationship

Relationship	Name of the Parties		
	2017-18	2016-17	
A. Key Management Personnel	Mr. S. K. Poddar, Executive Chairman	Mr. S. K. Poddar, Executive Chairman	
	---	Mr. Ramesh Maheshwari, Executive Vice Chairman (Retired w.e.f: 25th Sep,2016)	
	Mr. D. H. Kela, Executive Director& CEO (SF)	Mr. D. H. Kela, Executive Director& CEO (SF)	
	Mr. Sandeep Fuller, Executive Director& CEO (HED)	Mr. Sandeep Fuller, Executive Director& CEO (HED)	
	Mr. A.K. Vijay, Executive Director (Finance) & CFO	Mr. A.K. Vijay, Executive Director (Finance) & CFO	
	Mr. G.C.Agrawal, CEO (HED) w.e.f: 5th Mar, 2018	-	
B. Relative of Key Management Personnel	Mr. Ravi Varma, (Company Secretary)	Mr. Ravi Varma, (Company Secretary)	
	Ms. Jyotsna Poddar, (Wife of Mr. S.K.Poddar)	Ms. Jyotsna Poddar, (Wife of Mr. S.K.Poddar)	
	Mr. Akshay Poddar, (Son of Mr. S.K.Poddar)	Mr. Akshay Poddar, (Son 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. Subsidiary Company	Texmaco Hi Tech Pvt. Ltd. (100% of capital held by Company)	Texmaco Hi Tech Pvt. Ltd. (100% of capital held by Company)	
	Bright Power Projects (India) Pvt. Ltd. (55.00% of Capital held by Company)	Bright Power Projects (India) Pvt. Ltd. (55.00% of Capital held by Company)	
	Belur Engineering Pvt. Ltd. (100% of capital held by Company)	Belur Engineering Pvt. Ltd. (100% of capital held by Company)	
	Texmaco Defence Systems Pvt. Ltd. (51% of capital held by Company)	-	
	Texmaco Transtrak Pvt. Ltd. (51.01% of capital held by Company)	-	
	TexRail SA (PTY) Ltd. (100% of capital held by Company)	-	
	Touax Texmaco Railcar Leasing Pvt. Ltd. (50.00% of Capital held by Company)	TouaxTexmaco Railcar Leasing Pvt. Ltd. (50.00% of Capital held by Company)	
	Wabtec Texmaco Rail Pvt. Ltd. (40.00% of Capital held by Company)	Wabtec Texmaco Rail Pvt. Ltd. (40.00% of Capital held by Company)	
D. Joint Ventures	Kalindee Cobra JV	Kalindee Cobra JV	
	Kalindee Kapoor Railcon JV	Kalindee Kapoor Railcon JV	
	KalindeeKarthik JV	KalindeeKarthik JV	
	Kalindee VNC JV	Kalindee VNC JV	
	Kalindee IF&LS JV	Kalindee IF&LS JV	
	GMR TPL KRNL JV	GMR TPL KRNL JV	
	KalindeeRahee JV	KalindeeRahee JV	
	Kalindee URC JV	Kalindee URC JV	
	Bright - Kalindee JV	Bright - Kalindee JV	
	Tata Projects - Kalindee JV	Tata Projects - Kalindee JV	
	E. Other Related Parties where transaction exists	Zuari Investments Ltd.	Zuari Investments Ltd.
		Duke Commerce Ltd.	Duke Commerce Ltd.
		Adventz Securities Enterprises Ltd.	Adventz Securities Enterprises Ltd.
		Zuari Global Ltd.	Zuari Global Ltd.
		New Eros Tradecom Ltd.	New Eros Tradecom Ltd.
Master Exchange & Finance Ltd.		Master Exchange & Finance Ltd.	
Adventz Investments Co. Pvt. Ltd.		Adventz Investments Co. Pvt. Ltd.	
Adventz Securities Trading Pvt. Ltd.		Adventz Securities Trading Pvt. Ltd.	
Adventz Finance Pvt. Ltd.		Adventz Finance Pvt. Ltd.	
Eureka Traders Pvt. Ltd.		Eureka Traders Pvt. Ltd.	
Abhishek Holdings Pvt. Ltd.		Abhishek Holdings Pvt. Ltd.	
Greenland Trading Pvt. Ltd.		Greenland Trading Pvt. Ltd.	
Indrakshi Trading Company Pvt. Ltd.		Indrakshi Trading Company Pvt. Ltd.	
Zuari Management Services Ltd.		Zuari Management Services Ltd.	
High Quality Steels Ltd.		High Quality Steels Ltd.	
Lionel India Ltd.	Lionel India Ltd.		
Texmaco Infrastructure & Holdings Ltd.	Texmaco Infrastructure & Holdings Ltd.		
Indian Furniture Pvt. Ltd.	Indian Furniture Pvt. Ltd.		
Macfarlane & Co. Ltd.	Macfarlane & Co. Ltd.		
Mangalore Chemicals & Fertilizers Ltd.	Mangalore Chemicals & Fertilizers Ltd.		
Paradeep Phosphate Ltd.	Paradeep Phosphate Ltd.		

Notes on Financial Statement

(b) Related Party Transactions

(₹ in Lakhs)							
Transactions	Other Related Party	Subsidiary	Associate	Joint venture	Key Magt Personnel	Grand Total	Balance outstanding As at 31/03/2018
Remuneration Paid							
- Mr. S. K. Poddar	--	--	--	--	362.22	362.22	--
	(--)	(--)	(--)	(--)	(366.19)	(366.19)	(--)
- Mr. Ramesh Maheshwari* (Retired w.e.f: 25th Sep,2016)	--	--	--	--	--	--	--
	(--)	(--)	(--)	(--)	(136.82)	(136.82)	(--)
- Mr. D. H. Kela*	--	--	--	--	123.13	123.13	--
	(--)	(--)	(--)	(--)	(104.17)	(104.17)	(--)
- Mr. Sandeep Fuller*	--	--	--	--	111.83	111.83	--
	(--)	(--)	(--)	(--)	(91.68)	(91.68)	(--)
- Mr. A.K. Vijay*	--	--	--	--	69.98	69.98	--
	(--)	(--)	(--)	(--)	(55.19)	(55.19)	(--)
- Mr. G. C. Agrawal (w.e.f: 5th Mar,2018)	--	--	--	--	3.66	3.66	--
	(--)	(--)	(--)	(--)	(--)	(--)	(--)
- Mr. Ravi Varma	--	--	--	--	13.48	13.48	--
	(--)	(--)	(--)	(--)	(12.20)	(12.20)	(--)

*Previous Year figures includes perquisites on equity share allotted in pursuant to Employee Stock Option Scheme

Transactions with Relative of Key Management Personnel

- Mr. AkshayPoddar (Sitting Fees & Commission)	4.20	--	--	--	--	4.20	--
	(3.60)	(--)	(--)	(--)	(--)	(3.60)	(--)

Investment

- TouaxTexmaco Railcar Leasing Pvt. Ltd.	--	--	--	350.00	--	350.00	3714.99
	(--)	(--)	(--)	(--)	(--)	(--)	(3364.99)
- Texmaco Infrastructure & Holdings Ltd.	--	--	--	--	--	--	732.63
	(--)	(--)	(--)	(--)	(--)	(--)	(732.63)
- Texmaco Hi Tech Pvt. Ltd.	--	--	--	--	--	--	7101.25
	(--)	(--)	(--)	(--)	(--)	(--)	(7101.25)
- Wabtec Texmaco Rail Pvt. Ltd.	--	--	--	--	--	--	88.16
	(--)	(--)	(--)	(--)	(--)	(--)	(88.16)
- Belur Engineering Pvt. Ltd.	--	--	--	--	--	--	10.00
	(--)	(10.00)	(--)	(--)	(--)	(10.00)	(10.00)
- Bright Power Projects (India) Pvt. Ltd.	--	--	--	--	--	--	4053.58
	(--)	(--)	(--)	(--)	(--)	(--)	(4053.58)
- TexmacoTranstrak Pvt. Ltd.	--	0.51	--	--	--	0.51	0.51
	(--)	(--)	(--)	(--)	(--)	(--)	(--)

Inter Corporate Deposit

- Bright Power Projects (India) Pvt. Ltd.	--	--	--	--	--	--	900.00
	(--)	(400.00)	(--)	(--)	(--)	(400.00)	(900.00)
- Belur Engineering Pvt. Ltd.	--	--	--	--	--	--	2990.00
	(--)	(2990.00)	(--)	(--)	(--)	(2990.00)	(2990.00)
- TexmacoTranstrak Pvt. Ltd.	--	12.00	--	--	--	12.00	12.00
	(--)	(--)	(--)	(--)	(--)	(--)	(--)

Loans & Advances Given

- Bright Power Projects (India) Pvt. Ltd.	--	--	--	--	--	--	--
	(--)	(9.26)	(--)	(--)	(--)	(9.26)	(8.36)
- Wabtec Texmaco Rail Pvt. Ltd.	--	--	--	--	--	--	--
	(--)	(--)	(--)	(3.30)	(--)	(3.30)	(3.30)

Loans & Advances Received

- Adventz Finance Pvt. Ltd.	--	--	--	--	--	--	500.00
	(--)	(--)	(--)	(--)	(--)	(--)	(500.00)
- Bright Power Projects (India) Pvt. Ltd.	--	51.83	--	--	--	51.83	--
	(--)	(28.36)	(--)	(--)	(--)	(28.36)	(--)
- Bright - Kalindee JV	--	--	--	--	--	--	--
	(--)	(--)	(--)	(0.25)	(--)	(0.25)	(0.25)
- Adventz Securities Enterprises Ltd.	--	--	--	--	--	--	200.00
	(--)	(--)	(--)	(--)	(--)	(--)	(200.00)

(figures in bracket are for Previous Financial Year)

Notes on Financial Statement

(b) Related Party Transactions (contd.)

(₹ in Lakhs)							
Transactions	Other Related Party	Subsidiary	Associate	Joint venture	Key Magt Personnel	Grand Total	Balance outstanding As at 31/03/2018
Loans & Advances Repayment							
- Adventz Finance Pvt. Ltd.	--	--	--	--	--	--	--
	(500.00)	(--)	(--)	(--)	(--)	(500.00)	(--)
- Adventz Securities Enterprises Ltd.	--	--	--	--	--	--	--
	(500.00)	(--)	(--)	(--)	(--)	(500.00)	(--)
Dividend Paid							
- Mr. SarojPoddar	--	--	--	--	8.62	8.62	--
	(--)	(--)	(--)	(--)	(6.24)	(6.24)	(--)
- Ms Jyotsna Poddar	0.18	--	--	--	--	0.18	--
	(0.55)	(--)	(--)	(--)	(--)	(0.55)	(--)
- Ms. Puja Poddar	0.07	--	--	--	--	0.07	--
	(2.07)	(--)	(--)	(--)	(--)	(2.07)	(--)
- Mr. AkshayPoddar	0.04	--	--	--	--	0.04	--
	(0.04)	(--)	(--)	(--)	(--)	(0.04)	(--)
- MsShradha Agarwal	0.03	--	--	--	--	0.03	--
	(0.03)	(--)	(--)	(--)	(--)	(0.03)	(--)
- Abhishek Holdings Pvt. Ltd.	--	--	--	--	--	--	--
	(--)	(--)	(--)	(--)	(--)	(--)	(--)
- Adventz Securities Enterprises Ltd.	9.52	--	--	--	--	9.52	--
	(9.52)	(--)	(--)	(--)	(--)	(9.52)	(--)
- Adventz Finance Pvt. Ltd.	20.94	--	--	--	--	20.94	--
	(20.94)	(--)	(--)	(--)	(--)	(20.94)	(--)
- Adventz Investments Co. Pvt. Ltd.	7.59	--	--	--	--	7.59	--
	(7.59)	(--)	(--)	(--)	(--)	(7.59)	(--)
- Duke Commerce Ltd.	18.79	--	--	--	--	18.79	--
	(18.79)	(--)	(--)	(--)	(--)	(18.79)	(--)
- Eureka Traders Pvt. Ltd.	--	--	--	--	--	--	--
	(--)	(--)	(--)	(--)	(--)	(--)	(--)
- Greenland Trading Pvt. Ltd.	0.09	--	--	--	--	0.09	--
	(0.09)	(--)	(--)	(--)	(--)	(0.09)	(--)
- Master Exchange & Finance Ltd.	0.04	--	--	--	--	0.04	--
	(0.04)	(--)	(--)	(--)	(--)	(0.04)	(--)
- New Eros Tradecom Ltd.	1.85	--	--	--	--	1.85	--
	(1.85)	(--)	(--)	(--)	(--)	(1.85)	(--)
- Indrakshi Trading Company Pvt. Ltd.	0.08	--	--	--	--	0.08	--
	(0.08)	(--)	(--)	(--)	(--)	(0.08)	(--)
- Texmaco Infrastructure & Holdings Ltd.	136.50	--	--	--	--	136.50	--
	(136.50)	(--)	(--)	(--)	(--)	(136.50)	(--)
- Zuari Investments Ltd.	72.41	--	--	--	--	72.41	--
	(72.41)	(--)	(--)	(--)	(--)	(72.41)	(--)
- Zuari Global Ltd.	10.09	--	--	--	--	10.09	--
	(10.09)	(--)	(--)	(--)	(--)	(10.09)	(--)
- Mr. Ramesh Maheshwari	--	--	--	--	--	--	--
	(--)	(--)	(--)	(--)	(0.06)	(0.06)	(--)
- Mr. D. H. Kela	--	--	--	--	0.03	0.03	--
	(--)	(--)	(--)	(--)	(0.03)	(0.03)	(--)
- Mr. Sandeep Fuller	--	--	--	--	0.03	0.03	--
	(--)	(--)	(--)	(--)	(0.03)	(0.03)	(--)
- Mr. A.K. Vijay	--	--	--	--	0.04	0.04	--
	(--)	(--)	(--)	(--)	(0.04)	(0.04)	(--)

(figures in bracket are for Previous Financial Year)

Notes on Financial Statement

(b) Related Party Transactions (contd.)

(₹ in Lakhs)							
Transactions	Other Related Party	Subsidiary	Associate	Joint venture	Key Magt Personnel	Grand Total	Balance outstanding As at 31/03/2018
Dividend Received							
- Texmaco Infrastructure & Holdings Ltd.	4.70	--	--	--	--	4.70	--
	(4.70)	(--)	(--)	(--)	(--)	(4.70)	(--)
Others							
- Adventz Finance Pvt. Ltd. (Rent Paid)	16.77	--	--	--	--	16.77	--
	(16.20)	(--)	(--)	(--)	(--)	(16.20)	(--)
- Adventz Finance Pvt. Ltd. (Interest Paid)	67.50	--	--	--	--	67.50	14.97
	(1.32)	(--)	(--)	(--)	(--)	(1.32)	(--)
- Adventz Securities Enterprises Ltd. (Interest Paid)	27.00	--	--	--	--	27.00	12.11
	(96.90)	(--)	(--)	(--)	(--)	(96.90)	(--)
- High Quality Steels Ltd. (Services Received)	550.10	--	--	--	--	550.10	61.44
	(647.57)	(--)	(--)	(--)	(--)	(647.57)	(51.27)
- Lionel India Ltd. (Services Received)	283.78	--	--	--	--	283.78	33.78
	(185.82)	(--)	(--)	(--)	(--)	(185.82)	(21.59)
- Indian Furniture Pvt. Ltd. (Purchase of Goods)	--	--	--	--	--	--	2.34
	(29.49)	(--)	(--)	(--)	(--)	(29.49)	(5.23)
-Texmaco Infrastructure & Holdings Ltd. (Rent Received)	0.85	--	--	--	--	0.85	--
	(0.83)	(--)	(--)	(--)	(--)	(0.83)	(--)
-Texmaco Infrastructure & Holdings Ltd. (Rent Paid)	70.38	--	--	--	--	70.38	56.11
	(73.03)	(--)	(--)	(--)	(--)	(73.03)	(28.33)
- Texmaco Hi Tech Pvt. Ltd. (Sale of Goods)	--	19.41	--	--	--	19.41	6.52
	(--)	(99.36)	(--)	(--)	(--)	(99.36)	(168.54)
-Texmaco Hi Tech Pvt. Ltd. (Purchase of Goods)	--	--	--	--	--	--	--
	(--)	(499.16)	(--)	(--)	(--)	(499.16)	(81.45)
-Texmaco Hi Tech Pvt. Ltd. (Services Provided)	--	201.15	--	--	--	201.15	894.63
	(--)	(1.21)	(--)	(--)	(--)	(1.21)	(839.09)
-Wabtec Texmaco Rail Pvt. Ltd. (Sale of Goods)	--	--	--	10.35	--	10.35	10.35
	(--)	(--)	(--)	(260.53)	(--)	(260.53)	(47.01)
-Wabtec Texmaco Rail Pvt. Ltd. (Purchase of Goods)	--	--	--	4.52	--	4.52	6.13
	(--)	(--)	(--)	(776.94)	(--)	(776.94)	(1.61)
-Wabtec Texmaco Rail Pvt. Ltd. (Advance against Purchase)	--	--	--	78.03	--	78.03	78.03
	(--)	(--)	(--)	(--)	(--)	(--)	(--)
-TouaxTexmaco Railcar Leasing Pvt. Ltd. (Sale of Goods)	--	--	--	2068.83	--	2068.83	111.47
	(--)	(--)	(--)	(2155.54)	(--)	(2155.54)	(22.79)
- Zuari Investments Ltd. (Depository Services)	0.58	--	--	--	--	0.58	--
	(106.45)	(--)	(--)	(--)	(--)	(106.45)	(--)
- TouaxTexmaco Railcar Leasing Pvt. Ltd. (Rent Received)	--	--	--	0.05	--	0.05	--
	(--)	(--)	(--)	(0.05)	(--)	(0.05)	(--)
- TouaxTexmaco Railcar Leasing Pvt. Ltd. (Deposit Against Order)	--	--	--	1525.38	--	1525.38	1049.13
	(--)	(--)	(--)	(--)	(--)	(--)	(--)
- Paradeep Phosphate Ltd. (Rent Received)	6.74	--	--	--	--	6.74	--
	(6.77)	(--)	(--)	(--)	(--)	(6.77)	(--)
- TouaxTexmaco Railcar Leasing Pvt. Ltd. (Interest receivable against CCD given)	--	--	--	216.21	--	216.21	278.35
	(--)	(--)	(--)	(252.00)	(--)	(252.00)	(372.82)
- Belur Engineering Pvt. Ltd. (Rent Received)	--	0.05	--	--	--	0.05	--
	(--)	(--)	(--)	(--)	(--)	(--)	(--)
- Belur Engineering Pvt. Ltd. (Rent Paid)	--	330.55	--	--	--	330.55	--
	(--)	(--)	(--)	(--)	(--)	(--)	(--)
- Belur Engineering Pvt. Ltd. (Interest received against CCD given)	--	321.42	--	--	--	321.42	--
	(--)	(1.91)	(--)	(--)	(--)	(1.91)	(1.91)
- Bright Power Projects (India) Pvt. Ltd. (Purchase of Goods and Services)	--	--	--	--	--	--	37.56
	(--)	(21.04)	(--)	(--)	(--)	(21.04)	(30.53)

(figures in bracket are for Previous Financial Year)

Notes on Financial Statement

(b) Related Party Transactions (contd.)

(₹ in Lakhs)							
Transactions	Other Related Party	Subsidiary	Associate	Joint venture	Key Magt Personnel	Grand Total	Balance outstanding As at 31/03/2018
- Bright Power Projects (India) Pvt. Ltd. (Sale of Goods and Services)	--	394.57	--	--	--	394.57	294.56
	(--)	(--)	(--)	(--)	(--)	(--)	(--)
- Bright Power Projects (India) Pvt. Ltd. (Interest Received)	--	109.35	--	--	--	109.35	109.35
	(--)	(102.83)	(--)	(--)	(--)	(102.83)	(102.83)
-TexmacoTranstrak Pvt. Ltd. (Interest Received)	--	0.07	--	--	--	0.07	0.07
	(--)	(--)	(--)	(--)	(--)	(--)	(--)
- Kalindee Cobra JV (Sale of Goods)	--	--	--	2668.01	--	2668.01	1703.27
	(--)	(--)	(--)	(2969.90)	(--)	(2969.90)	(1407.46)
- Kalindee Cobra JV (Payments made on behalf of JV Co's)	--	--	--	24.75	--	24.75	--
	(--)	(--)	(--)	(6.92)	(--)	(6.92)	(--)
- Kalindee IF & LS JV (Sale of Goods)	--	--	--	2164.52	--	2164.52	2523.34
	(--)	(--)	(--)	(1438.07)	(--)	(1438.07)	(2481.13)
- Kalindee Kapoor Railcon JV (Sale of Goods)	--	--	--	8435.01	--	8435.01	6195.09
	(--)	(--)	(--)	(7082.68)	(--)	(7082.68)	(4342.40)
- Kalindee Kapoor Railcon JV (Expense Incurred on behalf of JV)	--	--	--	18.56	--	18.56	--
	(--)	(--)	(--)	(--)	(--)	(--)	(--)
- Kalindee Kapoor Railcon JV (Payments made on behalf of JV Co's)	--	--	--	10.16	--	10.16	--
	(--)	(--)	(--)	(18.25)	(--)	(18.25)	(--)
- Kalindee Karthik JV (Sale of Goods)	--	--	--	-13.64	--	-13.64	414.97
	(--)	(--)	(--)	(128.81)	(--)	(128.81)	(472.14)
- Kalindee Karthik JV (Payment made on behalf of JV Co's)	--	--	--	--	--	--	--
	(--)	(--)	(--)	(0.78)	(--)	(0.78)	(--)
- Kalindee Rahee JV (Sale of Services)	--	--	--	--	--	--	1944.60
	(--)	(--)	(--)	(22.89)	(--)	(22.89)	(838.86)
- Kalindee Rahee JV (Payments made on behalf of JV Co's)	--	--	--	1283.39	--	1283.39	1944.60
	(--)	(--)	(--)	(184.45)	(--)	(184.45)	(878.23)
- Kalindee URC JV (Sale of Goods)	--	--	--	3702.65	--	3702.65	1972.87
	(--)	(--)	(--)	(5007.90)	(--)	(5007.90)	(1346.66)
- Kalindee URC JV (Payments made on behalf of JV Co's)	--	--	--	0.31	--	0.31	--
	(--)	(--)	(--)	(0.60)	(--)	(0.60)	(--)
- Kalindee VNC JV (Expense Incurred on behalf of JV)	--	--	--	76.81	--	76.81	--
	(--)	(--)	(--)	(--)	(--)	(--)	(--)
- Kalindee VNC JV (Payments made on behalf of JV Co's)	--	--	--	435.02	--	435.02	--
	(--)	(--)	(--)	(1289.39)	(--)	(1289.39)	(--)
- GMR TPL Kalindee (Sale of Goods)	--	--	--	3977.47	--	3977.47	2772.06
	(--)	(--)	(--)	(6381.69)	(--)	(6381.69)	(2361.68)
- Bright - Kalindee (Sale of Goods)	--	--	--	778.52	--	778.52	--
	(--)	(--)	(--)	(--)	(--)	(--)	(--)
- Bright - Kalindee (Payment made on behalf of JV)	--	--	--	25.00	--	25.00	--
	(--)	(--)	(--)	(--)	(--)	(--)	(--)
- Bright - Kalindee (Advance Receipt taken)	--	--	--	--	--	--	24.63
	(--)	(--)	(--)	(102.63)	(--)	(102.63)	(102.63)
- Tata Projects- Kalindee (Sale of Goods)	--	--	--	890.84	--	890.84	--
	(--)	(--)	(--)	(--)	(--)	(--)	(--)
- Tata Projects- Kalindee (Advance Receipt taken)	--	--	--	53.04	--	53.04	53.04
	(--)	(--)	(--)	(--)	(--)	(--)	(--)
Corporate Guarantee Given							
- TouaxTexmaco Railcar Leasing Pvt. Ltd. (Against Sale of Wagons)	--	--	--	233.96	--	233.96	1527.17
	(--)	(--)	(--)	(--)	(--)	(--)	(1293.21)

(figures in bracket are for Previous Financial Year)

Notes on Financial Statement

(b) Related Party Transactions (contd.)

Transactions	Other Related Party	Subsidiary	Associate	Joint venture	Key Magt Personnel	Grand Total	(₹ in Lakhs)
							Balance outstanding As at 31/03/2018
Corporate Guarantee Received							
- Texmaco Infrastructure & Holdings Ltd.	--	--	--	--	--	--	5000.00
(Against Cash Credit Facility)	(--)	(--)	(--)	(--)	(--)	(--)	(5,000.00)

(Figures in brackets are for previous financial year.)

Due to inadequate profit during the year 2016-17, the minimum remuneration paid to Executive Chairman as per the terms of appointment, exceeded the limit prescribed under Section 197 of the Companies Act 2013, for which grant of waiver from Central Government is under process. For the current year also due to inadequate profit it has exceeded the limit prescribed under the Act for which necessary application to the Central Government shall be made, post approval from the shareholders in the ensuing Annual General Meeting.

Note 1.40 Employees Stock Option Scheme

The Company implemented Texmaco's Employees Stock Option Schemes 2014, as approved by the Shareholders of the Company at their meeting held on 4th September, 2014.

Information in respect of option granted under the company's Employee Stock Option Scheme are as follows :

(A) Employees Stock Option Scheme

SL No	Particulars	Employee Stock Option Scheme 2014
1	Date of shareholders approval	4 th September, 2014
2	Total number of Option approved under the Schemes	18,20,000 Ordinary equity Shares of ₹ 1/- each.
3	Vesting Schedule	The vesting period for conversion of Option is as follows: - 25% of the Options at the end of one year from the date of grant. - 35% of the Options at the end of two year from the date of grant. - 40% of the Options at the end of three year from the date of grant.
4	Pricing Formula	The exercise price shall be average of the weekly high and low of the closing prices of the related equity shares, quoted on the stock exchange which records highest trading volume in the company Equity shares, during the twenty six week preceding the date of the meeting of the Board of Directors at which the scheme for granting the option would be approved subject to the approval of the shareholders, and discounted by such percentage, not exceeding 30% of the above
5	Maximum term of Option granted	4 year from the date of vesting
6	Source of shares	Primary
7	Variation in term of Options	None
8	Method used for accounting of share-based Payment plans	The employed compensation cost has been calculated using the Intrinsic value method of accounting for option issued under the company's Employee Stock Option Schemes.
		Had we considered the fair Value approach the net Income would be lower by ₹ 168.78 Lakhs Adjusted Profit: ₹ 1978.49 Lakhs Standalone - Basic : ₹ 0.94 EPS - Diluted : ₹ 0.93

Notes on Financial Statement

SL No	Particulars	Employee Stock Option Scheme 2014		
9	Nature and extend of employee share based payment plans that existed during the period including the general terms and Conditions of each plan.	Each Option entitles the holder thereof to apply for and be allotted equity Shares of the Company of ₹ 1 /- each upon payment of the exercise price. The exercise would commence from the date of vesting and will, expire on completion of the year from the respective date (s) of vesting of options. The options would be expressing by the employees by a written application accompanied by payment of the consideration amount to the company to exercise the option in such Manners, and on executed of such documents, as may be prescribed by the ESOS Compensation Committee from time to time.		
10	Weight average exercise prices and weighted average fair value of Options whose exercise price either exceeds or is less than the market price of the stock.	Weighted average exercise price per Option : ₹ 41/- Weighted average faire value per Option : ₹ 97/-		
	Option movement during the year			
11	Options outstanding at the beginning of the year	15,29,000		
	Options granted during the year	22,500		
	Options cancelled and lapsed during the year	1,26,626		
	Options vested and exercisable during the year (net of option lapsed and exercised)	6,03,764		
	Options exercised during the year	4,13,450		
	Number of ordinary Shares of ₹ 1/- each arising as a result of exercise of options during the year	4,13,450		
	Options outstanding at the end of the year	10,11,424		
	Options exercisable at the end of the year	1,90,314		
	Money realised by exercise of the Options during the year (₹ in lakhs)	1,69,51,450		
12	Weighted average share price of shares arising upon exercise of options	The Options were exercised during the periods permitted under the Schemes, and weighted average share price of Shares arising upon exercise of options, based on the closing market price on NSE on the date of exercise of Options (i.e. the date of allotment of shares by the Compensation Committee) for the year ended 31st March, 2016 was ₹ 142.39		
13	Summary of Options outstanding, scheme – wise:			
	Particulars	No. of Options Outstanding	Range of Exercise prices	Weighted Average remaining contractual life
	Texmaco Employee Stock Option Scheme (introduced in 2014)	15,29,000	₹ 41/-	3 month
14	A description of the method used during the year to estimate the fair values of Options, the weighted average exercise prices and weighted average fair value of option granted.	The fair value of each Option is estimated using the Black Scholes Option Pricing model.		
	The significant assumptions used to ascertain the above.	Weighted average exercise price per Option : ₹ 41/- Weighted average faire value per Option : ₹ 97/-		
		The fair value of each option is estimated using the Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis :		
		(i) Risk – free Interest rate 8.01%		
		(ii) Expected life 25 months		
		(iii) Expected volatility 26.39%		
		(iv) Expected dividends 10%		
		(v) The Price of underlying shares in market at the time of option grant ₹ 97/-		

Notes on Financial Statement

SL No	Particulars	Employee Stock Option Scheme 2014
15	Methodology for determination of expected volatility	The volatility used in the Black Scholes Option Pricing model is the annualized standard deviation of the continuously compounded rates of return of the stock over a period of the time. The period considered for the working is commensurate with the expected life of the option and is based on the daily volatility of the company's stock price on NSE. The Company has incorporated the early exercise of Options by calculating expected life on past exercise behavior. There are no market conditions attached to the grant and vest.

Options Granted upto 31st March 2018 KMP and Senior Management Personnel

Sl No.	Name of Employees	Option Granted	Designation
1	Mr. Ramesh Maheshwari	1,00,000	Corporate Advisor
2	Mr. D. H. Kela	50,000	Executive Director & CEO (SF)
3	Mr. Sandeep Fuller	50,000	Executive Director & CEO
4	Mr. A.K. Vijay	50,000	Executive Director (Finance)
5	Mr. Varun Bharthuar	40,000	Chief Executive Corporate (Projects)
6	Mr. P. Guha	40,000	Sr. Vice President E & M (RS)
7	Mr. U. Banerjee	40,000	Sr. Vice President E & M (HME & Strls)
8	Mr. D.C. Mitra	22,500	Sr. Vice President (Infrastructure)
9	Mr. T.V. Nagaraju	22,500	COO (SF)
10	Mr. J.K. Jain	22,500	COO, Kalindee Division
11	Mr. P. C. Kejriwal	16,875	CFO, Kalindee Division
12	Mr. Ravi Varma	8,438	Company Secretary
13	Others	11,08,562	-

Note 1.41 Earning per share – the numerator and denominator used to calculate basic / diluted earning per share

		2017-18	2016-17
Net Profit for the period from ordinary activities attributable to equity shareholders (Excluding Preference Share Dividend) – used as numerator.	₹ in Lakhs	1,007.71	3,357.30
Weighted average number of Equity share outstanding used as denominator for Basic earning per share.	Number	21,98,28,443	21,14,82,685
Weighted Average Number of Equity share on account of Employee Stock Option Scheme	Number	1,98,868	6,28,740
Weighted Average Number of Equity share used on denominator for Diluted Earning Per Share	Number	22,00,27,311	21,21,11,425
(a) Basic Earning per share (face value of ₹ 1/- each)	₹	0.46	1.59
(b) Diluted Earning per share (face value of ₹ 1/- each)	₹	0.46	1.58

Note 1.42 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.

Notes on Financial Statement

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, 2018 is as follows:

Name of Joint Venture	Company's share in				
	Assets	Liabilities	Income	Expenses	Profit/ (Loss) after Tax
TouaxTexmaco Railcar Leasing Pvt. Ltd.	5,919.20 (5,044.34)	2,355.62 (1,811.89)	650.86 (502.83)	403.00 (271.49)	197.34 (184.17)
Wabtec Texmaco Rail Pvt. Ltd.	577.53 (69.90)	507.51 (574.30)	655.03 (1,869.03)	711.11 (1,796.22)	(56.08) (51.13)

Figures in bracket are of previous year figure

Note 1.43 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, 2018.

Defined benefits Plans – As per Actuarial valuation as at March 31, 2018

Sl No.	Particulars	Funded Gratuity 2017-18	Funded Gratuity 2016-17	Unfunded Leave 2017-18	Unfunded Leave 2016-17
A	Amount Recognised in Balance Sheet				
	Present Value of defined benefit obligations	2,280.88	2,262.22	266.16	247.22
	Fair Value of Plan Assets	2,262.58	2,151.69	-	-
	Net asset / (liability) recognized in Balance Sheet	(18.30)	(110.53)	(266.16)	(247.22)
B	Change in Present Value of Obligations				
	Present Value of Obligation as at the beginning of the year	1,975.14	2,045.66	247.22	228.04
	Current Service Cost	119.43	115.81	47.81	45.14
	Interest (Income) / Cost	141.94	157.26	18.00	17.62
	Re- measurement (or Actuarial) (Gain)/Loss arising from :-				
	change in financial assumptions	(30.57)	48.17	(4.79)	-
	experience variance (i.e. Actual experience vs. assumptions)	(120.21)	(73.92)	(8.79)	(13.69)
	Past Service Cost	334.48	273.99	-	-
	Benefits Paid	(139.33)	(304.75)	(33.29)	(29.89)
	Present Value of Obligation as at the end of the year	2,280.88	2,262.22	266.16	247.22
C	Changes in the Fair Value of Plan Assets				
	Fair Value of Plan Assets as at the beginning of the year	2,151.69	2,170.99	-	-
	Investment Income	153.84	166.52	-	-
	Employer's Contribution	90.62	118.67	15.27	29.89
	Employee's Contribution	-	-	-	-
	Benefits paid	(139.33)	(304.75)	(15.27)	(29.89)
	Return on plan assets , excluding amount recognised in net interest expense	5.76	0.26	-	-
	Fair Value of Plan Assets at the end of the year	2,262.58	2,151.69	-	-
D	Expenses Recognised in the Income Statement				
	Current Service Cost	119.43	115.81	47.81	45.14
	Past Service Cost	334.48	273.399	-	-
	Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	(11.89)	(9.25)	18.00	17.62
	change in financial assumptions	-	-	(4.79)	-
	experience variance (i.e. Actual experience vs assumptions)	-	-	(8.79)	(13.69)
	Expenses Recognised in the Income Statement	442.02	380.55	52.24	49.07
E	Other Comprehensive Income				
	Actuarial (gains) / losses arising from				
	change in demographic assumptions	-	-	-	-
	change in financial assumptions	(30.57)	31.83	-	-
	experience variance (i.e. Actual experience vs assumptions)	(120.21)	(73.92)	-	-
	Return on plan assets, excluding amount recognised in net interest expense	(5.76)	(4.40)	-	-
	Components of defined benefit costs recognised in other comprehensive income	(156.54)	(46.49)	-	-

Notes on Financial Statement

Defined benefits Plans – As per Actuarial valuation as at March 31, 2018 (₹ in lakhs)

Sl No.	Particulars	Funded Gratuity 2017-18	Funded Gratuity 2016-17	Unfunded Leave 2017-18	Unfunded Leave 2016-17
F	Major categories of Plan Assets (as percentage of Total Plan Assets)				
	Funds managed by Insurer	100%	100%	-	-
	Total	100%	100%	-	-

Gratuity for Kalindee Division is Unfunded

The key assumptions used in the calculations are as follows:

Particulars	2017-18	2016-17
Financial Assumptions		
Discount Rate (per annum)	7.50%	7.14%
Salary Growth Rate (per annum)	5.00%	5.00%

Particulars	2017-18	2016-17
Demographic Assumptions		
Mortality Rate (% of IALM 06-08)	100%	100%
Normal Retirement Age	58 Years	58 Years
Attrition Rates, based on age (% p.a.)	2.00	2.00

Sensitivity Analysis

Significant actuarial assumptions for the determination of the define benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analysis below has

Determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below : (₹ in lakhs)

Particulars	As at 31.03.2018
Defined Benefit Obligation (Base)- Gratuity	2,280.88
Defined Benefit Obligation (Base)- Leave	266.16

Particulars (As at 31.03.2018)	Discount Rate (- / + 1%)	Salary Growth Rate (- / + 1%)	Attrition Rate (- / + 50% of attrition rates)	Mortality Rate (- / + 10% of mortality rates)
Gratuity				
Increase/ (Decrease) in Liability	2,379.99	(2,186.03)	(2,268.19)	(2,278.49)
Increase/ (Decrease) in Liability	(2,237.06)	2,384.70	2,292.40	2,283.24
Leave				
Increase/ (Decrease) in Liability	284.91	(248.74)	(261.99)	(265.80)
Increase/ (Decrease) in Liability	(250.06)	286.13	269.89	266.53

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

Expected cash flows over the next 10 years and above (valued on undiscounted basis)	Gratuity		Leave	
	2018	2017	2018	2017
1 Year	787.52	593.92	71.79	58.65
2 to 5 years	1,054.48	1,200.56	86.51	82.63
6 to 10 years	617.27	660.58	98.90	89.82
More than 10 years	997.01	987.01	293.29	275.50

Notes on Financial Statement

Note 1.44 Amount remitted during the year on account of dividend (as certified by the management) (₹ in lakhs)

Particulars	2017-18	2016-17
Number of Non-resident Shareholders	17	17
Number of Equity Shares held	14,840	14,840
Dividend remitted (₹ in Lakhs)	0.04	0.04
Year of Dividend paid	2016-17	2015-16

Note 1.45 Value of raw materials and stores consumed (including components and spare parts) services etc. (₹ in lakhs)

Particulars	2017-18	%	2016-17	%
Imported	2,373.18	2.94%	13,411.48	14.33%
Indigenous	78,490.60	97.06%	80,202.71	85.67%
Total	80,863.78	100.00	93,614.19	100.00

Note 1.46 Value of imports on C.I.F. Basis (₹ in lakhs)

Particulars	2017-18	2016-17
Raw Materials	708.73	310.05
Components, Spare Parts and Stores	1,664.45	3,826.63
Capital Goods	411.83	562.56
Total	2,785.01	4,699.24

Note 1.47 Analysis of Raw Material Consumed (₹ in lakhs)

Particulars	2017-18	2016-17
M.S. & C.I. Scrap	3,165.18	3,707.75
Plates & Sheets	5,528.97	6,181.80
Rounds, Bars & Flats	222.78	92.25
Structural	1,009.98	1,065.21
Total	9,926.91	11,047.01

Note 1.48 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 1.49 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 1.50 Expenditure in foreign currency (₹ in lakhs)

Particulars	2017-18	2016-17
R & D Expenses	14.96	7.62
Travelling and Others	161.87	95.08
Books & Periodicals	-	0.25
Fees & Subscription	-	7.36
General Charges (Charity & Donation, AAR Audit Fee)	7.94	2.57
Total	184.77	112.88

Note 1.51 Income in foreign exchange (₹ in lakhs)

Particulars	2017-18	2016-17
Export of Goods (F.O.B.)	10,128.35	5024.48

Notes on Financial Statement

Note 1.52 Details of Inventory of Work in Progress

(₹ in lakhs)

Particulars	2017-18	2016-17
Work-in- Process		
- Heavy Engineering Division	6,274.81	5,014.47
- Steel Foundry Division	5,325.07	3,177.49
- Rail EPC	3,058.34	3,346.34
Total	14,658.22	11,538.30

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.

(₹ in lakhs)

Particulars	2017-18	2016-17
(a) Un-hedged foreign currency exposure as at 31st March 18 – Payables. Euro: 948941 & USD: 360149 (Previous Year: Euro: 3,55,557 & USD: 1,05,528)	998.25	292.81
(b) Un-hedged foreign currency exposure as at 31st March 18 – Receivable. AUD: 15,10,575, USD: 40,77,239, Euro: 25,30,490 and NRS: 3,06,77,193 (Previous Year: AUD: 5,25,005, USD: 16,33,937 Euro: 11,45,405 and NRS: 55,87,734)	3523.95	2148.91

Note 1.54 Details of income/ expenses disclosed on net basis

(₹ in lakhs)

Particulars	2017-18	2016-17
Freight, Packing and Transport		
Paid	969.03	899.28
Received	123.10	512.98
Net	845.93	386.30
Profit/ Loss on sale of Property, Plant & Equipments		
Profit	2.96	5.05
Loss	0.55	31.54
Net	2.41	26.49
Profit on sale of current investment		
Mutual Funds & Others		
Profit	147.82	1806.08
Loss	-	-
Net	147.82	1806.08

Note 1.55 Disclosure pursuant to Ind AS 11 construction accounting

(₹ in lakhs)

Particulars	2017-18	2016-17
(1) Contract revenue recognised for the year	48921.27	43500.97
(2) Aggregate amount of cost incurred and recognised profits (less recognised losses) up to the balance sheet date for all contract in progress as at that date.	154810.17	105938.02
(3) Amount of customer advances outstanding for contracts in progress as at balance sheet date	11846.29	11336.36
(4) Retention amount due from customers for contracts in progress	9733.77	8249.07
(5) Gross amount due from customers for contract work	20517.27	13301.12
(6) Gross amount due to customer for contract work	367.34	368.44

Notes on Financial Statement

Note 1.56 Disclosures in respect of Joint Ventures pursuant to Ind AS 111 "Financial Reporting of Interests in Joint Ventures"

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 Railcon JV	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	Jointly controlled operations (civil work and signaling at Kolkata Metro division of KMRC in the state of West Bengal, India) – 70%	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 Bengaluru 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
Bright - Kalindee JV	Jointly controlled operations (OHE & signaling work of RVNL Project in the state of Andhra Pradesh, India) -30% Jointly controlled operations (Civil,OHE& signaling work of RVNL Project in the state of West Bengal, India) - 89.22%	India
Tata projects – Kalindee JV	Jointly controlled operations (civil, signaling and electrification work of RVNL Project in the state of Assam, India) – 10%	India

Note 1.57 Lease Operating leases as lessee

(₹ in lakhs)

Particulars	2017-18	2016-17
The Company has taken guest houses under operating leases.		
Non-cancellable operating lease rentals payable (minimum lease payments) under these leases are as follows		
- Within one year (₹)	68.75	68.75
- Later than one year and not later than five years (₹)	11.46	80.20
TOTAL	80.21	148.95

Note 1.58 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

Notes on Financial Statement

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 an 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 a foreign 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.

Particulars	As at	
	31.03.2018	31.03.2017
Foreign Currency (Payable) / Receivable (net) – EURO	1,272.55	547.65
Foreign Currency (Payable) / Receivable (net) - USD	2422.52	991.25
Impact		
- EURO/INR- Increase by 10%	127.25	54.77
- EURO/INR- Decrease by 10%	(127.25)	(54.77)
USD/INR- Increase by 10%	242.25	99.13
USD/INR- Decrease by 10%	(242.25)	(99.13)

- 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 1.59 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. During the Year the Company has allotted 4,13,450 Equity Shares to its employees under Employee Stock Option Scheme.

Notes on Financial Statement

Note 1.60 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 (vii) and has been mentioned in Note No 1.03 and Note No 1.10. All the investments which have been fair valued are classified under Level – 1.

Note 1.61 Financial Instruments:

A. Accounting classification and fair values

(₹ In Lakhs)

Particulars (As at 31.03.2018)	Carrying amount			Fair value				
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial Assets (Long Term)								
- Investments	-	3,081.06	14,968.50	18,049.56	3,081.06	14,968.50	-	18,049.56
- Loans & Advances	-	-	185.16	185.16	-	-	185.16	185.16
- Bank Balances	-	-	7.72	7.72	-	-	7.72	7.72
- Others	-	-	2.66	2.66	-	-	2.66	2.66
Financial Assets (Short Term)								
- Investments	18,453.25	-	-	18,453.25	18,453.25	-	-	18,453.25
- Trade Receivable	-	-	58,114.46	58,114.46	-	-	58,114.46	58,114.46
- Cash and cash equivalents	-	-	1,606.81	1,606.81	-	-	1,606.81	1,606.81
- Bank Balances & Others	-	-	1,830.53	1,830.53	-	-	1,830.53	1,830.53
- Loans & Advances	-	-	4,514.85	4,514.85	-	-	4,514.85	4,514.85
Total	18,453.25	3,081.06	81,230.70	102,765.00	21,534.31	14,968.50	66,262.20	102,765.00
Financial liabilities (Long Term)								
- Borrowings	-	-	3,211.34	3,211.34	-	-	3,211.34	3,211.34
- Provisions	-	-	517.22	517.22	-	-	517.22	517.22
Financial liabilities (Short Term)								
- Borrowings	-	-	37,352.74	37,352.74	-	-	37,352.74	37,352.74
- Trade Payable	-	-	27,513.53	27,513.53	-	-	27,513.53	27,513.53
- Other Financial Liabilities	-	-	3,378.32	3,378.32	-	-	3,378.32	3,378.32
Total	-	-	71,973.14	71,973.15	-	-	71,973.14	71,973.15

Particulars (As at 31.03.2017)	Carrying amount			Fair value				
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial Assets (Long Term)								
- Investments	-	1,822.71	14,617.98	16,440.69	1,822.71	14,617.98	-	16,440.69
- Loans & Advances	-	-	260.72	260.72	-	-	260.72	260.72
- Bank Balances	-	-	418.54	418.54	-	-	418.54	418.54
- Others	-	-	36.87	36.87	-	-	36.87	36.87
Financial Assets (Short Term)								
- Investments	33,776.07	-	-	33,776.07	33,776.07	-	-	33,776.07
- Trade Receivable	-	-	43,737.37	43,737.37	-	-	43,737.37	43,737.37
- Cash and cash equivalents	-	-	966.93	966.93	-	-	966.93	966.93
- Bank Balances & Others	-	-	3,258.69	3,258.69	-	-	3,258.69	3,258.69
- Loans & Advances	-	-	4,659.34	4,659.34	-	-	4,659.34	4,659.34
Total	33,776.07	1,822.71	67,956.44	103,555.22	35,598.78	14,617.98	53,338.46	103,555.22
Financial liabilities (Long Term)								
- Borrowings	-	-	232.86	232.86	-	-	232.86	232.86
- Provisions	-	-	517.80	517.80	-	-	517.80	517.80
Financial liabilities (Short Term)								
- Borrowings	-	-	31,642.70	31,642.70	-	-	31,642.70	31,642.70
- Trade Payable	-	-	24,449.83	24,449.83	-	-	24,449.83	24,449.83
- Other Financial Liabilities	-	-	4,239.80	4,239.80	-	-	4,239.80	4,239.80
Total	-	-	61,082.99	61,082.99	-	-	61,082.99	61,082.99

* 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).

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 1.62 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 was issued in February 2015 and establishes a five step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. The Company will adopt the new standard on the required effective date. During the current year, the Company performed a preliminary assessment of Ind AS 115, which is subject to changes arising from a more detailed ongoing analysis.

Ind AS 21 – The Effect of Changes in Foreign Exchange Rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company does not have foreign currency transaction and hence there is no impact of this amendment on its financial statements.

Notes on Financial Statement

Note 1.63 Information on Segment Working is given below:

Particulars	2017-2018				2016-2017			
	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	29,353.84	13,318.51	53,602.83	96,275.18	63,728.22	19,481.50	45,605.99	1,28,815.71
Internal-Segment Sales	(1,110.23)	(3,037.15)	-	(4,147.38)	(778.10)	(9,530.60)	-	(10,308.70)
Other Operating Revenue	611.69	205.58	144.94	962.21	96.65	100.52	73.60	270.77
Total Revenue	28,855.30	10,486.94	53,747.77	93,090.01	63,046.77	10,051.42	45,679.59	1,18,777.78
Result								
Segment Result	(2,118.21)	583.66	3,299.24	1,764.69	187.56	944.21	3,583.34	4,715.11
Others (Net of Unallocated Expenses)				2,172.64				1,707.87
Operating Profit/(Loss)				3,937.33				6,422.98
Interest Expense				(3,782.61)				(3,518.07)
Interest Income				1,296.69				1,296.55
Total Profit/(Loss) before Tax				1,451.41				4,201.46
Provision for Current Tax				-				(544.00)
Provision for Deferred Tax				(337.83)				(215.43)
Income Tax for Earliear Year				(105.87)				(84.73)
Profit/(Loss) from ordinary activities				1,007.71				3,357.30
Extra ordinary items				-				-
Net Profit/(Loss)				1,007.71				3,357.30
Other Information								
Segment assets	66,741.98	23,952.54	79,302.64	169,997.16	56,298.98	17,049.84	58,736.62	132,085.44
Unallocated Corporate assets				36,502.81				50,216.76
Total assets				206,499.97				182,302.20
Segment liabilities	40982.10	7341.89	51781.26	100105.25	27,801.91	6,265.72	43,711.04	77,778.67
Total Liabilities				100,105.25				77,778.67
Capital expenditure	2,788.03	488.71	783.43	4,050.17	1,892.61	488.71	783.43	3,164.75
Depreciation	978.50	475.62	415.53	1,869.65	823.12	542.09	250.69	1,615.90
Non-cash expenses other than depreciation				189.02				390.44

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

Notes on Financial Statement

Note 1.64 Details of Revenue from Operations

(₹. In Lakhs)

Class of Goods	Sales		Opening Stock	Closing Stock
	2017-18	2016-17		
Wagons	16,230.04	52,257.45	-	1,515.91
			5,627.81	-
Rail EPC	53,747.77	45,605.99	-	-
			-	-
Structurals	2,788.26	2,159.80	-	714.26
			27.02	-
Bridges	1,728.53	5,638.24	23.00	59.06
			682.05	23.00
Locomotives and its Components	4,735.48	2,018.65	-	-
			-	-
Site Fabrication and Erection	1,994.70	253.31	-	-
			-	-
Steel Castings & Ingots (Including Draft Gear 4000 Sets)	13,524.09	20,383.39	-	-
			-	-
Power Tiller/Reaper	-	-	7.41	7.41
			9.55	7.41
Ring Frames, Doublers and Worsted Ring Frames	-	-	0.61	0.61
			0.61	0.61
Speed Frames	-	-	0.39	0.39
			0.39	0.39
Other Sales	1,526.32	498.88	-	-
			-	-
GROSS SALES	96,275.19	1,28,815.71	31.41	2,297.64
			6,347.43	31.41
Less: Inter Segment	4,147.39	10,308.70	-	-
			-	-
NET SALES	92,127.71	1,18,507.01	31.41	2,297.64
			6,347.43	31.41
Add: Other Operating Revenue / Income	962.21	270.77	-	-
			-	-
TOTAL OPERATING REVENUE / INCOME FROM OPERATIONS	93,090.01	1,18,777.78	31.41	2,297.64
			6,347.43	31.41

Notes on Financial Statement

Note 1.65 Tax Expenses

(₹ in lakh)

Particulars	For the Year ended	
	31 March, 2018	31 March, 2017
(a) Tax Expense		
Current Tax		
- Current tax on profits for the year	398.00	1,085.00
- Adjustments for current tax of prior periods	105.87	84.73
- Total current tax expense	503.87	1,169.73
Deferred Tax		
- Decrease/(increase) in deferred tax assets	(351.61)	366.47
- (Decrease/increase in deferred tax liabilities)	689.44	(151.04)
- Total deferred tax expenses/(benefit)	337.83	215.43
MAT Credit entitlement	(398.00)	(541.00)
Tax Expense	443.70	844.16
(b) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate		
Profit before tax	1,451.41	4,201.46
Tax at the Indian tax rate of 34.608% (previous year - 34.608%)	502.30	1,454.04
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Corporate social responsibility expenditure	7.96	8.17
- Disallowance of estimated expenditure to earn tax exempt income	12.12	10.59
- Others	-	220.47
Tax effect of amounts which are deductible (non-taxable) in calculating taxable income		
- Weighted deduction on R&D expenses	(14.88)	(20.38)
- Income from Investment	(218.38)	(527.05)
- Income from rented property	-	(13.61)
- Others	-	(47.23)
Tax effect of other adjustment		
- Income tax for earlier years	105.87	84.73
- MAT Credit/carry forward losses adjustment & Others	48.71	(325.57)
Tax Expense	443.70	844.16

Note 1.66 Previous year figure have been regrouped/ rearranged/ restated/ recast wherever necessary to confirm this year classification.

Note 1.67 Figures below ₹ 500/- have been omitted for rounding off, ₹ 500/- and above have been rounded off to the next ₹ 1000/-.

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

B2/1, Gillander House

8, Netaji Subhas Road

Kolkata- 700 001

Dated: 15th May, 2018

Ravi Varma
Company Secretary

Directors

S. K. Poddar

A. C. Chakrabortti

Sandeep Fuller

D. H. Kela

A.K. Vijay

Notes on Financial Statement

Statement containing salient features of the financial statement of subsidiary as at 31st March, 2018

Part "A": Subsidiaries

SL No.	Name of Subsidiary Company	Texmaco Hi Tech Private Limited	Bright Power Projects (India) Private Limited	Belur Engineering Private Limited	Texmaco Transtrak Private Limited
		(₹ in Lakhs)			
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	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	NA
3	Share Capital	2,345.00	130.00	10.00	1.00
4	Reserves & Surplus	(1,455.15)	4,993.54	(0.81)	(0.65)
5	Total Assets	10,180.38	22,079.60	3,007.89	12.91
6	Total Liabilities	9,290.53	16,956.06	2,998.71	12.56
7	Investments	-	-	169.86	-
8	Turnover	563.88	21,659.35	330.56	-
9	Profit/Loss before Taxation	(887.30)	1,991.14	1.48	(0.65)
10	Provision for Taxation	-	772.93	-	-
11	Profit/Loss after Taxation	(887.30)	1,218.22	1.48	(0.65)
12	Proposed Dividend	NIL	NIL	NIL	NIL
13	% of shareholding	100%	55%	100%	51%

Statement Pursuant to Section 129 (3) of the Companies Act, 2013 related to Joint Venture

Part "B": Associates and Joint Ventures

Name of Joint Ventures	TouaxTexmaco Railcar Leasing Private Limited	Wabtec Texmaco Rail Private Limited
	(₹ in Lakhs)	
1. Latest audited Balance Sheet Date	31st. March' 2018 (Audited)	31st. March' 2018 (Audited)
2. Shares of Associate/ Joint Ventures held by the company on the year end		
Numbers	1,26,49,999	881700
Amount of Investment in Joint Venture	1,264.99	88.16
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	1781.79	70.02
6. Profit / Loss for the year	394.67	(56.08)
i. Considered in Consolidation	197.34	(22.43)
ii. Not Considered in Consolidation	N.A.	N.A.

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

In terms of our Report of even date attached herewith.

Directors

S.K. Poddar

A.C. Chakrabortti

Sandeep Fuller

D.H.Kela

A. K. Vijay

Kolkata – 700 001

Ravi Varma

Dated: 15th May, 2018

Company Secretary

Independent Auditor's Report

To

the members of

TEXMACO RAIL & ENGINEERING LIMITED

Report on the Consolidated Ind AS Financial Statements

1. We have audited the accompanying consolidated Ind AS 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 joint ventures comprising of the Consolidated Balance Sheet as at 31st March, 2018, 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, signed by us under reference to this report and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

2. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS 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 joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 joint ventures 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 joint ventures 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.

Auditor's Responsibility

- Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.
- We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.
- An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.
- We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

- In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and joint ventures referred to in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint

ventures as at 31st March, 2018, and their consolidated profit, consolidated total comprehensive income, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

8. (a) We did not audit the financial statements of one branch included in the standalone financial statements of the companies included in the Group whose financial statements reflect total assets of ₹ 79,302.64 lakhs as at 31st March, 2018 and total revenues of ₹ 54,127.78 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The financial statements of this branch 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 branch, is based solely on the report of such branch auditor.
- (b) We did not audit the financial statements of three subsidiaries included in the consolidated financial results, whose financial statements reflect total assets of ₹ 34,859.80 lakhs as at March 31, 2018, total revenues of ₹ 22,579.45 lakhs for the year ended on that date as considered in the financial results. The consolidated financial result also includes the Group's share of Net Profit of ₹ (74.96) lakhs and total comprehensive income of ₹ (74.38) lakhs for the year ended March 31, 2018 as considered in the consolidated financial results in respect of two joint ventures, 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 results, in so far as it relates to the amount and disclosures included in respect of these subsidiary and joint ventures is based solely on the reports of other auditor.
- (c) The Comparative financial information of the Company for the year ended 31st March, 2017 included in these Consolidated Ind AS financial Statements, is based on the Ind AS financial statement for the year ended 31st March, 2017 which were audited by the Predecessor auditor who had expressed an unmodified opinion.

Our opinion on the consolidated financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters.

Report on Other Legal and Regulatory Requirements

9. As required by Section 143(3) of the Act, based on our audit and on the consideration of the other auditors on separate financial statements of the subsidiaries and joint venture company, referred in the Other Matters paragraph above, we report, to the extent applicable, 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 Ind AS financial statements.
 - (b) In our opinion proper books of accounts as required by law relating to preparation of the aforesaid consolidated Ind AS 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 Ind AS financial statements.
 - (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian 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 at 31st March, 2018 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies and joint venture companies, none of the other directors of the Group's companies and its joint venture companies incorporated in India is disqualified as at 31st March, 2018 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 joint ventures, which are companies incorporated in India and

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures – Refer Note No. 1.36 to the consolidated financial statements.
 - ii. The Group and its joint ventures 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, and its subsidiary companies and joint venture companies incorporated in India.

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

(D. N. Roy)

Partner

Place : Kolkata
Date : 15th May, 2018

Membership No. 300389

ANNEXURE To The Independent Auditor's Report

To the members of TEXMACO RAIL & ENGINEERING LIMITED

[Referred to in paragraph 9(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 joint ventures, which are companies incorporated in India as of 31st March 2018 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 and its subsidiary companies and its joint ventures, 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 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 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 joint ventures 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 and its joint ventures, 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 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 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 and its joint ventures, 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 2018, 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 insofar as it relates to three subsidiary companies and two joint venture companies, 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 : 15th May, 2018

Membership No. 300389

Consolidated Balance Sheet as at 31st March, 2018

Particulars	Note No.	(₹ in Lakhs)	
		As at 31.03.2018	As at 31.03.2017
ASSETS:			
(1) Non-current Assets			
(a) Property, plant & equipment	1.01	36,983.98	36,607.56
(b) Capital work-in-progress	1.01	544.36	163.84
(c) Investment property	1.02	-	87.50
(d) Other intangible assets	1.01	245.28	276.43
(e) Financial assets			
(i) Investments	1.03	6,714.66	5,180.68
(ii) Loans	1.04	409.46	403.14
(iii) Bank balance	1.05	7.72	418.54
(iv) Others	1.06	71.47	105.33
(f) Deferred tax assets (Net)	1.07	3,661.41	3,592.52
(g) Other non current assets	1.08	1,310.11	1,113.52
		49,948.45	47,949.06
(2) Current Assets			
(a) Inventories	1.09	29,074.93	23,155.53
(b) Financial assets			
(i) Investments	1.10	18,623.12	33,776.07
(ii) Trade receivables	1.11	67,396.04	54,842.59
(iii) Cash & cash equivalents	1.12	1,621.60	1,294.79
(iv) Bank balances other than (iii) above	1.13	1,830.53	3,833.77
(v) Loans	1.14	637.77	786.76
(c) Current tax assets (Net)	1.15	262.50	270.58
(d) Other current assets	1.16	55,835.20	31,897.05
		1,75,281.69	1,49,857.14
		2,25,230.14	1,97,806.20
TOTAL ASSETS			
EQUITY AND LIABILITIES:			
1 Equity			
(a) Equity share capital	1.17	2,198.28	2,194.15
(b) Other equity	1.18	99,454.88	98,301.85
		1,01,653.16	1,00,496.00
2 Non-current Liabilities:			
Non-controlling interest			
		2,305.76	2,003.74
Financial liabilities			
(a) Borrowings	1.19	6,300.28	3,301.28
(b) Provisions	1.20	604.59	548.09
(c) Other non current liabilities	1.21	-	1.85
		6,904.87	3,851.22
3 Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	1.22	48,244.47	39,406.97
(ii) Trade payables	1.23	32,308.58	29,771.09
(iii) Other financial liabilities	1.24	5,418.94	4,727.08
(b) Other current liabilities	1.25	27,358.34	16,548.46
(c) Provisions	1.26	1,036.02	1,001.64
		1,14,366.35	91,455.24
		2,25,230.14	1,97,806.20
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

B2/1, Gillander House

8, Netaji Subhas Road

Kolkata- 700 001

Dated: 15th May, 2018

Ravi Varma
Company Secretary

Directors

S. K. Poddar

A. C. Chakrabortti

Sandeep Fuller

D. H. Kela

A.K. Vijay

Statement of Consolidated Profit and Loss for the year ended 31st March, 2018

Particulars	Note No.	(₹ in Lakh)	
		Year Ended 31.03.2018	Year Ended 31.3.2017
I Revenue from operations	1.27	115,050.97	135,741.14
II Other income	1.28	4,752.49	4,551.67
III Total Income (I +II)		1,19,803.46	1,40,292.81
IV EXPENSES			
Cost of materials consumed	1.29	81,834.12	87,266.92
Changes in inventories of finished goods, stock-in -trade and work-in-progress	1.30	(5,393.40)	7,714.76
Excise duty		400.66	3,390.99
Employee benefit expense	1.31	9,742.77	9,606.12
Finance costs	1.32	6,086.03	5,814.78
Depreciation and amortization expense	1.33	2,494.03	2,213.76
Other expenses	1.34	22,083.16	20,352.87
Total expenses (IV)		1,17,247.37	1,36,360.20
V Profit(loss) before tax (III-IV)		2,556.09	3,932.61
VI Tax Expenses			
1)Current tax		1,182.24	1,468.38
2)MAT credit entitlement		(398.28)	(541.00)
3)Deferred tax		326.79	206.12
4)Income tax Paid Related to Earlier Years		105.87	96.89
		1,216.62	1,230.39
VII Profit (Loss) for the period from continuing operations (V-VI)		1,339.47	2,702.22
VIII Profit/(loss) for the period from JV/Associates		(74.96)	235.32
IX Profit/(loss) for the period		1,264.51	2,937.54
X Other comprehensive income			
A(i) Items that will not be reclassified to profit or loss	1.35	1,250.47	516.03
B(i) Items that will be reclassified to profit or loss		(52.57)	(9.34)
		1,197.90	506.69
XI Total Comprehensive Income for the period		2,462.41	3,444.23
XII Profit/(loss) for the period attributable to:			
Owners of the parent		1,264.51	2,937.54
Non-controlling interest		716.63	2,629.08
		547.88	308.46
XIII Other Comprehensive Income Attributable to:			
Owners of the parent		1,197.90	506.69
Non-controlling interest		1,188.24	516.18
		9.66	(9.49)
XIV Total Comprehensive Income Attributable to:			
Owners of the parent		2,462.41	3,444.23
Non-controlling interest		1,904.87	3,145.26
		557.54	298.97
XV Earnings per equity share (Face Value of ₹ 1/- each)			
(1) Basic		0.33	1.24
(2) Diluted		0.33	1.24
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

B2/1, Gillander House

8, Netaji Subhas Road

Kolkata- 700 001

Dated: 15th May, 2018

Ravi Varma
Company Secretary

Directors

S. K. Poddar

A. C. Chakrabortti

Sandeep Fuller

D. H. Kela

A.K. Vijay

Statement of Consolidated Cash Flow for the year ended 31st March, 2018

Particulars	₹ in Lakhs	
	Year ended 31.03.2018	Year ended 31.03.2017
A) Cash Flows From Operating Activities:		
Net Profit before Taxation & Exceptional Items	2,556.09	3,932.61
Adjustments for:		
Depreciation	2,494.03	2,213.76
Interest Paid	4,839.04	4,344.67
Bad Debt Written off	20.24	80.97
Property Plant & Equipments Written off	-	5.59
Employee Compensation Expenses under ESOP	168.78	390.30
Provision and Excess Liabilities Written Back	(2.99)	(1.15)
Interest Received	(871.99)	(1,027.18)
Income From Investments	(25.06)	(26.05)
Profit on Sale Of Investments-Current(Net)	(85.03)	(224.57)
Profit on Sale Of Investments-Long Term (Net)	(64.11)	(1,581.51)
Gain on Fair Value of bonds/Mutual	(1,476.40)	(1,346.21)
Loss/(Profit) on Sale Of Fixed Assets(Net)	(2.52)	26.35
Provision for Diminution in value of Investments		
	4,993.99	2,854.97
Operating Profit before Working Capital Changes & Exceptional Items	7,550.08	6,787.58
(Increase)/Decrease in Trade & Other Receivables	(36,772.30)	(16,000.19)
(Increase)/Decrease in Inventories	(5,919.40)	12,127.52
Increase/(Decrease) in Trade Payables & Other Liabilities	12,906.14	(4,843.82)
	(29,785.56)	(8,716.49)
Cash Generated from Operations	(22,235.48)	(1,928.91)
Direct Taxes Paid	(1,403.20)	(1,485.84)
Cash Flow before Exceptional Items	(23,638.68)	(3,414.75)
Exceptional Items	-	-
Net Cash from Operating Activities	(23,638.68)	(3,414.75)
B) Cash Flows From Investing Activities		
Purchase of Property,Plant & Equipments	(3,586.27)	(6,015.35)
Sale of Property,Plant & Equipments	1,046.33	0.00
(Purchase)/Sale of Investments (Net)	16,428.49	7,824.91
Loan and Advances to Related Parties		(3,401.66)
Bank Deposits(Includes having original maturity more than three months)	2,414.06	883.88
Interest Received	1,032.04	1,279.24
Inter corporate Deposit	142.67	3,365.91
Dividend Received	25.06	51.95
	17,502.38	3,988.88
Net Cash used in Investing Activities	17,502.38	3,988.88
C) Cash Flows From Financing Activities		
Receipt/(Payment) of Long Term Borrowings	2,999.00	4,156.06
Receipt/(Payment) of Short Term Borrowings	8,837.50	(654.78)
Issue of Equity Share Capital	169.51	89.74
Interest Paid	(4,832.08)	(4,419.80)
Dividend Paid	(546.49)	(525.17)
Dividend Tax Paid	(111.76)	(107.02)
	6,515.68	(1,460.97)
Net Cash used in Financing Activities	6,515.68	(1,460.97)
D) Changes in Foreign Currency Translation arising from Foreign Operations		
Net Decrease in Cash and Cash Equivalents	(52.57)	(9.34)
Cash and Cash Equivalents at the beginning of the period	1,294.79	2,190.97
Cash and Cash Equivalents at the end of the period	1,621.60	1,294.79
Note:		
(1) Details of Cash and Equivalents as on		
Balances with banks		
Current Accounts	1,585.34	1,261.02
Cheques on hand	-	1.90
Cash on hand	36.26	31.87
	1,621.60	1,294.79

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

B2/1, Gillander House

8, Netaji Subhas Road

Kolkata- 700 001

Dated: 15th May, 2018

Ravi Varma

Company Secretary

Directors

S. K. Poddar

A. C. Chakrabortti

Sandeep Fuller

D. H. Kela

A.K. Vijay

Statement of Changes in Equity

a Equity Share Capital		₹ in Lakhs						
Particulars	Balance at the beginning of the reporting period	Changes in equity share capital during the year				Balance at the end of the reporting period		
Equity Share	2,194.15	4.13				2,198.28		
b Other Equity		₹ in Lakhs						
Particulars	Reserve and Surplus				Other Comprehensive Income		Total	
	Capital Reserve	Securities Premium Reserve	General Reserve	Share Options 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, 2016		29,280.47		804.34	8,705.24	(104.73)	115.42	95,418.18
	10,510.68	46,106.76						
Income for the year	-	-	-	-	2,629.08	-	-	2,629.08
Other Comprehensive Income for the year	-	-	-	-	-	525.52	(9.34)	516.18
Cancellation of equity shares of earlier subsidiary on subsequent acquisition	(104.43)	-	-	-	-	-	-	(104.43)
Pre-acquisition profit	-	-	-	-	(2.28)	-	-	(2.28)
Dividends & Tax on Dividends	-	-	-	-	(632.73)	-	-	(632.73)
Transfer from retained earnings	-	-	500.00	-	-	-	-	500.00
Transfer to General Reserve	-	-	-	-	(500.00)	-	-	(500.00)
Any other change (ESOP allotment)	-	87.55	-	390.30	-	-	-	477.85
Balance as at 31st March, 2017	10,406.25	29,368.02	46,606.76	1,194.64	10,199.31	420.79	106.08	98,301.85
Income for the year	-	-	-	-	716.63	-	-	716.63
Other Comprehensive Income for the year	-	-	-	-	-	1,251.63	(52.57)	1,199.06
Dividends & Taxes on Dividend	-	-	-	-	(660.75)	-	-	(660.75)
Transfer from retained earnings	-	-	100.00	-	-	-	-	100.00
Transfer to General Reserve	-	-	-	-	(100.00)	-	-	(100.00)
Any other change (ESOP allotment)	-	165.38	-	168.78	-	-	-	334.16
Adjustment for share purchase agreement	-	-	-	-	(436.07)	-	-	(436.07)
Balance as at 31st March, 2018	10,406.25	29,533.40	46,706.76	1,363.42	9,719.12	1,672.42	53.51	99,454.88

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

B2/1, Gillander House

8, Netaji Subhas Road

Kolkata- 700 001

Dated: 15th May, 2018

Ravi Varma
Company Secretary

Directors

S. K. Poddar

A. C. Chakrabortti

Sandeep Fuller

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 700 056. The Company is listed on the National Stock Exchange of India Limited, Bombay Stock Exchange Limited and The Calcutta 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. The Company has strengthened its position as a Total Rail Solution Provider Company.

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 which are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair 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.

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 recognised 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 (xx).

(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

Notes on Consolidated Financial Statement

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 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	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

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

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 amortisation 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.

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.

(v) 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 recognised 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 in the statement of profit and loss immediately.

Notes on Consolidated Financial Statement

(vi) 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 amortised 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 amortised 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 in fair value recognised 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 amortised 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 recognised 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 recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(vii) 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).

Notes on Consolidated Financial Statement

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.

(viii) Revenue Recognition

Sales revenue is measured at fair value of the consideration received or receivable and stated at net of Sales Tax / VAT and 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 recognised 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

b. Revenue from construction contracts

In accordance with Ind AS 11 on "Construction Contracts", revenue is recognized using the percentage of completion method. Percentage of completion method is determined as a proportion of cost incurred to date to the total estimated contract cost. Where the total cost of contract, based on technical and other estimates, is expected to exceed the corresponding contract value, such excess is provided during the year. For this purpose total contract costs are ascertained on the basis of actual costs incurred and costs to be incurred for completion of contract in progress, which is arrived at by the management based on the current technical data, forecasts and estimate of expenditure to be incurred in the future including contingencies. Revision in projected profit and loss arising from change in estimates are reflected in each accounting period which however cannot be disclosed separately in the financial statements as the effect thereof cannot be determined accurately.

In some old projects where substantial contract revenue has already been recognized in earlier periods, revenue is recognized as per Ind AS 18 "Revenue Recognition" 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.

Notes on Consolidated Financial Statement

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.

(ix) 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 recognised 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 recognised 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 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 recognised in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in the comprehensive income are not reclassified to the statement of profit and loss but recognised 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.

Notes on Consolidated Financial Statement

(x) 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.

(xi) Excise / Cenvat, Custom Duty & Goods & Service Tax (GST)

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

(xii) 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.

(xiii) 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.

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

(xiv) Lease

a. Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

Assets acquired under leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Such assets are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

b. Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight-line basis over the lease term. Costs, including depreciation are recognised as an expense in the statement of Profit & Loss. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the statement of Profit & Loss.

Assets given under a finance lease are recognised as a receivable at an amount equal to the net investment in the lease. Lease income is recognised 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.

(xv) Foreign Currency Transactions and Exchange Differences

The Company's functional currency is Indian Rupees. 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.

(xvi) Provisions, Contingent Liabilities and Contingent Assets

a. Provisions & Warranties

Provisions are recognised 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.

Notes on Consolidated Financial Statement

The amount recognised 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 recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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 recognised 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 not 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.

(xvii) 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.

(xviii) 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.

(xix) Segment Reporting

- 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.
- 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.

Notes on Consolidated Financial Statement

- Capital Employed to each segment is classified on the basis of allocable assets minus allocable liabilities identifiable to each segment on reasonable basis.

(xx) 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 recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised 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 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 recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognised 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 recognised 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 recognised 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.

(xxi) 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 recognised 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:

- related to or used for assets are included in the Balance Sheet as deferred income and recognised as income over the useful life of the assets.
- 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.
- by way of financial assistance on the basis of certain qualifying criteria are recognised as they become receivable. In the unlikely event that a grant previously recognised is ultimately not received, it is treated as a change in estimate and the amount cumulatively recognised is expensed in the Statement of Profit and Loss.

(xxii) Earning Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders

Notes on Consolidated Financial Statement

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.

(xxiii) 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.

(xxiv) 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.
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 recognised in profits or losses.
	(b) Incorporated jointly controlled entities:
(i) Income on investments in incorporated jointly controlled entities is recognised 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.	

Notes on Consolidated Financial Statement

Note 1.01 Property, Plant and Equipment

(₹ in lakhs)

Description of Assets	Gross Block				Depreciation				Net Block
	As at 1.4.2017	Additions during the year	Sales/ adjustments	As at 31.3.2018	As at 1.4.2017	During the year	Sales/ Adjustments	As at 31.3.2018	As at 31.3.2018
Tangible Assets									
Land	3,820.43	138.03	-	3,958.46	29.36	50.25	-	79.61	3,878.85
Buildings	12,770.13	376.08	-	13,146.21	652.97	373.31	-	1,026.28	12,119.93
Roads	111.64	4.79	-	116.43	40.90	16.39	-	57.29	59.14
Railway sidings	215.17	-	-	215.17	19.28	9.56	-	28.84	186.33
Plant & machinery	20,654.95	3,047.18	1,297.40	22,404.73	2,130.62	1,597.57	169.86	3,558.33	18,846.40
Electrical machinery	702.47	3.35	-	705.82	135.26	56.70	-	191.96	513.86
Office equipments	450.22	152.30	0.02	602.50	137.99	100.80	-	238.79	363.71
Furniture & fittings	554.94	56.58	-	611.52	1,11.55	97.50	-	209.05	402.47
Vehicles	672.88	153.33	39.57	786.64	87.34	121.35	35.34	173.35	613.29
Total	39,952.83	3,931.64	1,336.99	42,547.48	3,345.27	2,423.43	205.20	5,563.50	36,983.98
CWIP (Capital Work in Progress)	163.84	1,932.89	1,552.37	544.36	-	-	-	-	544.36
INTANGIBLE ASSETS									
Software	415.07	39.45	-	454.52	138.64	70.60	-	209.24	245.28
Total	415.07	39.45	-	454.52	138.64	70.60	-	209.24	245.28
Grand Total	40,531.74	5,903.98	2,889.36	43,546.36	3,483.91	2,494.03	205.20	5,772.74	37,773.62

Previous Year

(₹ in lakhs)

Description of Assets	Gross Block				Depreciation				Net Block
	As at 1.4.2016	Additions during the year	Sales/ adjustments	As at 31.3.2017	As at 1.4.2016	During the year	Sales/ Adjustments	As at 31.3.2017	As at 31.3.2017
Tangible assets									
Land	974.58	2,845.85	-	3,820.43	0.02	29.34	-	29.36	3,791.07
Buildings	11,690.21	1,103.93	24.01	12,770.13	329.36	343.75	20.14	652.97	12,117.16
Roads	111.64	-	-	111.64	20.15	20.75	-	40.90	70.74
Railway sidings	182.03	33.14	-	215.17	10.29	8.99	-	19.28	195.89
Plant & machinery	19,293.43	1,737.46	375.94	20,654.95	1,030.41	1,404.22	304.01	2,130.62	18,524.33
Electrical machinery	590.79	111.68	-	702.47	59.49	75.77	-	135.26	567.21
Office equipments	211.29	238.93	-	450.22	60.01	77.98	-	137.99	312.23
Furniture & fittings	538.31	16.63	-	554.94	51.39	60.16	-	111.55	443.39
Vehicles	704.23	162.87	194.22	672.88	100.25	119.37	132.28	87.34	585.54
Total	34,296.51	6,250.49	594.17	39,952.83	1,661.37	2,140.33	456.43	3,345.27	36,607.56
CWIP (Capital Work in Progress)	392.59	1,487.89	1,716.64	163.84	-	-	-	-	163.84
Total	392.59	1,487.89	1,716.64	163.84	-	-	-	-	163.84
INTANGIBLE ASSETS									
Software	331.07	84.00	-	415.07	65.21	73.43	-	138.64	276.43
Total	331.07	84.00	-	415.07	65.21	73.43	-	138.64	276.43
Grand Total	35,020.17	7,822.38	2,310.81	40,531.74	1,726.58	2,213.76	456.43	3,483.91	37,047.83

Notes on Consolidated Financial Statement

Note 1.02 Investment Property

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
As per last Account	87.50	87.50
Add: Addition during the Year	-	-
Total	87.50	87.50
Less: Transfer/ Sold during the Year	(87.50)	-
Total	-	87.50

Note 1.03 Non-Current Investments

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
A. Investments in Equity Instruments (Quoted)		
i. Texmaco Infrastructure & Holdings Ltd. 23,49,809 (2017: 23,49,809) Shares of Re 1 each	1,434.55	955.20
ii. Chambal Fertilisers & Chemicals Ltd. 10,00,000 (2017: 10,00,000) Shares of ₹ 10 each	1,646.50	867.50
B. Investments in Equity Instruments of Joint Ventures (Unquoted)		
i. Touax Texmaco Railcar Leasing Pvt Ltd. 1,26,49,999 (2017: 1,26,49,999) Shares of ₹ 10 each	1,113.59	1,132.47
ii. Wabtec Texmaco Rail Private Ltd. 8,81,700 (2017: 8,81,700) Shares of ₹ 10 each	70.02	125.51
C. Investments in CCD of Joint Ventures (Unquoted)		
Touax Texmaco Railcar Leasing Pvt Ltd. 24,50,000 (2017: 21,00,000) CCD of ₹ 100 each	2,450.00	2,100.00
Total	6,714.66	5,180.68
(i) Aggregate amount of quoted investments	3,081.05	1,822.70
(ii) Market value of quoted investments	3,081.05	1,822.70
(iii) Aggregate amount of unquoted investments	3,633.61	3,357.99

Note 1.04 Loans

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
(a) Security Deposits	409.46	396.79
(b) Other loans and advances	-	3.85
(c) Deferred Interest Expenses (Loan given to Employees)	-	2.50
Total	409.46	403.14

Note 1.05 Bank Balance

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
Margin Money	7.72	418.54
Total	7.72	418.54

Notes on Consolidated Financial Statement

Note 1.06 Other Non-Current Financial Assets

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
(a) Term Deposit of more Than Twelve Months Maturity	47.49	47.06
(b) Interest Accrued on Deposits & Others	23.98	58.27
Total	71.47	105.33

Note 1.07 Deferred Tax Assets (net)

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
The major components of the Deferred Tax Liabilities / (Assets) based on the tax effects of timing differences are as follows:		
Deferred Tax Assets		
Items u/s 43B and u/s 40(a)(i)(a) of I.T Act	619.37	1,238.64
Deferred Tax Assets on account of transition date adjustment	3,141.52	3,141.52
Deferred Tax Assets on GAAP differences during the year	(380.25)	(205.40)
MAT Credit Entitlement	1,483.73	1,085.44
Business Loss	1,484.14	79.36
Provision for Contract Loss	33.45	16.45
Provision for Doubtful Debts & Advances	1,294.94	545.58
Total Deferred Tax Assets	7,676.90	5,901.59
Deferred Tax Liabilities		
Depreciation	(4,015.49)	(2,309.07)
Total	3,661.41	3,592.52

Deferred Tax Assets/Liability is recognised as per Ind AS 12 "Accounting for Taxes on Income" issued by the (Accounting Standard), Rules, 2006. The Deferred Tax Assets & Liabilities comprises of Tax effect of above timing differences.

Note 1.08 Other Non-Current Asset

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
(a) Capital Advances	171.10	234.54
(b) Prepaid Expenses	114.96	99.93
(c) Claims and other receivables	1,024.05	779.05
Total	1,310.11	1,113.52

Note 1.09 Inventories

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
(a) Raw Material & Components	9,332.27	8,726.85
(b) Work in Progress	14,824.81	11,697.64
(c) Finished Goods	2,297.64	31.41
(d) Stores and Spares	1,497.62	1,039.03
(e) Goods in transit (Raw Material and Components)	1,122.59	1,660.60
Total	29,074.93	23,155.53

Notes on Consolidated Financial Statement

Note 1.10 Current Investments

Particulars	₹ in Lakhs	
	As at 31.03.2018	As at 31.03.2017
Fully paid-up		
(a) Investments in Equity Instruments (Quoted)		
Tata Teleservices (Maharashtra) Ltd. 22,666 (2017: 22,666) Units of ₹ 10 each	1.26	1.62
EIH Ltd. 10,000 (2017: 10,000) Shares of ₹ 2 each	15.91	12.05
SREI Infrastructure Finance Ltd. 1,800 (2017: 1,800) Shares of ₹ 10 each	1.32	1.49
Century Textiles & Industries Ltd. 500 (2017: 500) Shares of ₹ 10 each	5.71	5.27
NHPC Ltd. 1,01,471 (2017: 1,01,471) Shares of ₹ 10 each	28.11	32.67
Sub-total-(a)	52.31	53.10
(b) Investments in Bonds (Unquoted) (At Fair Value)		
In NABARD Nil. (2017: 8,750) Units of ₹ 8500 each (FV ₹ 20,000)	-	1,526.87
In 6.70% IRFC (Tax Free) 540 (2017: 540) Units of ₹ 1,00,000 each	540.00	540.00
In 8.10% IRFC (Tax Free) 21,751 (2017: 21,751) Units of ₹ 1,000 each	254.49	253.40
In 8.30% GOI 5,00,000 (2017: 5,00,000) Units of ₹ 100 each	500.00	500.00
In 8.30% NHAI (Tax Free) 49,448 (2017: 49,448) Units of ₹ 1,000 each	582.83	589.42
In 8.20% HUDCO (Tax Free) 50,000 (2017: 50,000) Units of ₹ 1,000 each	571.00	572.50
Sub-total-(b)	2,448.32	3,982.19
(c) Investments in Mutual Funds (Unquoted) at Fair Value		
Axis Treasury Advantage Fund Growth 9072 (2017: 645) Units of ₹ 1000 each	175.67	11.71
Axis Short Term Fund-Growth 35428(2017: Nil) Units of ₹ 10 each	6.68	-
Birla Sun Life Income Plus Growth Regular Plan Nil (2017: 21,15,639) Units of ₹ 10 each	-	1,550.50
Birla Sun Life Treasury Optimiser Fund Growth Nil (2017: 2,88,403) Units of ₹ 100 each	-	600.42
Birla Sun Life Short Term Opportunities Fund Growth Nil (2017: 21,90,494) Units of ₹ 10 each	-	594.36
Birla Sun Life Dynamic Bond Fund Retail Growth -Regular plan Nil (2017: 42,04,472) Units of ₹ 10 each	-	1,220.72
Franklin India Short Term Income Fund Growth 17,424 (2017: 17,424) Units of ₹ 1000 each	639.49	589.98
Franklin India Corporate Bond Opportunities Growth Nil (2017: 35,54,721) Units of ₹ 10 each	-	593.79
HDFC FMP 369 Days March 2017 (3) Series 29 Regular Growth Nil (2017: 79,00,000) Units of ₹ 10 each	-	1,013.09

Notes on Consolidated Financial Statement

Note 1.10 Current Investments (contd..)

Particulars	₹ in Lakhs	
	As at 31.03.2018	As at 31.03.2017
HDFC Short Term Plan Growth 38,03,887 (2017: 38,03,887) Units of ₹ 10 each	1,309.83	1,232.83
HDFC Corporate Debt Opportunity Fund -Growth Nil (2017: 44,54,978) Units of ₹ 10 each	-	604.01
HDFC Gilt Fund LTP -Growth Nil (2017: 17,63,333) Units of ₹ 10 each	-	594.93
IDFC Super Saver Income Fund Institutional Plan Growth Regular Plan Nil (2017: 2,74,659) Units of ₹ 10 each	-	111.07
IDFC SSIF Medium Term Plan Growth Nil (2017: 21,27,651) Units of ₹ 10 each	-	589.94
ICICI Prudential Short Term Plan Growth 394,700(2017: 25,22,761) Units of ₹ 10 each	142.86	860.82
ICICI Prudential Regular Saving Fund Growth 81,96,176 (2017: 1,40,45,832) Units of ₹ 10 each	1,521.58	2,439.69
ICICI Prudential Saving Fund -Regular Plan -Growth Nil (2017: 6,50,785) Units of ₹ 100 each	-	1,591.46
Kotak Income Opportunity Fund- Growth Nil (2017: 6,30,282) Units of ₹ 10 each	-	113.10
Kotak Medium Term Fund Growth Nil (2017: 91,64,818) Units of ₹ 10 each	-	1,240.71
Reliance Short Term Fund -Growth 19,10,833 (2017: 19,10,833) Units of ₹ 10 each	623.94	588.86
Reliance Income Fund- Growth Plan - Bonus Option Nil (2017: 87,28,086) Units of ₹ 10 each	-	1,335.06
Reliance Corporate Bond fund 3,13,69,461 (2017: 1,80,66,505) Units of ₹ 10 each	4,393.55	2,378.60
Reliance Dynamic Bond Fund Direct Growth Plan Nil (2017: 37,49,367) Units of ₹ 10 each	-	862.29
Reliance Dynamic Bond Fund Growth Plan -Growth Option 56,93,711 (2017: 59,87,327) Units of ₹ 10 each	1,377.60	1,338.78
Reliance Regular Saving Fund Debt Plan- Growth Plan Growth Option 1,90,10,042 (2017: 1,90,10,042) Units of ₹ 10 each	4,599.52	4,307.05
SBI Magnum Income Fund Regular Plan - Growth 31,38,399 (2017: 38,52,150) Units of ₹ 10 each	1,331.77	1,555.06
SBI Magnum Gilt Fund -LTP Growth Nil (2017: 16,55,673) Units of ₹ 10 each	-	610.90
SBI Ultra Short Term Debt Fund Regular Plan Growth Nil (2017: 25,678) Units of Rs.1000 each	-	216.90
SBI Premier Liquid Fund-Regular Plan-Growth Nil (2017: 15,717) Units of Rs.1000 each	-	400.11
UTI Short Term Income Fund Growth Nil (2017: 29,79,383) Units of ₹ 10 each	-	594.04
Sub-total-(c)	16,122.49	29,740.78
Total	18,623.12	33,776.07
(i) Aggregate amount of quoted investments	52.31	53.10
(ii) Market value of quoted investments	52.31	53.10
(iii) Aggregate amount of unquoted investments	18,570.81	33,722.97

Notes on Consolidated Financial Statement

Note 1.11 Trade Receivables

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
(a) Outstanding for a period exceeding six months from due date of payment		
Secured , considered good	-	-
Unsecured , considered good	22,885.11	8,307.52
Unsecure, considered doubtful	9,218.94	9,766.50
	32,104.05	18,074.02
(b) Other receivables		
Secured , considered good	-	-
Unsecured , considered good	44,510.93	46,535.07
	76,614.98	64,609.09
Allowance for bad and doubtful debts	(9,218.94)	(9,766.50)
Total	67,396.04	54,842.59

- (i) Other includes ₹ 13,196.74 Lakhs as retention money (2017: ₹ 14,604.13 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 provides allowance in trade receivables 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 1.12 Cash and Cash Equivalents

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
(a) Balances with banks		
- In current accounts	1,585.34	1,261.02
(b) Cheques/ Pay order in hand	-	1.90
(c) Cash on hand	36.26	31.87
Total	1,621.60	1,294.79

Note 1.13 Bank Balances other than Above

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
(a) Unpaid Dividend Account	26.58	24.08
(b) Term Deposit of upto Twelve Months Maturity	11.88	3234.61
(c) Margin Money	1,792.07	575.08
Total	1,830.53	3,833.77

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

Note 1.14 Loans

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
(a) Security Deposits to others	53.34	29.11
(b) Loan to Body Corporates	275.00	275.00
(c) Interest accrued on Loans	482.96	647.59
(d) Advance to Employee	99.00	109.53
(e) Less Provision for Advances / Loan	(275.00)	(275.00)
(f) Deferred Interest Expenses (Loan given to Employees)	2.47	0.53
Total	637.77	786.76

Notes on Consolidated Financial Statement

Note 1.15 Current Tax Assets (Net)

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
(a) Advance Payment of Income Tax (net of provision)	239.92	122.23
(b) Interest Accrued on Fixed deposits	22.58	148.35
Total	262.50	270.58

Note 1.16 Other Current Assets

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
(i) Advances other than capital advances		
(a) Security Deposits	-	6.82
(b) Advances to related parties (giving details thereof)		
-Advance to Parties	4,592.14	3,608.17
-Other Advances	3,586.00	2,031.32
(ii) Others		
Prepaid Expenses	574.65	609.02
Balances with Government Dept	15,366.59	8,121.93
Unbilled Debtors	31,674.84	17,519.68
Deferred Rent Expenses(Security Deposits Rent Given)	0.01	0.07
Preliminary Expenses	-	0.04
Receivables against sale of non-current assets	40.97	-
Total	55,835.20	31,897.05

Note 1.17 Equity Share capital

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
Authorised Share Capital		
95,00,00,000 Equity shares at par value of ₹ 1/- each	9,500.00	9,500.00
(As at 31st March 2017: 95,00,00,000 equity share of ₹ 1/- each)	9,500.00	9,500.00
Issued, Subscribed and paid up capital		
21,98,28,443 Equity Share of ₹ 1/- each	2,198.28	2,194.15
(As at 31st March 2017: 21,94,14,993 equity share of ₹ 1/- each)	2,198.28	2,194.15

- (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 share.
- (ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.
- (iii) Issued, Subscribed and Paid Up Capital includes 12,71,83,090 equity shares allotted on the basis of 1 equity shares in TexRail for ₹ 1/- each credited as fully paid-up for every 1 equity shares held by each member of Texmaco Infrastructure & Holdings Limited on record date without payment being received in cash.
- (iv) During the Year the Company has allotted 4,13,450 Equity Shares to its employees under Employee Stock Option Scheme.
- (v) Reconciliation of number of Issued,Subscribed and Paid-up Capital.

Particulars	As at 31.03.2018		As at 31.03.2017	
	No. of Shares	Amount	No. of Shares	Amount
Number of Shares at the beginning of the year	21,94,14,993	2,194.15	21,02,83,723	2,102.84
Add: Allotment as per the scheme of merger	-	-	89,12,395	89.12
Add: Allotment under ESOP	4,13,450	4.13	2,18,875	2.19
Number of Shares at the end of the year	21,98,28,443	2,198.28	21,94,14,993	2,194.15

Notes on Consolidated Financial Statement

(vi) After the reporting date, dividend of 0.25 paisa (2017: 0.25 Paisa) per equity share were proposed by the Board of Directors subject to the approval of the shareholders at the Annual General Meeting, the dividend has not been recognised as Liabilities. Dividends would attract Dividend Distribution Tax when declared or paid.

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

Name of Shareholders	As at 31.03.2018		As at 31.03.2017	
	% Holding	No. of Eq.	% Holding	No. of Eq.
Texmaco Infrastructure & Holdings Ltd.	24.84	5,46,00,000	24.88	5,46,00,000
Zuari Investments Ltd.	13.18	2,89,63,900	13.20	2,89,63,900

Note 1.18 Other Equity

Particulars	As at	
	31.03.2018	31.03.2017
	(₹ in Lakhs)	
(i) Share Options Outstanding Account		
Balance as per last Account	1,194.64	804.34
Add: On issue of ESOP	168.78	390.30
	1,363.42	1,194.64
(ii) Capital Reserve		
Balance as per last Account	10,406.25	10,510.68
Less: Cancellation of Eq. Shares of Kalindee held as investments	-	(104.43)
	10,406.25	10,406.25
(iii) Securities Premium		
Balance as per last Account	29,368.02	29,280.47
Add: On issue of ESOP	165.38	87.55
	29,533.40	29,368.02
(iv) General reserve		
Balance as at the beginning of the year	46,606.76	46,106.76
Add: Transferred from Statement of Profit and Loss	100.00	500.00
	46,706.76	46,606.76
(v) Reserves representing unrealised gains/losses		
(a) Equity Instruments through Other Comprehensive Income	526.15	(25.48)
Addition during the year	1,258.37	551.63
	1,784.52	526.15
(b) Remeasurements of the net defined benefit Plans	(104.02)	(79.25)
Addition during the year	(7.32)	(24.77)
	(111.34)	(104.02)
(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	(1.34)	-
Addition during the year	0.58	(1.34)
	(0.76)	(1.34)
(vi) Exchange differences on translating the financial statements of a foreign operation		
Balance as at the beginning of the year	106.08	115.42
Addition during the year	(52.57)	(9.34)
	53.51	106.08
(vii) Retained Earnings		
Surplus at the beginning of the year	10,199.31	8,705.24
Add: Pre-acquisition Profit	-	(2.28)
Add : Profit for the year	716.63	2,629.08
Less : Transferred to General Reserve	(100.00)	(500.00)
Less: Dividend on Equity Shares	(548.99)	(525.71)
Less: Tax on dividend	(111.76)	(107.02)
Less: Adjst. as per Share Purchase Agreement	(436.07)	-
	9,719.12	10,199.31
Total	99,454.88	98,301.85

Notes on Consolidated Financial Statement

(i) **General Reserves:** The General Reserves is used from time to time to transfer profit from 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 included in the general reserve will not be reclassified subsequently to profit & loss.

(ii) **Reserve for equity instrument through other comprehensive income (OCI):** This reserve represents the cumulative gain and 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 of.

(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 is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision 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 offsetting earnings.

Note 1.19 Borrowings (Non - Current)

Particulars	As at	
	31.03.2018	31.03.2017
	(₹ in Lakhs)	
(a) Secured (From Banks)		
Term Loan/Foreign Currency Term Loan (TL/FCTL)	3,206.55	223.37
Car Loan	88.94	77.91
(b) Unsecured		
From other parties	3,004.79	3,000.00
Total	6,300.28	3,301.28

Term Loan from Bank is secured against the Property, Plant and Equipments created from such Loan. Remaining Term Loan from bank is repayable in 53 monthly installments.

Car loan is secured against hypothecation of car.

Note 1.20 Provisions

Particulars	As at	
	31.03.2018	31.03.2017
	(₹ in Lakhs)	
(a) Provision for employee benefits (Leave)	231.18	192.57
(b) Provision for employee benefits (Gratuity)	184.42	166.53
(c) Others (specify nature).		
i. For Contingency	1.00	1.00
ii. For Warranty and others	187.99	187.99
Total	604.59	548.09

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

Note 1.21 Other non current liabilities

Particulars	As at	
	31.03.2018	31.03.2017
	(₹ in Lakhs)	
(a) Security Deposits	-	1.75
(b) Deferred Rent Income-Security Deposit Rent	-	0.10
	-	1.85

Note 1.22 Borrowings (Current)

Particulars	As at	
	31.03.2018	31.03.2017
	(₹ in Lakhs)	
(a) Secured (From Banks)		
- Cash Credit	43,094.48	33,398.60
(b) Unsecured (From Banks)	3,000.00	3,000.00
(c) From Related Parties	700.00	-
(d) Inter-Corporate Deposits	1,450.00	3,008.37
Total	48,244.48	39,406.97

(i) Cash Credit facilities are secured by hypothecation of 1st charge on stocks, book debts and other current assets and 1st charge on Property, Plant and Equipments.

(ii) Post Demerger of Heavy Engineering and Steel Foundry businesses of Texmaco Infrastructure & Holdings Limited (Tex Infra), the first charge created on immovable property and Corporate Guarantee of Tex Infra continues.

Notes on Consolidated Financial Statement

Note 1.23 Trade Payables

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
Dues to Micro and Small Enterprises	66.22	39.60
Others	32,242.36	29,731.49
Total	32,308.58	29,771.09
Information in terms of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 is as follows:		
Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:	31.03.2018	31.03.2017
(a) Principal amount due	66.22	345.19
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 are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act.	-	-

Note 1.24 Other Financial Liabilities

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
(a) Current maturities of long-term debt		
Term Loan / Foreign Currency Term Loan (TL / FCTL)	574.41	551.57
Car Loan	59.63	10.46
(b) Interest accrued		
Interest accrued but not due on borrowings	173.62	166.66
(c) Unclaimed / Unpaid dividends	26.58	24.08
(d) Others		
Liabilities for Expenses	875.99	2,271.17
Amount Due to Employee	648.36	767.11
Others Misc. Payable	1,788.11	40.52
Misc. Security Deposit	-	831.59
Creditors for Capital Advance	1,272.24	63.92
Total	5,418.94	4,727.08

- (i) Term Loan from Bank is secured against the property, Plant and Equipments created from such loan. The balance FCTL is payable in 12 monthly installments. Car loan is secured against hypothecation of car.
- (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, 2018.

Note 1.25 Other Current Liabilities

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
(a) Revenue received in advance	302.39	274.31
(b) Other advances		
i. Advances from Customers	24,342.25	14,505.71
(c) Others		
i. TDS and other taxes payable	1,404.18	1,091.02
ii. PF, ESI amount payable	118.20	93.71
iii. Security Deposits	1,191.32	578.54
iv. Deferred Rent Income-Security Deposit Rent	-	0.14
v. Interest Payable	-	5.03
Total	27,358.34	16,548.46

Notes on Consolidated Financial Statement

Note 1.26 Provisions (Current)

Particulars	(₹ in Lakhs)	
	As at 31.03.2018	As at 31.03.2017
(a) Provision for employee benefits (For Gratuity)	36.23	89.18
(b) Provision for employee benefits (For leave)	94.15	69.41
(c) Provision for Contract Loss Provision	96.65	47.53
(d) Provision for Expenses	-	2.97
(e) Provision for Claims & Damages	-	32.57
(f) Provision for Others	808.99	759.98
Total	1,036.02	1,001.64

Note: The Company accounts for leave and gratuity based on Actuary Valuation.

Note 1.27 Revenue From Operations

Particulars	(₹ in Lakhs)	
	Year Ended 31.03.2018	Year Ended 31.03.2017
(a) Sale of products	64,325.39	81,838.13
(b) Sale of services	53,571.80	63,489.77
Less: Inter Segment Revenue	(4,147.39)	(10,308.70)
	113,749.80	135,019.20
(c) Other operating revenues	1,301.17	721.94
Total	115,050.97	135,741.14

Note 1.28 Other Income

Particulars	(₹ in Lakhs)	
	Year Ended 31.03.2018	Year Ended 31.03.2017
(a) Interest Income		
From Bank	185.82	91.03
From Others	686.17	936.15
(b) Dividend Income		
Income from Non-Current Investments	25.06	26.05
(c) Other non-operating income		
Net gain on Sale of Current Investments	85.03	224.57
Net gain on Sale of Non-Current Investments	64.11	1,581.51
Compensation Against Old Refugee Settlement Area	1,900.00	-
Miscellaneous Receipts and Income	200.57	195.07
Sundry Credit Balance Adjusted	94.25	42.74
Profit on sale of Fixed Assets (Net)	2.52	(26.35)
Rent Received	29.57	133.49
Provision & Excess Liabilities Written Back	2.99	1.15
Gain on fair valuation of Bonds/Mutual Funds	1,476.40	1,346.21
Share of Profit from Bright Maan Inc JV	-	0.05
Total	4,752.49	4,551.67

Note 1.29 Cost of Materials Consumed

Particulars	(₹ in Lakhs)	
	Year Ended 31.03.2018	Year Ended 31.03.2017
Opening Stock of Raw Materials	3,564.90	4,928.29
Add: Raw materials Purchased and Departmental Transfers etc.	22,677.58	20,528.65
	26,242.48	25,456.94
Less: Closing Stock of Raw Materials	(5,049.43)	(5,580.08)
	21,193.05	19,876.86
Consumption of Components	64,788.46	77,698.76
Less Inter Segment Revenue	(4,147.39)	(10,308.70)
Total	81,834.12	87,266.92

Notes on Consolidated Financial Statement

Note 1.30 Changes In Inventories of Finished Goods, Stock-in-Trade and Work-in-Progress (₹ in Lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Opening Stock		
Finished Goods	31.41	6,347.43
Work-in-Progress	11,697.64	13,096.38
	11,729.05	19,443.81
Less : Closing Stock		
Finished Goods	2,297.64	31.41
Work-in-Progress	14,824.81	11,697.64
	17,122.45	11,729.05
Increase / (Decrease) in Stock	(5,393.40)	7,714.76

Note 1.31 Employee Benefits Expenses (₹ in Lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
(a) Salaries ,Wages and Bonus	8,354.73	8,040.87
(b) Contribution to provident and other funds	-	
i) Provident Fund and Pension Fund	529.64	572.18
ii) Superannuation Fund	157.05	49.55
(c) Share based payments to employees	168.78	390.30
(d) Staff Welfare Expenses	507.09	517.98
(e) VRS Expenses	25.48	35.24
Total	9,742.77	9,606.12

Note 1.32 Finance Costs (₹ in Lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
(a) Interest		
i) Banks	4,812.72	4,442.79
ii) Others	26.32	(98.12)
(b) Other Borrowing Costs	1,246.99	1,470.11
Total	6,086.03	5,814.78

Note 1.33 Depreciation and Amortization Expense (₹ in Lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Depreciation on Tangible Assets	2,423.43	2,140.33
Depreciation on Intangible Assets	70.60	73.43
Total	2,494.03	2,213.76

Notes on Consolidated Financial Statement

Note 1.34 Other Expenses (₹ in Lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Consumption of stores and spares part	5,997.06	5,626.82
Manpower Support Charges	81.35	76.58
Power and Fuel	4,512.00	4,450.34
Rent	314.48	358.34
Repairs to buildings	531.82	368.09
Repairs to machinery	351.75	525.53
Repairs to others	87.24	125.96
Insurance	269.54	160.49
Rates and Taxes excluding taxes on Income	1,518.51	711.86
Freight,Packing and Transport (Net)	1,187.70	803.60
Erection Expenses	3,770.96	3,839.11
Drawings and Designs	8.61	4.36
Royalty & Knowhow	256.77	13.39
Research & Development	104.70	91.46
Selling Agents Commission	28.58	29.39
Selling Expenses	234.61	275.69
Director's Sitting Fees	21.18	24.91
Director's Commission	14.00	13.51
Payments to the Auditor		
As Auditor	24.08	19.32
For Tax Audit	4.51	5.41
For Quarterly Review	3.42	2.91
For Fees for Other Services (incl for issuing various certificates)	6.71	12.59
As Cost Auditor	1.40	1.40
For Reimbursement of out of poket expenses	2.55	5.30
Donation	0.89	1.96
CSR Expenses	33.44	34.12
Miscellaneous Expenses	2,695.56	2,648.01
Sundry Debit Balance Adjusted	7.91	25.38
Bad Debt written off	20.24	80.97
Property, Plant and Equipment Written off	-	5.59
Net (gain)/loss on foreign currency transaction	(8.80)	10.48
Preliminary Expenses Written off	0.39	-
Total	22,083.16	20,352.87

Note on CSR Expense:

(i) Gross amount required to be spent by the Company during the year: ₹ 29.04 Lakhs		
(ii) Amount spent in cash during the year on:	In Cash	Total
(i) Construction/acquisition of any asset	10.01	10.01
(ii) On purposes other than (i) above	33.44	33.44
Total	43.45	43.45

Note 1.35 Other Comprehensive Income (₹ in Lakhs)

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
(A) Items that will not be reclassified to profit or loss		
(i) Remeasurements of the defrned benefit plans	(7.32)	(34.26)
(ii) Equity Instruments through Other Comprehensive Income;	1,258.37	551.63
(iii) Share of Other Comprehensive Income in Associates and Joint Ventures, to the extent not to be classified into profit or loss	(0.58)	(1.34)
	1,250.47	516.03
(B) Items that will be reclassified to profit or loss		
(i) Exchange differences in translating the financial statements of a foreign operation	(52.57)	(9.34)
Total	(52.57)	(9.34)

Notes on Consolidated Financial Statement

Note 1.36 Commitments and Contingent Liabilities

Particulars	Year Ended	
	31.03.2018	31.03.2017
	(₹ in Lakhs)	
(A) Commitments		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advance)	1,477.00	452.56
(B) Contingent Liabilities (not provided for) in respect of :		
(a) Guarantees given by Banks in the normal course of Business.	1,10,975.72	87,533.79
(b) Letters of Credit opened by Banks in the normal course of Business.	12,481.40	71,036.40
(c) Bonds issued to Custom Department	92.20	92.20
(d) Claims under dispute (Excise, Service Tax, Income Tax & others)	8,665.37	8,670.54
(e) Cumulative Preference Dividend	1,243.57	924.37
(f) Claims not acknowledged as debts (Amount unascertainable)	-	-
(g) Income Tax assessment under appeal (Amount unascertainable)	-	-

Note 1.37 Movement of Provisions during the year as required under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

Particulars	Year Ended				
	Opening Provision As at 1.4.2017	Utilized during the year	Reversed during the year	Provision during the year	Closing provision As at 31.03.2018
(a) Site warranty period maintenance	183.99	--	--	--	183.99
(b) Others	763.98	5.11	--	54.12	812.99
Total	947.97	5.11	--	54.12	996.98
Previous Year	754.62	28.94	---	222.29	947.97

In accordance with the requirement of INDAS 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 ₹ 54.12 lakhs (Previous Year ₹ 222.29 lakhs).

Site warranty period maintenance: - The Company gives warranties and maintenance on certain products and services, undertaking to repair, replace and maintain the items for satisfactory working during the warranty period. Provision as at 31.03.2018 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.

Note 1.38 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 1.39 Balance of debtors and loans and advances are subject to confirmation from respective parties.

Notes on Consolidated Financial Statement

Note 1.40 Related Party Disclosure

(a) Name of the Related Parties and Relationship

Relationship	Parties where control Exist	
	2017-18	2016-17
A. Key Management Personnel	Mr. S. K. Poddar Executive Chairman	Mr. S. K. Poddar Executive Chairman
	---	Mr. Ramesh Maheshwari Executive Vice Chairman (Retired w.e.f: 25th Sep,2016)
	Mr. D. H. Kela Executive Director & CEO (SF)	Mr. D. H. Kela Executive Director & CEO (SF)
	Mr. Sandeep Fuller Executive Director & CEO (HED)	Mr. Sandeep Fuller Executive Director & CEO (HED)
	Mr. A.K. Vijay Executive Director (Finance) & CFO	Mr. A.K. Vijay Executive Director (Finance) & CFO
	Mr. G.C.Agrawal CEO (HED) w.e.f: 5th Mar,2018	--
	Mr. Ravi Varma (Company Secretary)	Mr. Ravi Varma (Company Secretary)
B. Relative of Key Management Personnel	Ms. Jyotsna Poddar (Wife of Mr. S.K.Poddar)	Ms. Jyotsna Poddar (Wife of Mr. S.K.Poddar)
	Mr. Akshay Poddar (Son of Mr. S.K.Poddar)	Mr. Akshay Poddar (Son 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. Group Company where transaction exists.	Zuari Investments Ltd	Zuari Investments Ltd
	Duke Commerce Ltd.	Duke Commerce Ltd.
	Adventz Securities Enterprises Ltd.	Adventz Securities Enterprises Ltd.
	Zuari Global Ltd.	Zuari Global Ltd.
	New Eros Tradecom Ltd.	New Eros Tradecom Ltd.
	Master Exchange & Finance Ltd.	Master Exchange & Finance Ltd.
	Adventz Investments Co. Pvt. Ltd.	Adventz Investments Co. Pvt. Ltd.
	Adventz Securities Trading Pvt. Ltd.	Adventz Securities Trading Pvt. Ltd.
	Adventz Finance Pvt. Ltd.	Adventz Finance Pvt. Ltd.
	Eureka Traders Pvt. Ltd.	Eureka Traders Pvt. Ltd.
	Abhishek Holdings Pvt. Ltd.	Abhishek Holdings Pvt. Ltd.
	Greenland Trading Pvt. Ltd.	Greenland Trading Pvt. Ltd.
	Indrakshi Trading Company Pvt. Ltd.	Indrakshi Trading Company Pvt. Ltd.
	Zuari Management Services Ltd.	Zuari Management Services Ltd.
	High Quality Steels Ltd.	High Quality Steels Ltd.
	Lionel India Ltd.	Lionel India Ltd.
	Texmaco Infrastructure & Holdings Ltd.	Texmaco Infrastructure & Holdings Ltd.
	Indian Furniture Private Ltd.	Indian Furniture Private Ltd.
	Macfarlane & Co. Ltd.	Macfarlane & Co. Ltd.
	Mangalore Chemicals & Fertilizers Ltd	Mangalore Chemicals & Fertilizers Ltd
Paradeep Phosphate Ltd.	Paradeep Phosphate Ltd.	

Notes on Consolidated Financial Statement

(b) Related Party Transactions

(₹ in Lakhs)							
Transactions	Other Related Party	Subsidiary	Associate	Joint venture	Key Magt Personnel	Grand Total	Balance outstanding As at 31/03/2018
Remuneration Paid							
- Mr. S. K. Poddar	--	--	--	--	362.22	362.22	--
	(--)	(--)	(--)	(--)	(366.19)	(366.19)	(--)
- Mr. Ramesh Maheshwari* (Retired w.e.f: 25th Sep,2016)	--	--	--	--	--	--	--
	(--)	(--)	(--)	(--)	(136.82)	(136.82)	(--)
- Mr. D. H. Kela*	--	--	--	--	123.13	123.13	--
	(--)	(--)	(--)	(--)	(104.17)	(104.17)	(--)
- Mr. Sandeep Fuller*	--	--	--	--	111.83	111.83	--
	(--)	(--)	(--)	(--)	(91.68)	(91.68)	(--)
- Mr. A.K. Vijay*	--	--	--	--	69.98	69.98	--
	(--)	(--)	(--)	(--)	(55.19)	(55.19)	(--)
- Mr. G. C. Agrawal (w.e.f: 5th Mar,2018)	--	--	--	--	3.66	3.66	--
	(--)	(--)	(--)	(--)	(--)	(--)	(--)
- Mr. Ravi Varma	--	--	--	--	13.48	13.48	--
	(--)	(--)	(--)	(--)	(12.20)	(12.20)	(--)
Previous year figures includes perquisites on equity share allotted in pursuant to Employee Stock Option Scheme.							
Transactions with Relative of Key Management Personnel							
- Mr. Akshay Poddar (Sitting Fees & Commission)	4.20	--	--	--	--	4.20	--
	(3.60)	(--)	(--)	(--)	(--)	(3.60)	(--)
Investment							
- Texmaco Infrastructure & Holdings Ltd.	--	--	--	--	--	--	732.63
	(--)	(--)	(--)	(--)	(--)	(--)	(732.63)
Loans & Advances Received							
- Adventz Finance Pvt. Ltd.	--	--	--	--	--	--	500.00
	(--)	(--)	(--)	(--)	(--)	(--)	(520.14)
- Adventz Securities Enterprises Ltd.	--	--	--	--	--	--	200.00
	(--)	(--)	(--)	(--)	(--)	(--)	(272.79)
Loans & Advances Repayment							
- Adventz Finance Pvt. Ltd.	--	--	--	--	--	--	--
	(500.00)	(--)	(--)	(--)	(--)	(500.00)	(--)
- Adventz Securities Enterprises Ltd.	--	--	--	--	--	--	--
	(500.00)	(--)	(--)	(--)	(--)	(500.00)	(--)
Dividend Paid							
- Mr. Saroj Poddar	--	--	--	--	8.62	8.62	--
	(--)	(--)	(--)	(--)	(6.24)	(6.24)	(--)
- Ms Jyotsna Poddar	0.18	--	--	--	--	0.18	--
	(0.55)	(--)	(--)	(--)	(--)	(0.55)	(--)
- Ms. Puja Poddar	0.07	--	--	--	--	0.07	--
	(2.07)	(--)	(--)	(--)	(--)	(2.07)	(--)
- Mr. Akshay Poddar	0.04	--	--	--	--	0.04	--
	(0.04)	(--)	(--)	(--)	(--)	(0.04)	(--)
- Ms Shradha Agarwal	0.03	--	--	--	--	0.03	--
	(0.03)	(--)	(--)	(--)	(--)	(0.03)	(--)
- Abhishek Holdings Pvt. Ltd.	--	--	--	--	--	--	--
	(--)	(--)	(--)	(--)	(--)	(--)	(--)
- Adventz Securities Enterprises Ltd.	9.52	--	--	--	--	9.52	--
	(9.52)	(--)	(--)	(--)	(--)	(9.52)	(--)

(figures in bracket are for Previous Financial Year)

Notes on Consolidated Financial Statement

(b) Related Party Transactions (contd.)

(₹ in Lakhs)							
Transactions	Other Related Party	Subsidiary	Associate	Joint venture	Key Magt Personnel	Grand Total	Balance outstanding As at 31/03/2018
- Adventz Finance Pvt. Ltd.	20.94	--	--	--	--	20.94	--
	(20.94)	(--)	(--)	(--)	(--)	(20.94)	(--)
- Adventz Investments Co. Pvt. Ltd.	7.59	--	--	--	--	7.59	--
	(7.59)	(--)	(--)	(--)	(--)	(7.59)	(--)
- Duke Commerce Ltd.	18.79	--	--	--	--	18.79	--
	(18.79)	(--)	(--)	(--)	(--)	(18.79)	(--)
- Eureka Traders Pvt. Ltd.	--	--	--	--	--	--	--
	(--)	(--)	(--)	(--)	(--)	(--)	(--)
- Greenland Trading Pvt. Ltd.	0.09	--	--	--	--	0.09	--
	(0.09)	(--)	(--)	(--)	(--)	(0.09)	(--)
- Master Exchange & Finance Ltd.	0.04	--	--	--	--	0.04	--
	(0.04)	(--)	(--)	(--)	(--)	(0.04)	(--)
- New Eros Tradecom Ltd.	1.85	--	--	--	--	1.85	--
	(1.85)	(--)	(--)	(--)	(--)	(1.85)	(--)
- Indrakshi Trading Company Pvt. Ltd.	0.08	--	--	--	--	0.08	--
	(0.08)	(--)	(--)	(--)	(--)	(0.08)	(--)
- Texmaco Infrastructure & Holdings Ltd.	136.50	--	--	--	--	136.50	--
	(136.50)	(--)	(--)	(--)	(--)	(136.50)	(--)
- Zuari Investments Ltd.	72.41	--	--	--	--	72.41	--
	(72.41)	(--)	(--)	(--)	(--)	(72.41)	(--)
- Zuari Global Ltd.	10.09	--	--	--	--	10.09	--
	(10.09)	(--)	(--)	(--)	(--)	(10.09)	(--)
- Mr. Ramesh Maheshwari	--	--	--	--	--	--	--
	(--)	(--)	(--)	(--)	(0.06)	(0.06)	(--)
- Mr. D. H. Kela	--	--	--	--	0.03	0.03	--
	(--)	(--)	(--)	(--)	(0.03)	(0.03)	(--)
- Mr. Sandeep Fuller	--	--	--	--	0.03	0.03	--
	(--)	(--)	(--)	(--)	(0.03)	(0.03)	(--)
- Mr. A.K. Vijay	--	--	--	--	0.04	0.04	--
	(--)	(--)	(--)	(--)	(0.04)	(0.04)	(--)
Dividend Received							
- Texmaco Infrastructure & Holdings Ltd.	4.70	--	--	--	--	4.70	--
	(4.70)	(--)	(--)	(--)	(--)	(4.70)	(--)
Others							
- Adventz Finance Pvt. Ltd. (Rent Paid)	16.77	--	--	--	--	16.77	--
	(16.20)	(--)	(--)	(--)	(--)	(16.20)	(--)
- Adventz Finance Pvt. Ltd. (Interest Paid)	67.50	--	--	--	--	67.50	14.98
	(1.32)	(--)	(--)	(--)	(--)	(1.32)	(--)
- Adventz Securities Enterprises Ltd. (Interest Paid)	27.00	--	--	--	--	27.00	12.12
	(96.90)	(--)	(--)	(--)	(--)	(96.90)	(--)
- High Quality Steels Ltd. (Services Received)	550.10	--	--	--	--	550.10	61.44
	(647.57)	(--)	(--)	(--)	(--)	(647.57)	(51.27)
- Lionel India Ltd. (Services Received)	283.78	--	--	--	--	283.78	33.78
	(185.82)	(--)	(--)	(--)	(--)	(185.82)	(21.59)
- Indian Furniture Private Ltd. (Purchase of Goods)	--	--	--	--	--	--	2.34
	(29.49)	(--)	(--)	(--)	(--)	(29.49)	(5.23)
-Texmaco Infrastructure & Holdings Ltd. (Rent Received)	0.85	--	--	--	--	0.85	--
	(0.72)	(--)	(--)	(--)	(--)	(0.72)	(--)

(figures in bracket are for Previous Financial Year)

Notes on Consolidated Financial Statement

(b) Related Party Transactions (contd.)

Transactions	Other Related Party	Subsidiary	Associate	Joint venture	Key Magt Personnel	Grand Total	(₹ in Lakhs)	
							Balance outstanding As at 31/03/2018	
-Texmaco Infrastructure & Holdings Ltd. (Rent Paid)	70.38 (66.76)	-- (--)	-- (--)	-- (--)	-- (--)	70.38 (66.76)	56.11 (28.33)	
- Zuari Investments Ltd. (Depository Services)	0.58 (106.45)	-- (--)	-- (--)	-- (--)	-- (--)	0.58 (106.45)	-- (--)	
- Paradeep Phosphate Ltd (Rent Received)	6.74 (6.77)	-- (--)	-- (--)	-- (--)	-- (--)	6.74 (6.77)	-- (--)	
Corporate Guarantee Received								
- Texmaco Infrastructure & Holdings Ltd. (Against Cash Credit Facility)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	5000.00 (5,000.00)	

(figures in bracket are for Previous Financial Year)

Note 1.41 Earning per share

The numerator and denominator used to calculate basic/ diluted earning per share (₹ in Lakhs)

Particulars		2017-18	2016-17
Net Profit for the period from ordinary activities attributable to equity shareholders (Excluding Preference Share Dividend) – used as numerator.	₹ in Lakhs	716.63	2,629.08
Weighted average number of Equity share outstanding used as denominator for Basic Earning per share.	Number	21,98,28,443	21,14,82,685
Weighted Average Number of Equity share on account of Employee Stock Option Scheme	Number	1,98,868	6,28,740
Weighted Average Number of Equity share used on denominator for Diluted Earning Per Share	Number	22,00,27,311	21,21,11,425
(A) Basic Earning per share (face value of ₹ 1/- each)	₹	0.33	1.24
(B) Diluted Earning per share (face value of ₹ 1/- each)	₹	0.33	1.24

Note 1.42 Value of raw materials and stores consumed (including components and spare parts) services etc.:

Particulars	2017-18		2016-17	
	₹	%	₹	%
Imported	2,900.23	3.15	13,411.48	13.00%
Indigenous	89,078.34	96.85	89,790.96	87.00%
Total	91,978.57	100.00	1,03,202.44	100.00

Note 1.43 value of imports on C.I.F. Basis

Particulars	2017-18	2016-17
Raw Materials	1,225.99	310.05
Components, Spare Parts and Stores	1,671.08	3,826.63
Capital Goods	411.83	562.56
Total	3,308.90	4,699.24

Notes on Consolidated Financial Statement

Note 1.44 Analysis of Raw Material Consumed

Particulars	2017-18	2016-17
M.S. & C.I. Scrap	3,165.18	3707.75
Plates & Sheets	16,795.11	15011.65
Rounds, Bars & Flats	222.78	92.25
Structural	1,009.98	1065.21
Total	21,193.05	19,876.86

Note 1.45 Expenditure in Foreign Currency

Particulars	2017-18	2016-17
R & D Expenses	14.96	7.62
Travelling and Others	170.64	95.08
Books & Periodicals	-	0.25
Fees & Subscription	-	7.36
General Charges (Charity & Donation, AAR Audit Fee)	7.94	2.57
Total (1.45)	193.54	112.88

Note 1.46 Income in Foreign Exchange

Particulars	2017-18	2016-17
Export of Goods (F.O.B.)	10,292.15	5,024.38

Note 1.47 Consumption of raw materials, components, stores and spares parts includes profit/loss on sale thereof and exchange difference arising on Foreign Currency transactions on account of imported Raw Materials/Stores has been accounted under respective Revenue heads.

Note 1.48 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 1.49 As a part of company's risk management policy, the financial risks mainly relating to changes in the exchange rates are hedged by using a combination of forward contracts, besides the natural hedges.

Particulars	2017-18	2016-17
(a) - Un-hedged foreign currency exposure as at 31st March 18 – Payables. Euro: 9,48,941 & USD: 3,60,149 (Previous Year: Euro: 3,55,557 & USD: 1,05,528)	998.25	292.81
(b) - Un-hedged foreign currency exposure as at 31st March 18 – Receivable. AUD:15,10,575, USD: 41,06,100, Euro: 31,59,259 and NRS: 3,06,77,193 (Previous Year: AUD: 5,25,005, USD: 16,33,937 Euro: 11,45,405 and NRS: 55,87,734)	4,049.68	2148.91

Note 1.50 Details of Inventory of Work in Progress

Particulars	2017-18	2016-17
Work-in- Process		
(a) Heavy Engineering Division	6,441.40	4,983.06
(b) Steel Foundry Division	5,325.07	3,177.49
(c) Rail EPC	3,058.34	3,537.09
Total	14,824.81	11,697.64

Notes on Consolidated Financial Statement

Note 1.51 Disclosure pursuant to Ind AS 11 construction accounting

Particulars	2017-18	2016-17
(1) Contract revenue recognised for the year	70,580.62	61,253.54
(2) Aggregate amount of cost incurred and recognised profits (less recognised losses) up to the balance sheet date for all contract in progress as at that date.	2,06,477.34	136,071.15
(3) Amount of customer advances outstanding for contracts in progress as at balance sheet date	11,877.89	11,694.45
(4) Retention amount due from customers for contracts in progress	11,862.89	9,706.65
(5) Goss amount due from customers for contract work	20,517.27	16,218.91
(6) Gross amount due to customer for contract work	367.34	368.44

Note 1.52 Details of income/ expenses disclosed on net basis

Particulars	2017-18	2016-17
Freight, Packing and Transport		
Paid	1,007.37	1,316.58
Received	180.33	512.98
Net	1,187.70	803.60
Profit on sale of Property, Plant & Equipments		
Profit	2.96	10.64
Loss	0.44	36.99
Net	2.52	26.35
Profit on sale of current investment		
Mutual Funds & Others		
Profit	174.20	1,832.13
Loss	-	-
Net	174.20	1,832.13

Note 1.53 Principles of Consolidation

- (a) The consolidated financial statements include results of the subsidiaries of Texmaco Rail & Engineering Ltd., consolidated in accordance with Ind AS 110 'Consolidated Financial Statements'.

Name of the Company	Country of Incorporation	% Shareholding
Texmaco Hi Tech Pvt. Ltd.	India	100%
Belur Engineering Pvt. Ltd.	India	100%
Bright Power Projects (India) Pvt. Ltd.	India	55%
Texmaco Transtrak Pvt. Ltd.	India	51%
Texmaco Defence System Pvt. Ltd.*	India	51%
Texmaco SA (PTY) Ltd.*	South Africa	100%

* The Subsidiary Companies has been incorporated in Qtr. IV of the Current Financial Year and hence the accounts of these Companies are not required to be merged for the Current Financial Year.

- (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 month for the purpose of current or non-current classification of assets and liabilities.

Notes on Consolidated Financial Statement

(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 recognized 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.

Note 1.54 Notes to these Consolidated Financial Statements are intended to serve as a means of informative disclosure and a guide to better understanding of the consolidated position of the Companies. Recognizing this purpose, the company has disclosed only such notes from the individual financial statements, which fairly present the needed disclosures.

Note 1.55 The accounting policies, notes and disclosure made by the parent and best viewed in its standalone financial statement to which these consolidated financial statements are attached. Accounting policies specifically related to consolidated financial statement are mentioned in Note C. Differences in accounting policies followed by the other entities consolidated have been reviewed and no adjustments have been made, since the impact of these differences is not significant.

Note 1.56 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.

Notes on Consolidated Financial Statement

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 an 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 a foreign 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.

Particulars	As at	
	31.03.2018	31.03.2017
Foreign Currency (Payable) / Receivable (net) – EURO	1,781.96	547.65
Foreign Currency (Payable) / Receivable (net) - USD	2,434.87	991.25
Impact		
- EURO/INR- Increase by 10%	178.20	54.77
- EURO/INR- Decrease by 10%	(178.20)	(54.77)
USD/INR- Increase by 10%	243.49	99.13
USD/INR- Decrease by 10%	(243.49)	(99.13)

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 1.57 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. During the Year the Company has allotted 4,13,450 Equity Shares to its employees under Employee Stock Option Scheme.

Note 1.58 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 (vii) and has been mentioned in Note No 1.03 and Note No 1.10. All the investments which have been fair valued are classified under Level – 1.

Notes on Consolidated Financial Statement

Note 1.59 Financial Instruments:

A. Accounting classification and fair values

(₹ In Lakhs)

Particulars (As at 31.03.2018)	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial Assets (Long Term)								
- Investments	-	3,081.05	3,633.61	6,714.66	3,081.05	-	3,633.61	6,714.66
- Loans & Advances	-	-	409.46	409.46	-	-	409.46	409.46
- Bank Balances	-	-	7.72	7.72	-	-	7.72	7.72
- Others	-	-	71.47	71.47	-	-	71.47	71.47
Financial Assets (Short Term)								
- Investments	18,623.12	-	-	18,623.12	18,623.12	-	-	18,623.12
- Trade Receivable	-	-	67,396.04	67,396.04	-	-	67,396.04	67,396.04
- Cash and cash equivalents	-	-	1,621.60	1,621.60	-	-	1,621.60	1,621.60
- Bank Balances & Others	-	-	1,830.53	1,830.53	-	-	1,830.53	1,830.53
- Loans & Advances	-	-	637.77	637.77	-	-	637.77	637.77
Total	18,623.12	3,081.05	75,608.20	97,312.37	21,704.17	-	75,608.20	97,312.37
Financial liabilities (Long Term)								
- Borrowings	-	-	6,300.28	6,300.28	-	-	6,300.28	6,300.28
- Provisions	-	-	604.59	604.59	-	-	604.59	604.59
Financial liabilities (Short Term)								
- Borrowings	-	-	48,244.47	48,244.47	-	-	48,244.47	48,244.47
- Trade Payable	-	-	32,308.58	32,308.58	-	-	32,308.58	32,308.58
- Other Financial Liabilities	-	-	5,418.94	5,418.94	-	-	5,418.94	5,418.94
Total	-	-	92,876.86	92,876.86	-	-	92,876.86	92,876.86

(₹ In Lakhs)

Particulars (As at 31.03.2017)	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial Assets (Long Term)								
- Investments	-	1,822.70	3,357.98	5,180.68	1,822.70	-	3,357.98	5,180.68
- Loans & Advances	-	-	403.14	403.14	-	-	403.14	403.14
- Bank Balances	-	-	418.54	418.54	-	-	418.54	418.54
- Others	-	-	105.33	105.33	-	-	105.33	105.33
Financial Assets (Short Term)								
- Investments	33,776.07	-	-	33,776.07	33,776.07	-	-	33,776.07
- Trade Receivable	-	-	54,842.59	54,842.59	-	-	54,842.59	54,842.59
- Cash and cash equivalents	-	-	1,294.79	1,294.79	-	-	1,294.79	1,294.79
- Bank Balances & Others	-	-	3,833.77	3,833.77	-	-	3,833.77	3,833.77
- Loans & Advances	-	-	786.76	786.76	-	-	786.76	786.76
Total	33,776.07	1,822.70	65,042.90	1,00,641.67	35,598.77	-	65,042.90	1,00,641.67
Financial liabilities (Long Term)								
- Borrowings	-	-	3,301.28	3,301.28	-	-	3,301.28	3,301.28
- Provisions	-	-	548.09	548.09	-	-	548.09	548.09
- Other Financial Liabilities	-	-	1.85	1.85	-	-	1.85	1.85
Financial liabilities (Short Term)								
- Borrowings	-	-	39,406.97	39,406.97	-	-	39,406.97	39,406.97
- Trade Payable	-	-	29,771.09	29,771.09	-	-	29,771.09	29,771.09
- Other Financial Liabilities	-	-	4,727.08	4,727.08	-	-	4,727.08	4,727.08
Total	-	-	77,756.36	77,756.36	-	-	77,756.36	77,756.36

* The carrying value and the fair value approximates.

Notes on Consolidated 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)

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 1.60 Recent Indian Accounting Standards (Ind AS)

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective for annual periods beginning on or after April 1, 2018:

Ind AS 115 – Revenue from Contracts with Customers

Ind AS 115 was issued in February 2015 and establishes a five step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. The Company will adopt the new standard on the required effective date. During the current year, the Company performed a preliminary assessment of Ind AS 115, which is subject to changes arising from a more detailed ongoing analysis.

Ind AS 21 – The Effect of Changes in Foreign Exchange Rates

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company does not have foreign currency transaction and hence there is no impact of this amendment on its financial statements.

Notes on Consolidated Financial Statement

Note 1.61 Information on Segment Working is given below:

(₹ in Lakhs)

	2017-2018					2016-2017				
	Heavy Engg. Division	Steel Foundry	Rail EPC	Others	Total	Heavy Engg. Division	Steel Foundry	Rail EPC	Others	Total
	1	2	3	4	5 (1+2+3+4)	1	2	3	4	5 (1+2+3+4)
Revenue (Net of Excise Duty and Cess)										
Gross Sales	29,754.14	13,318.51	74,687.99	304.75	1,18,065.39	62,548.14	19,481.50	61,787.05	733.11	1,54,858.50
Internal-Segment Sales	(1,110.23)	(3,037.15)	-	-	(4,147.38)	(778.10)	(9,530.60)	-	-	(10,308.70)
Other Operating Revenue	756.63	205.58	144.94	25.81	1,132.96	498.63	100.52	74.54	48.25	721.94
Total Revenue	29,400.54	10,486.94	74,832.93	330.56	1,15,050.97	62,268.67	10,051.42	61,861.59	781.36	1,45,271.74
Result										
Segment Result	(2,491.15)	583.66	6,246.62	2,184.01	6,523.14	1,968.57	944.21	5,268.59	(931.27)	7,250.10
Operating Profit/(Loss)					6,523.14					7,250.10
Interest Expense					(4,839.04)					(4,344.67)
Interest Income					871.99					1,027.18
Total Profit/(Loss) before Tax					2,556.09					3,932.61
Provision for Current Tax					(783.96)					(927.38)
Provision for Deferred Tax					(326.79)					(206.12)
Income Tax for Earlear Year					(105.87)					(96.89)
Profit/(Loss) from ordinary activities					1,339.47					2,702.22
Extra ordinary items					-					-
Net Profit/(Loss)					1,339.47					2,702.22
Other Information										
Segment assets	50,526.97	23,952.54	100,062.16	25,350.69	1,99,892.36	70,962.12	17,049.84	60,348.38	10,489.11	158,849.45
Unallocated Corporate assets					25,337.78					38,956.75
Total assets					225,230.14					197,806.20
Segment liabilities	46499.51	7341.89	67429.82	-	121271.22	27,801.91	6,265.72	52,525.44	8,713.39	95,306.46
Unallocated corporate liabilities					-					-
Total Liabilities					121,271.22					95,306.46
Capital expenditure	2,788.03	488.71	783.43	203.46	4,263.63	1,892.61	488.71	919.08	2,878.77	6,179.17
Depreciation					2,494.03	823.12	542.09	336.21	512.34	2,213.76
Non-cash expenses other than depreciation					189.02					476.86

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 1.62 Tax Expenses

(₹ in lakh)

Particulars	For the Year ended	
	31 March, 2018	31 March, 2017
(a) Tax Expense		
Current Tax		
- Current tax on profits for the year	1,182.24	1,468.38
- Adjustments for current tax of prior periods	105.87	96.89
- Total current tax expense	1,288.11	1,565.27
Deferred Tax		
- Decrease/(increase) in deferred tax assets	(1,377.03)	152.67
- (Decrease)/increase in deferred tax liabilities	1,703.82	53.45
- Total deferred tax expenses/(benefit)	326.79	206.12
MAT Credit entitlement	(398.28)	(541.00)
Tax Expense	1,216.62	1,230.39
(b) Reconciliation of tax expenses and the accounting profit multiplied by Indis'a tax rate		
Profit before tax	2,556.29	3,932.61
Tax at the Indian tax rate of 34.608% (previous year - 34.608%)	884.68	1,361.00
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Corporate social responsibility expenditure	7.96	11.81
- Disallowance of estimated expenditure to earn tax exempt income	12.11	10.58
- Others	-	220.47
Tax effect of amounts which are deductible (non-taxable) in calculating taxable income		
- Weighted deduction on R&D expenses	(14.88)	(20.38)
- Income from Investment	(218.38)	(527.05)
- Income from rented property	-	(13.61)
- Others	-	(47.23)
Tax effect of other adjustment		
- Income tax for earlier years	105.87	96.89
- MAT Credit/carry forward losses adjustment	439.26	137.91
Tax Expense	1,216.62	1,230.39

Note 1.63 Previous year figure have been regrouped/ rearranged/ restated/ recast wherever necessary to confirm this year classification.

Note 1.64 Figures below ₹ 500/- have been omitted for rounding off and above ₹ 500/- have been rounded off to the next ₹1000/-.

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

B2/1, Gillander House

8, Netaji Subhas Road

Kolkata- 700 001

Dated: 15th May, 2018

Ravi Varma
Company Secretary

Directors

S. K. Poddar

A. C. Chakrabortti

Sandeep Fuller

D. H. Kela

A.K. Vijay



TEXMACO RAIL & ENGINEERING LTD.

The Total Rail Solution Provider

Belgharia, Kolkata 700 056