



adventz

TEXMACO RAIL & ENGINEERING LTD.



RESHAPING OUR
FUTURE

Annual Report 2019-20

CONTENTS

Corporate Overview

- 01 Corporate Information
- 04 Business Units
- 08 From the desk of The Chairman
- 11 Joint Venture Companies
- 12 Robust Financial Performance and Financial Highlights of the last Ten Years
- 14 Products
- 16 Rail EPC
- 18 Corporate Social Responsibility
- 19 Work-Life Balance

Statutory Reports

- 20 Report of the Board of Directors
- 56 Report on Corporate Governance
- 69 Business Responsibility Report

Financial Statements

- 75 Independent Auditor's Report
- 86 Balance Sheet
- 87 Statement of Profit and Loss
- 88 Statement of Cash Flow
- 89 Statement of Changes in Equity
- 90 Notes on Financial Statements
- 138 .. Consolidated Financial Statements
- 152 .. Notes on Consolidated Financial Statements

CORPORATE INFORMATION

Directors

- Mr S. K. Poddar, Executive Chairman
- Mr Indrajit Mookerjee, Managing Director^s
- Mr A. C. Chakrabortti
- Mr D. R. Kaarthikeyan
- Mr Sunil Mitra
- Mr Utsav Parekh
- Ms Mridula Jhunjunwala
- Mr Akshay Poddar
- Mr D. H. Kela, ED & CEO (SF)
- Mr A. K. Vijay, ED & CFO

Company Secretary

Mr Ravi Varma*

* Appointed w.e.f. 14th December 2019

Auditors

Messrs L. B. Jha & Co., Kolkata

Bankers

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

Registered & Corporate Office

Belgharia, Kolkata 700056
Phone: (033) 2569 1500
Fax: (033) 2541 2448
Email: texrail_cs@texmaco.in
Website: www.texmaco.in

Kolkata Office

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

Regional Offices

New Delhi • Mumbai • Jaipur •
Bengaluru

Works (Kolkata)

Heavy Engineering

• Agarpara • Sodepur • Panihati •
Belgharia

Steel Foundry

• Belgharia • Urla (Raipur)

Subsidiaries

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

Joint Ventures

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

Associate

- Texmaco Defence Systems Private Limited

Registrar & Share Transfer Agent

Messrs. KFin Technologies Private Limited
Karvy Selenium Tower B,
Plot No. 31 & 32, Gachibowli Financial District,
Nanakramguda, Hyderabad: 500032
Phone: 040-6716 2222
E-mail: einward.ris@kfinetech.com.

CIN

L29261WB1998PLC087404



To view the report in pdf please visit:
www.texmaco.in

For years we have witnessed remarkable change, sweeping across every facet of our lives but, we remain rooted to our core values of excellence – to endure every shift with optimism and enthusiasm.

To fully harness our capabilities, we are creating competencies for tomorrow, reorganizing our efforts and incubating ideas to effectively execute our strategies. We have stood at the forefront of change, challenging conventions and overcoming hurdles with a robust blend of consistent performances and an early adoption of new-age solutions.

AS WE ANTICIPATE AND EMBRACE OPPORTUNITIES, TACKLE THREATS AND FOSTER STRATEGIC ALLIANCES, WE ARE REALIGNING OUR ENDEAVOURS TO RESHAPE OUR FUTURE AND DESIGN A FUTURE-READY ORGANIZATION.

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 BVCM1)

Traction & Coaching



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

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



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



BUSINESS UNITS

Process Equipment & Others



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

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

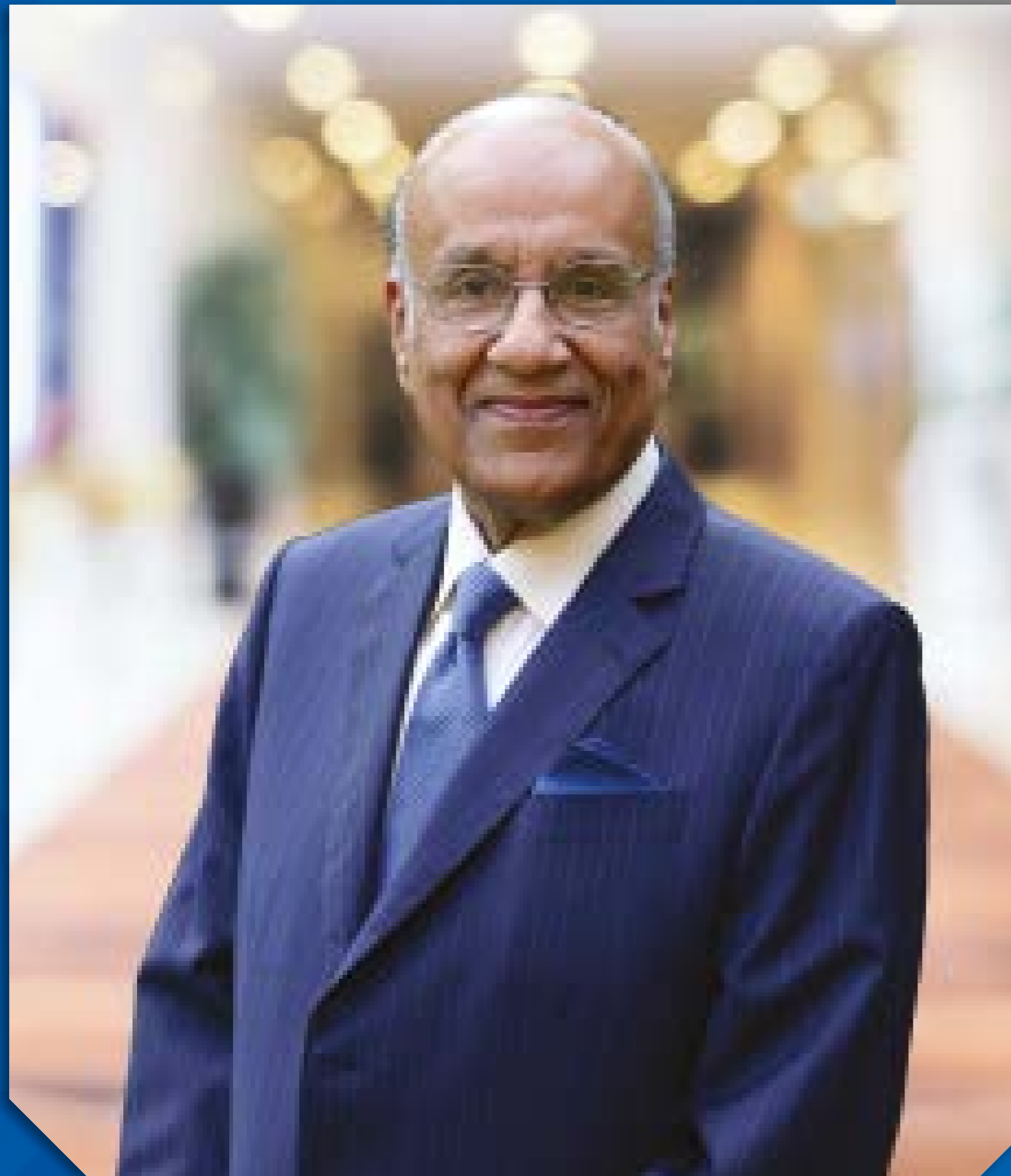
- ▶ Gates in a wide range: Radial / Vertical/Mitre/Torispherical Flap type/ Hinged type Penstocks / Pressure Shaft Liners
- ▶ Bifurcation, Trifurcation, Transition, Expansion Joints, Manifolds, Reducers, Dismantling Joints, Fixed & Rocker, Supports and Specials

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



For the last few years, India's dominance in the global arena has once again proved its mettle to rise and shine amidst calamities and hurdles. While India continues to be recognized as a growing economic superpower, the country's leadership has ardently focused on nation building.

Building confidence

The re-election of Prime Minister Narendra Modi for a second term in office reignited feelings for significant development. On 5th July 2019, Finance Minister Nirmala Sitharaman presented her first budget in Parliament and emphasized the need for sustainable infrastructure development in the country. The key budget proposals aimed at reviving the Indian economy while implementing ambitious plans for setting up mega manufacturing plants and improving the infrastructure for railways, metro rail and electric vehicles. The government's focus on affordable housing and urban development was also reinstated with favourable announcements to augur growth of these sectors. Union Budget 2020 too remained cognizant about the development agenda and aimed at creating a conducive business environment.

According to the World Bank, during the year under review, India has shown considerable improvements in obtaining construction permits, starting businesses and ensuring ease of import and export.

Bilateral ties between India and Russia strengthened further after India's participation in the 20th India-Russia annual summit held in Vladivostok. It widened opportunities for mutual trade and seamless entrepreneurial activities and investments. Your company is

PRIVATISATION OF MAINTENANCE OF RAILWAY TRACKS ONCE OPENED WILL PROVIDE ANOTHER AREA OF GROWTH FOR RAIL EPC DIVISION OF YOUR COMPANY.

part of this important movement in India-Russia summit. In the days to come, it is anticipated to create new technological and investment partnerships, especially in advanced hi-tech fields.

Economic challenges

In the last fiscal despite Government's very positive outlook, the economic growth trailed mainly on account of several macroeconomic factors. Sustained geopolitical tensions, global trade wars and reduced domestic demand and consumption largely contributed to an ailing economy. India's GDP growth also faltered in FY 19-20 and is estimated to be 4.2 percent in comparison to 6.1 percent in FY 18-19.

The Coronavirus outbreak in the last fiscal of FY'20 further complicated the situation and severely affected economic growth and for the first time in several decades India's GDP growth rate is bound for a negative growth. To stabilise the financial system and to tackle the far reaching impacts of a nationwide lockdown, repo rates were slashed by 40 basis points, to 4 % in May 2020.

To revive growth, the government introduced favourable policies and

announced a stimulus package of Rs. 20 lakh crore during the pandemic, emphasizing the need for 'Atmanirbhar Bharat'.

Opportunities in Railways

The government's focus on modernizing various segments of Railway infrastructure and services, including coaches and passenger services, electric locomotives, diesel locomotives, electrification, signalling, doubling of tracks, expansion of metro network, etc. is expected to strengthen the Rolling Stock and Rail EPC division of our Company. The growing pace of electrification of railway lines along with an added impetus for track renewals, bridge works and doubling of tracks continue to be advantageous for our growth. Privatisation of maintenance of Railway tracks once opened will provide another area of growth for Rail EPC division of your company.

Besides, the Indian Railways on 3rd December 2019 signed an agreement with the Department for International Development (DFID), United Kingdom to ensure energy efficiency in railways, which is likely to open up investment opportunities in this space. Furthermore, the Union Cabinet approved the

JOINT VENTURE COMPANIES

Wabtec Texmaco Rail Pvt. Ltd.

An impetus to 'Make-in-India'



Wabtec Texmaco JV's Mark 325 Draft Gear A 'Make in India' Product



The Consignment of Mark 325 Draft Gears Ready to be shipped for the Indian Railways.

Wabtec Texmaco JV manufacturing upgraded high capacity **Mark 325 Draft Gear**. As on date it has delivered over 2000 nos. of **Mark 325 Draft Gears** to the Indian Railways and various wagon builders. The JV had achieved up to **85% localization** in the very first year, and is confident to localize the remaining components by the end of 2020.

From February 2020, Wabtec Texmaco JV shifted to manufacturing and sales of 100% indigenous Mark 325 Draft Gears and discontinued sales of imported Mark 70 Draft Gears.

Touax Texmaco Railcar Leasing Pvt. Ltd.



Autocar Carrying wagon rake (BCACBM), manufactured by Texrail and supplied by Texrail Touax JV

WE ARE FOCUSED ON IMPROVING OUR TECHNICAL CAPABILITIES AND OPERATIONAL CAPACITIES TO SUSTAIN THE MOMENTUM.



Memorandum of Agreement (MoU) between India and Germany to enable technological advancements in the sector.

To provide seamless rail connectivity across the country, 7 high-speed rail corridors are expected to be built, a positive development for our business. Moreover, as a leading wagon manufacturer, we look forward to the comprehensive plan of Railways to introduce indigenous and technologically advanced rolling stock.

Besides, efforts to encourage private participation and investment in railways is set to completely transform the business landscape. With Government focussing on shifting of transportation of bulk goods to Railway from road and rising investments in Rail segment, freight traffic is set to increase significantly. Our Company is also poised to benefit from the government's interests to create more Dedicated Freight Corridor for meeting additional demands.

Growth of mass rapid urban transportation in metros and tier 2 cities are throwing open new areas of growth and to this respect, your company is constantly searching for

upgradation of technology in both areas of manufacturing and project works.

Impact of COVID-19

The COVID-19 pandemic left the world in a lurch since China declared the outbreak of COVID-19. In India, the first cases were reported by the end of January 2020. Slowly, its impact was felt across the world as countries failed to come to terms with a calamity of such magnanimous proportions.

With widespread loss of lives and rampant job losses, businesses stopped and economic activity halted completely.

In view of the uncertainty over the potential macro-economic condition, we are yet to assess the complete impact of the pandemic on our business. At the moment, challenges are abound and your Company has also been adversely impacted during first half of the current financial year. Your Company however, remains confident of its ability to overcome obstacles with strategic improvements. We rely on our advanced facilities, our management expertise and our relentless desire to chart new avenues of growth and sustain amidst crisis.

Road ahead

Despite the challenging circumstances, at Texmaco we remain optimistic and confident about capitalizing on emerging opportunities and we, the promoters, stand committed to support the Company with additional resources in a form of capital/debt as would the Company require to come out of the present difficulties. While the government's notable impetus for Rail segment make way for a promising future, we are focused on improving our technical capabilities and operational capacities to sustain the momentum.

Before I conclude, I would express my heartfelt gratitude for our dedicated workforce, the management team and the Board for their relentless efforts and continued support and faith in our organization. Together, we shall design our future and lead from the front.

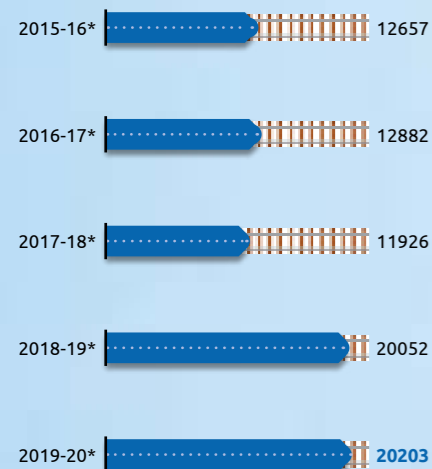


S.K. Poddar
Chairman

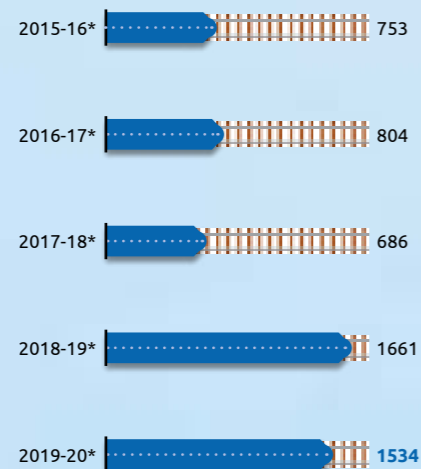
ROBUST FINANCIAL PERFORMANCE

Main Indicators

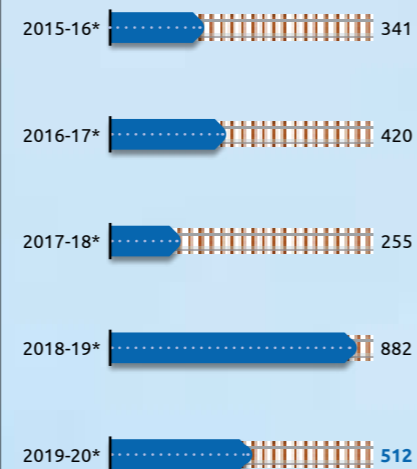
Gross Revenue from Operation (₹ in mn)



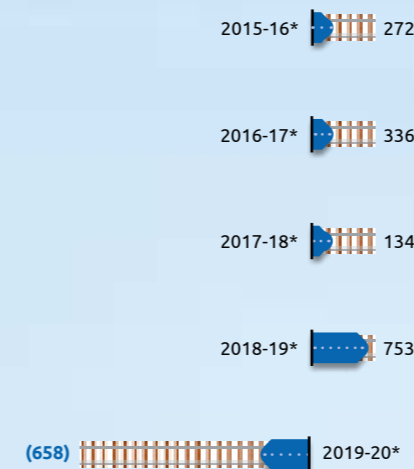
EBIDTA (₹ in mn)



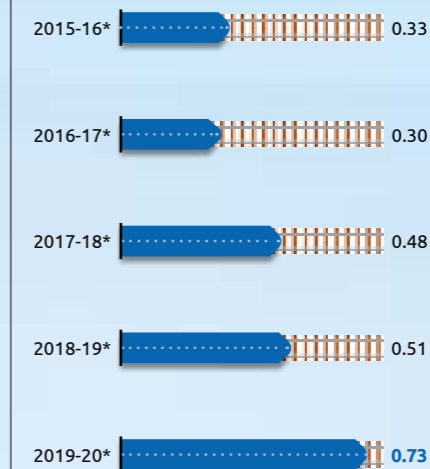
PBT (₹ in mn)



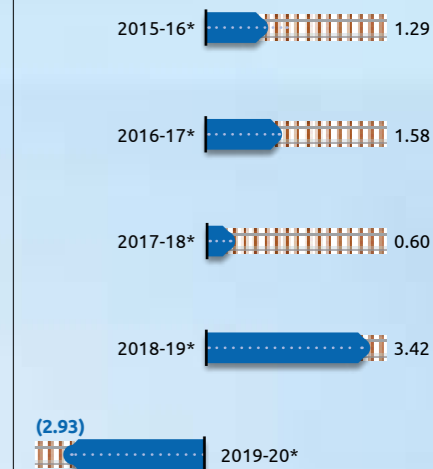
PAT (₹ in mn)



Debt-equity ratio



EPS Basis (₹)



FINANCIAL HIGHLIGHTS OF THE LAST TEN YEARS

Indicator	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14
Gross Revenue from Operation **	111,750.32	94,514.54	103,596.50	51,517.43
Other income	1,866.49	2,560.74	3,096.69	2,289.02
Gross profit (PBDT)	18,424.71	14,543.52	14,415.85	3,049.72
Profit before tax & Exceptional Items	17,566.21	13,625.72	13,476.67	1,875.94
Exceptional Items	-	-	-	-
Profit / (loss) before tax	17,566.21	13,625.72	13,476.67	1,875.94
Tax for the year	5,418.16	4,320	4,049.76	178.72
Profit after tax	12,147.60	9,305.72	9,426.91	1,697.22
Equity #	1,817.83	1,820.27	1,820.27	1,820.27
Free reserves	40,571.05	47,837.94	55,135.23	56,300.04
Equity share book value (Rs.) ##	23.00	27.28	31.29	31.93
Rate of dividend	100%	100%	100%	25%

FY 2014-15*	FY 2015-16	FY 2016-17	FY 2017-18**	FY 2018-19	FY 2019-20
86,808.45	126,572.68	128,413.73	1,19,260.25	2,00,517.59	2,02,027.50
3,184.43	4,492.58	4,730.61	5,064.08	2,112.96	2,725.68
3,499.17	4,869.00	5,817.36	5,036.84	11,716.72	8,711.71
1,825.25	3,414.27	4,201.46	2,555.25	8,820.76	5,120.86
-	-	-	-	-	14,991.97
1,825.25	3,414.27	4,201.46	2,555.25	8,820.76	(9,871.11)
(196.27)	693.81	844.16	1,216.62	1,292.78	(3,287.08)
400.47	2,720.46	3,357.30	1,338.63	7,527.98	(6,584.03)
2,100.64	2,192.95	2,194.15	2,246.13	2,248.35	2,248.59
97,232.94	87,476.34	91,204.94	1,01,055.93	1,07,825.68	98,915.78
42.29	40.89	42.57	43.47	51.43	44.99
25%	25%	25%	25%	35%	10%

* Figures of the year 2014-15 and onwards has been restated post merger of Kalindee Rail Nirman (Engineers) Limited into Texmaco Rail & Engineering Limited. Figures of the year 2017-18 and onwards has been restated post merger of Bright Power Projects (India) Private Limited & Texmaco Hi-Tech Private 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.

Computed on the post-rights equity base of Rs. 1,107.83 lakhs as per scheme of arrangement in 2007-08.

PRODUCTS



PROCESS



● Dam Radial Gates under operation at Tamakoshi Project, Nepal



● First impoundment: Tamakoshi Hydroelectric Power Project, Nepal



● Texmaco Team along with Project Authority Executives at Tamakoshi Project Site, Nepal.



● Tank Wagon Rake (BTPN) for carrying Liquid Petroleum

RAIL EPC



PROCEEDING AT A FAST PACE



Points & Roddings



4 Aspect Signal and Full/Half apparatus Cases



Main Signal, Apparatus Case & TLJB of MSDAC



Turnout and Main Signal



Signalling Equipment Room



GSM-R Tower and Telecom Hut



Flash Butt Welding Machine working on Eastern Dedicated Freight Corridor Project

CORPORATE SOCIAL RESPONSIBILITY /



Texrail Managing Director, Mr. Indrajit Mookerjee (left), Finance Director, Mr. AK Vijay (right) and Corporate Advisor, Mr. Ramesh Maheshwari (middle) at Texmaco Works along with CMD, Braithwaite, Mr. Yatish Kumar.



Colours of Harmony - Rangoli celebration

WORK LIFE BALANCE

Texmaco Arogyam Annual Day Celebration



Ramesh Maheshwari, Corporate Advisor, Texmaco, is felicitating **The Chief Guest, Padma Shri Dr. Raman Kapur** Chairperson of the Department of Acupuncture at Sir Ganga Ram Hospital, New Delhi. and **Dr. Debasis Bakshi** Director, Head Dept. of Indian Research Institute for Integrated Medicine (IRIIM), West Bengal



Free Medical Camp for health checking at Texmaco Works

REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders,

Your Directors have pleasure in presenting the 10th Operational Annual Report of the Company along with the Audited Financial Statements of the Company for the year ended 31st March 2020.

FINANCIAL HIGHLIGHTS

(₹ in lakhs)

	2019-20	2018-19
Operating Profit (PBIDT)*	15,341.92	16,615.97
Less: Interest (Net)	6,630.21	4,899.25
Gross Profit (PBDT)*	8,711.71	11,716.72
Less: Depreciation	3,590.85	2,895.96
Profit before Taxation and Exceptional Items	5,120.86	8,820.76
Less: Exceptional Items	14,991.97	-
Profit before Taxation	(9,871.11)	8,820.76
Less: Tax Expenses		
Current Tax including tax related to earlier years	636.22	1,920.65
MAT Credit entitlement	(258.00)	(1,794.45)
Deferred Tax Liability/(Asset)	(3,665.30)	1,166.58
Profit after Taxation	(6,584.03)	7,527.98
Add: Balance brought forward from previous year	17,633.65	11,414.07
	11,049.62	18,942.05
Appropriations		
Dividend paid (Incl.Tax)	949.85	662.14
General Reserve	-	500.00
Other Appropriations	(17.60)	146.26
Balance Carried Forward	10,117.37	17,633.65

* before Exceptional Items

During the year, your Company has acquired a Foundry at Urla - Raipur, which has increased its total installed capacity to 42,000 MT per annum. The results for the FY'20 are accordingly after incorporating the financials of this Unit from 1st April 2020.

Dividend

Your Directors have pleasure to recommend payment of a dividend of 10% i.e. INR 0.10 per Equity Share of face value of INR 1 each for the year ended 31st March 2020 in spite of the Company incurring loss for the current year on account of provision in respect of certain legacy contracts of Rail EPC Division which were under execution for long and its pending obligations completed during the year.

The Gross Turnover for the year stood at INR 20202.75 mn. The Gross Profit for the year i.e. Profit before Depreciation and Tax (PBDT) and Profit before Tax (PBT) and Exceptional Items were INR 871.17 mn and INR 512.09 mn, respectively. The

Net Profit was INR (658.40) mn, after providing exceptional items and net tax liability of INR 1499.20 mn and (328.71) mn respectively for the year as per the Profit and Loss Account drawn up in accordance with the Indian Accounting Standards as specified under the Companies Act, 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

The performance of Rolling Stock Division of your Company for the year was severely impacted due to poor availability of wheel sets and certain other critical components from approved vendors for execution of both Indian Railways and non-Indian Railway Wagon orders.

Though the Ministry of Railways, Govt. of India finally granted the permission for import of wheelsets for private parties, its availability in short term was challenged and thereafter eruption of COVID-19 from January 2020 onwards further crippled its availability.

Nonetheless, the requirements for the wagons in line with the various schemes announced by Railways including General Purpose Wagon Investment Scheme ('GPWIS'), permitting private investment in general purpose wagons, etc., resulted in growth of demand of such wagons by end-users. Your Company continues to be benefitted with a resilient position in the wagon segment and closed the year with a healthy order book position.

The Rail EPC Division of your Company was sluggish in its performance due to rising cost and tremendous pressure on working capital due to delay in payments / approvals by customers. The pressure of completing the inherited legacy contracts also took its toll. The Company on a prudent accounting policy made a provision of INR 1499 mn in respect of certain old contracts outstanding being doubtful of realisation. The focus of Indian Railways is on bringing about a transformation by investing heavily in infrastructure, including track infrastructure & systems, and it augurs well for Rail EPC business of your Company. The ambitious plan of Indian Railways to secure the required infrastructure for complete electrification of the rational railway network will further strengthen this business segment. The Rail EPC business of your Company is fully geared to seize the emerging opportunities from the focussed key areas of Indian Railways viz. expansion of metro network, dedicated freight corridor, doubling of tracks, electrification, etc.

The Steel Foundry Division of your Company has maintained its steady performance, both on domestic & export fronts. With the aided capacity of the Urla unit-Raipur, new products for domestic markets specially in hand moulding segment have been successfully developed by the Foundry and well received by the Customers including critical castings for defense sector.

The world, including India, has suffered a significant setback with the onslaught of COVID-19 pandemic and this pandemic has resulted in business in all segments undergoing a sea change. Presently there is an atmosphere of uncertainty in the country and customers are going a bit slow in crystallising their future demands. This is bound to affect to some extent the business scenario in the segment of your Company operates. Fortunately, the demand in the long run is robust due to commitment of the Govt. of India to revitalise the Rail segment and ease the roads from the freight movement. Nevertheless, with every challenge there lies an opportunity and it is expected that post COVID-19 there will be a surge of pent up demand and economy will rebound robustly specially in the areas of upgrading of infrastructure, rail & metro network, etc. The move to privatise the passenger trains will open new windows of opportunities in this field.

SIGNIFICANT FINANCIAL RATIOS

As required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the significant financial ratios are given below:

Particulars		2019-20	2018-19	2017-18
Operating Profit Margin*	%	5.62	6.77	2.05
Debtors Turnover	Times	2.84	2.27	1.68
Stock Turnover	Times	3.41	4.13	3.84
Debt Equity Ratio	Times	0.73	0.51	0.48
Current Ratio	Times	1.42	1.47	1.56
Interest Coverage Ratio*	Times	1.65	2.50	1.53
Net Profit Margin	%	(3.54)	4.01	1.13
Return on Net Worth	%	(6.41)	6.60	1.25

* before exceptional items

The operating margins were impacted due to Slump in Global Economy.

The Net Profit and Return on Network were impacted, as during the year Rail EPC Division - Kalindee has completed/ brought close to completion number of legacy contracts. As a result of such progress, a broad review of impairment of Assets including receivables and costs to completion has been carried out and amounts outstanding against the respective heads have been evaluated. On the basis of such review, the Management has decided to make certain provisions for impairment.

Increase in Debtors Turnover Ratio is on account of lower realisation at the end of year due to lock down. Also there were delays in realisation from customers for Project Work.

The increase in Debt Equity Ratio is mainly on account of additional working capital facility.

The decrease in Interest Coverage Ratio is mainly on account of additional working capital borrowed during the year.

HEAVY ENGINEERING DIVISION

I. Rolling Stock Division

a. Freight Car & Coachings

The year begun with a moderately healthy order book position for the Division. Unfortunately, the year turned challenging for the Division owing to bottlenecks arising out of non-availability of certain critical bought out components viz. wheelsets, etc. In fact, inadequate supply of wheelsets from RWF, the only source for procurement of wheelsets in India for both Railways and non-IR customers under 'Make in India' initiative of Govt. of India, adversely affected the wagon production of your Company. Wheelsets' requirement of Indian Railways not being fully catered, RWF was not in a position to meet the requirement against non-IR contracts affecting your Company's production during the year for private wagons e.g. Autocar, Container Wagon, etc.

Your Company vigorously pursued with Indian Railways for giving permission to import wheelsets to tide over the non-availability of wheelsets particularly for non-IR customers. Pursuant to the continuous follow up, finally in end August 2019, Railway Board gave the permission to import wheelsets for a limited period. Accordingly, your Company had placed order for wheelsets on overseas suppliers at China in September 2019, delivery of which was to take place from January 2020 onwards. With the outbreak of pandemic COVID-19, the 1st and 2nd consignment of wheelsets got delayed and with the spread of the pandemic, manufacture of further wheelsets was severely affected leaving your Company with no other option but to depend only on the uncertainties of the supplies of RWF for the entire production requirement.

During the year, Railway Board did not place order against the tender floated during FY'19. The only order Railway Board could release on your Company during the current year was 529 units of BTPN wagon (under 30% option clause against earlier order placed in 2018). Also due to sluggishness of the market, requirement of new wagons was low.

During the year, Railway Board announced 'Liberalized Special Freight Train Operator' (LSFTO) scheme superseding the earlier 'Special Freight Train Operator' (SFTO) scheme and the 'Liberalized Wagon Investment Scheme' (LWIS). Under the LSFTO scheme, transportation by public/ private sectors have been permitted for specific commodities like bulk fertilizers, bulk cement, automobiles, fly ash, bulk chemical,

petrochemical, liquid ammonia, bulk alumina, LPG, edible oil, etc. requiring Special Purpose Wagons. Since the eligibility to procure various types of wagons under LSFTO scheme includes units engaged in Transport & Logistics, Port & Land Terminal Operations, Container Train Operators, Manufacturers, Wagon Leasing, Warehousing, etc., it is expected that requirement for the Special Purpose wagons would come up substantially in the near future. Container traffic is again picking up and consequent rising demand for container wagons is envisaged.

With further liberalisation of the existing GPWIS scheme, opportunities are available to the customers for procurement of conventional Indian Railways wagons to augment their transportation requirement of various commodities.

Certain reforms in the transport sector and the opening of Dedicated Freight Corridor (DFC) coupled with the Government's determined approach on Dedicated Freight Corridor projects to create additional freight capacity by inducting some specially designed wagons like Double Stack Container Wagons, Autocar with higher MMD, Steel Coil carrying Wagons, etc. to meet increasing demand, would certainly do good to your Company to improve its order book position.

To facilitate rail transportation of 2-wheelers, your Company has developed side loading option on the existing Autocar wagon which is first in the Industry and could be a game changer for transportation of 2-wheelers through rail, as India presently produces 2 crore 2-wheelers annually, most of which are transported by road.

From the environment point of view, Government has given a lot of importance for proper evacuation of fly ash. Consequently, RDSO has conducted certain trials at the Works of your Company followed by further trials at NTPC-Rihand where the convenient use of BTAP wagon for bulk transportation of fly ash with pneumatic side unloading at 2 bar pressure was demonstrated providing unique advantage compared to any wagon for bulk transportation of fly ash. Orders received from NTPC and Birla Corporation for BTAP wagon for bulk transportation of fly ash are currently under execution.

Besides freight movement, passenger traffic is the key focus of Indian Railways. Saddled with higher population of outdated passenger coaches, Indian Railways is in advanced stage of evaluating these coaches for replacement, which would pave the way of further business opportunities for your Company.

Having created the facility of manufacturing Passenger Coaches, Loco Shells, your Company feels confident in participating in the initiatives of Indian Railways for acquisition of new passenger coaches.

b. Locomotive Components / Assemblies

As advised earlier, your Company is now well established as a supplier of Electric Loco Shell Assemblies and other Loco Shell components to the various locomotive plants of Indian Railways. With the planned total switch-over to Electric Traction by Indian Railways within the next two years, the strong demand for Electric Loco Shells by the Production Units (CLW & DLW) of the Railways, from private parties, is expected to be sustained in future also.

Your Company steadily stepped up the production of complete Electric Loco Shells from 40 Shells in FY'18 to 65 Shells in FY'19. The Division was able to sustain the production in FY'20 also with a production of 64 shells.

The turnover of the Electric Loco shells and Assemblies in FY'20 has been INR 844.5 mn as against INR 784.2 mn in FY'19, a growth of 13% compared to the previous FY.

While the demand of Electric Loco Shells from Indian Railways is expected to be sustained in the coming years, the business has attracted a number of new players in the field. Nevertheless, with aggressive marketing efforts we hope to protect our share in the business.

II. Hydro Mechanical Equipment

The turnover of the Division for the FY'20 stands at INR 676.1 mn against previous year's turnover of INR 550.7 mn. The despatches of certain finished inventories were affected towards the end of March 2020 due to imposition of complete lockdown in view of COVID-19 outbreak.

Although there have been some setbacks in few sites progress due to unprecedented snowfall on two lengthy durations, but in general the projects are progressing well and some are expected to be commissioned during the current year. TamaKoshi, Nepal project is also heading towards commissioning with successful completion in milestone of reservoir impounding. Installation work at Subansiri, the largest Hydro power project is also gearing up.

Efforts are afoot to effect despatches and accelerate installation work at sites as soon as the present COVID-19 restrictions are eased thereby boosting the performance of the Division.

III. Bridge & other Steel Structures

The FY'20 was basically utilised to consolidate the functioning of the Bridge Division of your Company by way of organising more orders as well as modernisation of fabrication facilities. During FY'20, your Company has installed CNC plasma cutting machine, CNC drilling machine, Automatic H - beam welding machine, Girders straightening machine, plate straightening machine, automatic bevelling machine and augmented fabrication facilities by way of construction of New sheds. To enhance the production capacity, the Company has organised large-scale modernisation of the fabrication facilities.

During the year, the Division has achieved a turnover of INR 300 mn against the last year's turnover of INR 178 mn. The Division had bagged a major order of INR 980 mn from NFRLY against very stiff competition and Reverse auctioning. The work consists of fabrication & erection of steel bridge girders in section between Aizawl and Bhairabi. Your Company has also participated in number of other major bridge contacts in NFRLY. Your Company expects to be favoured with orders against few more major bridge tenders in the coming years which are on way. Presently the Division is also executing two nos. contracts of Bridge girders fabrication as well as construction of Railway bridge including foundation & sub-structures at Bangladesh. The division would put all out efforts to double its turnover in FY'21 considering order book of emerging work opportunities.

IV. Texmaco Hi-tech

The turnover of the division during FY'20 was INR 147 mn. The turnover was affected due to lowering of demand for components of CBS shells for the year due to anticipated design change by the customer viz. Alstom, coupled with deferred requirements of CBS Primary parts.

The developmental work of Platform and Cab Structures for GE Diesel Locomotives during the year progressed well. Pending the approvals and deferred CBS requirements due to the outbreak of COVID-19 and uncertainty caused by it, the performance of the Division for the first two quarters of FY'21 is likely to be adversely affected.

STEEL FOUNDRY DIVISION

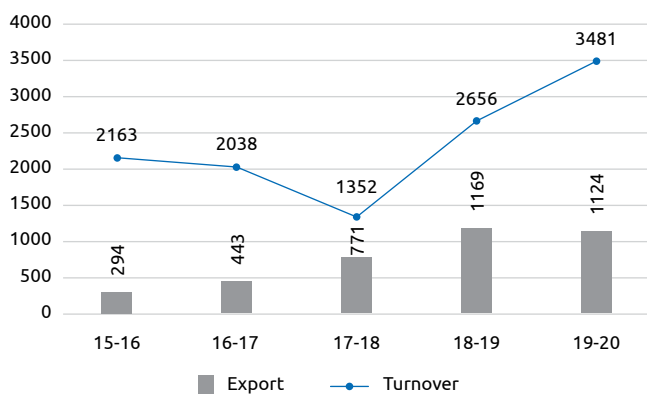
During the year, the turnover of the foundry stood at INR 3481 mn against that of INR 2656 mn in the previous year, i.e. presenting a healthy growth. The total production & despatch were 23960 MT & 21898 MT respectively against 18567 MT & 18638 MT from the previous year, an increase of 29 % & 18 % respectively.

However, the reduced domestic demand of bogies & couplers because of sluggish supply of wagons owing to insufficient supply of Railway wheel sets to wagon builders by the Indian Railways had adversely affected the wagon industry and correspondingly the performance of the Division. It was only in second half of FY'20 that due to the Indian Railways allowing imports of wheel sets for private wagons resulting in increased demand of bogies to some extent, the Division witnessed a reasonable growth in its performance. On the export front, the demand remained steady and around 30 to 35% of turnover of the Division was derived from export.

During the year, the Division has started production & dispatch of CMS crossing, a new track product, on regular basis. Your Company do expect surge in the demand of CMS crossing and is gearing up the capacity accordingly. The Division has built-up a healthy order book position of CMS crossing and is progressively increasing the despatches to meet the increased demand.

The Urla unit at Raipur had already commenced regular production from May 2019 onwards under the Company's management. The Urla plant is manufacturing hand moulded heavy castings and is also approved to manufacture Defence castings for ship building etc. apart from the regular Railway castings.

The whole world is facing an unprecedented crisis with the widespread of COVID-19 pandemic and global economies are nose-diving even in this difficult time. The Company is ensuring that its export to North American market is maintained unaffected.



In the given situation, your Company do anticipate that the demand for Indian wagon castings may go down initially during FY'21. However, with the focus of the Indian Railways on boosting its infrastructure segment and privatisation of various services, the demand for Railway castings will see growth in the second half of the year and will support the Division to ensure steady performance.

RAIL EPC DIVISION

Your Company's Rail EPC Division faced challenges due to adverse market & stressed working capital conditions during FY'20. This has resulted in subdued performance during the year. Execution activities in major projects though have been maintained at reasonable speed. The focus of the Division during the year was to successfully complete commissioning activities in all major legacy projects like Sitapur-Mailani Gauge Conversion, MMTS Hyderabad, Kota-Bina, Jhansi-Bhimsen, etc.

The Division has commenced execution activities in Bengaluru Metro Track package which is the single largest ballast-less track contract awarded in the country.

There have been relentless efforts on closing and realizing the dues from old contracts which have started yielding good results. Focus on efficient execution coupled with speedy realisation of old receivables will help the Division in improving the working capital cycle and put it in a healthy growth trajectory.

The Division is presently exploring to acquire new signalling & telecommunication contracts involving technological innovation, which will certainly strengthen qualitative performance of the Division.

The Division had made a significant provision during the year ended 31st March 2020 amounting INR 1499.20 mn on account of impairment of assets in respect of certain legacy contracts. This has led to decline in profitability of the Division.

Rail Electrification

During the year, Bright Power, a pioneer in the field of Overhead Electrification of Railways, has achieved a turnover of INR 2741 mn and has successfully commissioned 423 TKM Railway Electrification works against the targeted 368 TKM. The Division has also carried out successfully the work in Metro sector like refurbishment of sub-station at Kolkata metro and electrification of new metro line at Pune Metro priority section in record time. The Division, as reported earlier, has extended its reach into the new area of OHE and Sub-Station maintenance and subsequent to the order for maintenance of OHE and Sub-station between Bengaluru and Mysore section for a period of 2 years from South Western Railway, it diversified into the maintenance activities of railway electrical assets between Mysore-Bidadi section in Karnataka.

The boost to the electrification work being carried out by Indian Railways and unwavering approach on upgradation of Railway network, will overlay new vistas for the growth of the business of the Division.

SUBSIDIARY COMPANIES

A Report on the performance and financial position of each of the subsidiaries, associate and joint ventures included in the Consolidated Financial Statement and their contribution to the overall performance of the Company, is provided in Form No. AOC-1 as required under the Companies Act, 2013.

The Consolidated Financial Statements of the Company, its subsidiaries, associate and joint ventures prepared in accordance with the Companies Act, 2013 and applicable Indian Accounting Standards along with all relevant documents and the Auditors' Report form part of this Annual Report.

i. Belur Engineering Private Limited

Belur Engineering was incorporated as a wholly owned subsidiary of the Company in the FY'17 to supplement your Company's business streams through forward & backward integrations. Presently, Belur Engineering has leased out its parcel of land located at Sodepur, North 24 Parganas – West Bengal to your Company for carrying out its execution of project works.

ii. Texmaco Rail Electrification Limited

During the FY'20, your Company has incorporated a wholly owned subsidiary 'Texmaco Rail Electrification Limited' on 26th February 2020. This has been formed to explore business potential in the niche field of Rail Electrification.

iii. Texrail SA (Pty) Limited

Texrail SA is exploring opportunities in new Standard Gauge Railway Lines in East Africa and Democratic Republic of Congo and Mozambique. During the FY'20, Texrail SA has entered into a couple of MoUs for exploring setting up JVs for Rail EPC projects.

iv. Texmaco Transtrak Private Limited

Post signing of an arrangement with CAF, Spain, the technology provider for electronic interlocking and Train Protection and Warning Systems, the Company has taken up the approval process with RDSO. Details of the system are under discussions with RDSO while a prototype has undergone environment test in India. The approval process has been delayed pending RDSO inspection which is likely to take place once normalcy is restored post COVID-19.

v. Texmaco Rail Systems Private Limited

During FY'20, the name of Texmaco Signalling Systems Private Limited was changed to 'Texmaco Rail Systems Private Limited' w.e.f. 11th June 2019. The company has ceased to be a wholly owned subsidiary of your Company w.e.f. 22nd July 2019 post allotment of shares to other

investors and continues as a subsidiary thereafter. Texmaco Rail Systems is identifying the evolving areas in the field of signalling equipment to strengthen your Company's Rail EPC business for signalling.

ASSOCIATE

Texmaco Defence Systems Private Limited

During the FY'20, Texmaco Defence Systems Private Limited ('Texmaco Defence') has ceased to be the subsidiary of your Company effective 30th March 2020. Your Company continues to hold 41% of shareholding in Texmaco Defence. Texmaco Defence is in the process of identifying a host of low hanging fruits in the Defence segment by entering into strategic arrangement with OEM suppliers of certain Defence equipment.

During the FY'20, Texmaco Defence has signed few MoUs for exploring the opportunities in the Indian market. Texmaco Defence has exclusive arrangements with some companies and it is in the process of discussions with certain global names and companies from CIS Nations. Texmaco Defence is confident that with the 'Make in India' initiative propagated by the Government of India, the opportunities for it in the defence segment will open up.

JOINT VENTURES

i. Touax Texmaco Railcar Leasing Private Limited

The FY'20 continues to witness a positive trend for the leasing business for wagons. The old rigid supply chains, of various large industrial consumers of break-bulk raw material are now loosening, to accept other alternatives. Mainly presented in the form of various bulk wagon types, now freely available, which hitherto reserved only for the IR, and more so always in short supply. This has led to the demand for wagon types both conventional and commodity specific, which are now available for private ownership and leasing. The JV company expects more third party logistic operators to enter the bulk market under the new GPWIS scheme which will further drive up volumes. The Indian Railways continues in its effort to drive more cargo back to rail from road with more trade friendly measures ranging from freight rationalisation and easing of freight policies. However, the recent economic downturn has not been the most conducive to a sizeable increase in the current order book, on short term basis.

This of course, is expected to change in the coming months of the current year. The JV company has now 12 rakes in operation and confirmed orders for 6 more rakes. The JV company is hopeful of signing good size of orders in the near future.

ii. Wabtec Texmaco Rail Private Limited

Wabtec Texmaco Rail Private Limited, the JV company has achieved a sales turnover of INR 440.1 mn during the FY'20.

The JV company has received RDSO approval for manufacturing and supply of indigenous upgraded high capacity Draft Gears as per RDSO specification. Manufacturing and supply of these Draft Gears had since started from the 2nd quarter of the FY'20.

The JV company has also won majority of the tenders floated by various zones of Indian Railways for Draft Gears.

Receiver Assemblies, export of which account for a major share of the JV company's business showed an upward trend from the 3rd quarter of the FY'20. Indigenous manufacturing of the Wheel Chocks also commenced during the current year which resulted in increased profitability. The market for other business products e.g. Friction Wedges, Brake Blocks for non-IR customers, etc. remained steady during FY'20. Efforts are being made for introduction of new products like Hydrojacks for removal and fitment of Draft Gears, Coil Guards for steel coil carrying wagons, Bridge Plates for Automobile carrying wagons, etc.

The JV company expects to further grow and improve upon its results during FY'21.

EXPORTS

The Company is actively pursuing the opportunities in field of exports.

The Steel Foundry Division of your Company sustained to excel in export totalling to INR 1124 mn i.e. approx 35% of its turnover. The execution of the projects in the neighbouring countries by the HME Division of your Company has picked up during the year.

The Rail EPC Division of your Company is well poised to seize the opportunities in the export field. The Company is also exploring new products to expand its reach in the international markets.

R & D ACTIVITIES

A. Rolling Stock Division

- a) The R &D has developed new designs of Container Carrier Wagons and Fuel Tank Wagons for Sri Lankan Railways. These wagons have been developed as per international standards using modern design simulations tools for optimum payload design and have been successfully manufactured and commissioned.

- b) For BCACBM wagon, Side Loading option for two-wheeler has been developed. This will facilitate transportation of two-wheeler through rail.

B. Steel Foundry Division

The R & D Centre of your Company is registered and recognised by 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 while improving cost effectiveness. The metallurgical lab of our company, an integral part of the R & D Centre, has already received ISO/IEC 17025 certification from NABL (National Accreditation Board for Testing and Calibration Laboratories).

a) New Product Development:

- 1) A new design of high capacity (125T) bogie castings, four new designs of yoke castings, two new types of follower and two new types of draft gear housing 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) A new grade of low alloy steel has been developed for ground excavating application through unique metallurgical process improvement, characterized by high hardness as well as high impact toughness.
- 3) Bogie casting and brake beam developed for Thailand Railways.
- 4) New design of Draft Gear Housing developed for Indian Railways.

b) New Process Development:

- 1) A new process of NDT inspection has been introduced, resulting in substantial cost savings
- 2) Single slag practice during steel making has been implemented to increase productivity and increase cost savings.

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

- 1) Development of a computational model to simulate the mould filling operation and the resultant turbulent flow for different components.

- 2) Correlation of micro-structures of different low alloy steels with their chemical composition, heat treatment process parameters and resultant mechanical properties to identify optimum heat treatment cycles for various steel grades. This would help to identify and eliminate deviations during heat treatment.
- 3) Correlation of parameters of moulding, core making, steel making, pouring and heat treatment operations of different components with the casting physical properties to identify defect types and their locations, probable root cause of their occurrence and corrective / preventive actions for their minimization/ elimination. These studies have helped in improvement of existing products and processes.
- 4) The R & D department has further undertaken in collaborative projects with reputed institutes such as Birla Institute of Technology (BITS – Pilani) to assist in improving the quality and life cycle of the products.

IT SERVICES

Our corporate and administrative offices are well connected with the manufacturing units through strong internet bandwidth. In house dedicated IT team of the organisation is maintaining ERP applications for business operations and digitization across its all operating units. To protect confidential information, secure Corporate Overview Statutory Reports, Financial Statements environment to prevent data loss and IT infrastructure from external cyber threats, the organisation continuously keeps upgrading its security system.

HUMAN RELATIONS

Human Relations focusses on internal resources for competitive advantage. It regards people as the most important asset of the organisation. Human Resource Management aims to enhance organisational performance by playing a proactive role in developing relationship with employees of the Company. HR emphasises on the quantitative, calculative, and strategic aspects of managing the human resource in a systematic way. It promotes leadership skills amongst the people in the organisation which boosts the morale of the employees and motivates them to demonstrate quality work for the inclusive growth.

HR functionally acts towards the continuous process of skill development by eliminating any disconnect between demand & supply of skilled manpower, building the training framework, skill upgradation, building of new skills, and innovative thinking

for both fresher & experienced workforce of the Company. HR supports in creating a non-discretionary healthy work environment whereby the human capital is encouraged to fulfil commitment towards achieving the objectives of the Company.

OPPORTUNITIES & THREATS

The Government's focus and measures taken for modernisation under various segments of Railway infrastructure and services – coaches and passenger services, electric locomotives, electrification, signaling etc., will continue to strengthen the presence of the Rail EPC and Rolling Stock Divisions of the Company. Growing pace of electrification including track renewals, bridge works, and doubling of tracks remain advantageous to your Company.

Indian Railways' plan to build 7 high-speed rail corridors to provide faster rail connectivity across the country, is also a positive for the business of your Company.

The comprehensive plan of Indian Railways to introduce Modern Technology based rolling stock with reduced maintenance and focus on indigenisation of rolling-stock in recent years, will boost the continued presence of the company as leading wagon manufacturer. The Private sector companies in the field are being encouraged to participate in new rail projects. Freight traffic is set to increase significantly due to rising investments and private sector participation.

The Government's determined approach on Dedicated Freight Corridor projects to create additional freight capacity to meet increasing demand certainly adds flavour to the business of your Company.

Due to the sluggishness in the global economy due to COVID-19 outbreak & its spread with plunging growth rate across the world in view of the uncertainty over the potential macro-economic condition, the ultimate outcome of the massive impact of COVID-19 is not quantifiable. The overall environment is challenging, however there is silver lining as the business has started picking up and your Company is confident of overcoming any substantial impact with improved efficiency in operations.

CORPORATE SOCIAL RESPONSIBILITY

As a corporate citizen, Texmaco stands firm in its commitment to the social obligations for the upliftment of the society. With this urge, the Company always endeavours towards taking CSR initiatives in various areas viz. Health, Education, Environment, Women Empowerment, etc.

The Company continues to extend philanthropic services to the society. During the year, the Company through the social and community welfare arm has provided financial support towards health and education (including educational sponsorships)

to a large section of deserving localities belonging to the unprivileged rung of the social ladder.

With the aid of your Company, a self-sustaining Health Hub, 'Arogyam' has been set up amidst the ecological balanced premises of the Company's estate, promoting health and well-being amongst the neighbourhood. During the year, the Alternative Therapy Centre which includes the services of Traditional Chinese Techniques (Acupuncture, Electro-acupuncture, Moxibustion, Fire & Plastic Cupping, Tui Na) and Homeopathy, has become a significant part of Arogyam Health Hub, besides a well-equipped Physiotherapy centre equipped with competent doctors and a state-of-the-art modern Gymnasium & Yoga centre. Arogyam has celebrated its 4th anniversary on 29th February 2020 at the K. K. Birla Kala Kendra, an auditorium set up for recreational activities of the employees & family members. The programme was enlightened with the august presence of Padma Shri Dr. Raman Kapur, eminent Acupuncturist from Sir Ganga Ram Hospital, Delhi, who addressed the houseful audience with his educative presentation on benefits of acupuncture therapy.

In the field of Education, Texmaco George Telegraph - Centre of Excellence which was set up in collaboration with the renowned The George Telegraph Training Institute to run vocational courses approved by The National Skill Development Corporation, has made a mark by establishing its presence as a recognised vocational training centre. It helps in assisting its students for employment by providing suitable training programmes and igniting amongst them the spark of entrepreneurship.

The Company since the outbreak of the pandemic COVID-19 has undertaken the drive towards campaigning for general awareness for protection of the community against the deadly virus.

Your Company believes in fulfilling its CSR objectives and is constantly exploring new activities to extend its benefit to the large section of the society. Despite best efforts, the Company has been unable to execute its ambitious plan towards CSR spend.

Your Company shall endeavour to undertake the CSR projects and activities for the substantial well-being of the people in the community.

The Annual Report on CSR activities is enclosed as **Annexure A**.

GREEN INITIATIVE

Your Company continues to embrace a sustainability initiative with the aim of going green and minimising the impact on environment. Your Company had already adopted the green initiative by sending Annual Report, Notices, other communication, etc. through e-mail to the Shareholders, whose e-mail address are registered with relevant Depository

Participants / RTA / Company. Shareholders are requested to support this initiative by registering / updating their e-mail address for receiving Annual Report, Notices, other communication, etc. through e-mail. This year amidst COVID-19 outbreak, the Ministry of Corporate Affairs has issued relaxations from sending printed copy of Annual Report, Notice of the Annual General Meeting ('AGM'), etc. to the Shareholders for the AGM to be held in the year 2020.

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

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

PARTICULARS OF EMPLOYEES

The number of employees as at 31st March 2020 was 2674. 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 Companies Act, 2013, 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, 5 (five) Board Meetings were held on 25th April 2019, 13th May 2019, 8th August 2019, 23rd October 2019 and 31st January 2020.

Change in Directors and Key Managerial Personnel

Mr Akshay Poddar retires by rotation and being eligible, offers himself for re-appointment at the ensuing Annual General Meeting ('AGM') of the Company.

The Board of Directors at its Meeting held on 8th August 2019 had recommended the appointment of Mr Indrajit Mookerjee as an Independent Director. The re-appointments of Messrs A. C. Chakrabortti, D. R. Kaarthikeyan, Sunil Mitra and Indrajit Mookerjee as Independent Directors of the Company were approved at the last AGM held on 9th September 2019.

During the year, Mr V. K. Sharma ceased to hold office as Independent Director of the Company from 29th June 2019 upon completion of his tenure as approved by the Shareholders. Messrs Sandeep Fuller, Managing Director and G. C. Agrawal, Executive Director had resigned from the services of the Company with effect from close of business on 31st March 2020.

Mr Ravi Varma, Company Secretary & Compliance Officer, who resigned effective 22nd June 2019, was re-appointed as General Manager (Corporate Affairs) & Company Secretary cum Compliance Officer with effect from 14th December 2019.

The Board of Directors on the recommendation of the Nomination and Remuneration Committee, has approved the re-designation of Mr Indrajit Mookerjee as the Managing Director of the Company for a period of 3 (three) years w.e.f. 2nd April 2020 and the appointment of Mr U. V. Kamath as the Executive Director of the Company for a period of 3 (three) years w.e.f. 1st August 2020, subject to the approval of the Shareholders.

The tenure of Mr S. K. Poddar, the Executive Director and the Chairman expires on 24th September 2020 and in view of his visionary leadership, the Board of Directors on the recommendation of the Nomination and Remuneration Committee has approved his re-appointment, subject to the approval of the Shareholders.

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

Board Evaluation

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

A structured questionnaire, evolved through discussions within the Board, has been used for this purpose. Further, on

the basis of performance review by Independent Directors at their Meeting and recommendations of the Nomination and Remuneration Committee, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors. Furthermore, the evaluation of the Independent Directors was performed by the Board of Directors. The evaluation criteria comprised of assessing the various parameters including oversight and effectiveness of the Board, performance of the Directors, expertise /skills / competencies as possessed by the Directors in the context of the business of your Company, contribution to the strategic planning, etc.

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

Criteria for Appointment of Directors and Remuneration Policy

The Nomination and Remuneration Committee has approved the criteria to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board of eminent Qualified Professionals, entrepreneurs with diverse backgrounds and experience in business, governance, education and public service. The criteria includes the matrix of skills / expertise / competencies as specified by the Board for identifying individuals to serve as a Director on the Board.

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

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

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

Declaration by Independent Directors

All Independent Directors of your Company have given declaration 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.

The Board of Directors of your Company took on record the declarations submitted by the Independent Directors after undertaking due assessment of their independence from the Management. The Independent Directors of your Company have also confirmed their registration with the

Independent Directors' databank maintained by the Indian Institute of Corporate Affairs. The requirement to undertake the online proficiency test as stipulated under the Companies (Appointment and Qualification of Directors) Rules, 2014 has a time period of one year from the date of registration and accordingly, the Independent Directors will undertake such proficiency test, as may be required.

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

AUDIT COMMITTEE AND AUDITORS

Composition of Audit Committee

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

Statutory Auditors

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

Cost Auditors

Your Company has appointed Messrs. DGM & Associates, Cost Accountants, for conducting the Cost Audit for FY'20 in terms of the provisions of the Companies Act, 2013 and the Companies (Cost Records and Audit) Rules, 2014.

The Board of Directors of your Company on the recommendation of the Audit Committee, at its Meeting held on 17th June 2020 has approved the re-appointment of Messrs. DGM & Associates, Cost Accountants (Firm Registration No. 000038), as the Cost Auditors to conduct the Audit of the Cost Records of the Company for the FY'21 at a remuneration of INR 1,85,000 (Indian Rupees One Lakh Eighty Five Thousand) plus applicable taxes and out-of-pocket expenses as incurred from time to time. The approval for the ratification of the remuneration payable to Messrs. DGM & Associates is being placed for the approval of Shareholders at the ensuing Annual General Meeting.

In terms of the Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, your Company is required to maintain cost records and accordingly, such accounts and records are maintained.

Secretarial Auditor

Your Company has appointed Messrs. S. R. & Associates, Company Secretaries, for conducting the Secretarial Audit

for FY'20 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 in Form No. MR-3 is enclosed as **Annexure E**.

Whistle Blower Policy

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

INTERNAL FINANCIAL CONTROLS AND RISK MANAGEMENT

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

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

The objectives pertaining to Risk Management are to monitor and review the risk management plan of the Company including identification therein of elements of risks, if any, and such other related functions. The Company has implemented a Risk Management Policy in order to mitigate the losses which might be incurred due to non-systematic attendance of certain issues. The Risk Management Policy which has been adopted by the Company has in its scope, the establishment of a process for risk assessment, identification of risks both internal & external, cyber security risk and a detailed process for evaluation and treatment of risks and is reviewed periodically by the Audit Committee to ensure its effectiveness.

DISCLOSURES

- (a) There has been no change in the nature of business of the Company during the year under review.
- (b) There are no significant and material orders passed by the Regulators/ Courts that would impact the going concern status of the Company and its future operations.
- (c) There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of financial year and the date of this Report.

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

(e) **Share Capital**

During the year, your Company has allotted 24,600 Equity Shares of face value of INR 1 each to eligible Employees pursuant to exercise of Options under Texmaco Employee Stock Option Scheme, 2014 and 47,85,300 Equity Shares of face value of INR 1 each pursuant to the Scheme of Amalgamation for merger of Texmaco Hi-tech Private Limited, Bright Power Projects (India) Private Limited into and with the Company.

Further, your Company has not granted any Stock Options as on the date of this Report under Texmaco Employee Stock Option Scheme, 2018.

(f) **Deposits**

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

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

An Internal Complaints Committee ('ICC') has been set up to redress complaints received regarding sexual harassment which meets at regular intervals. Your Company has in place a Policy on prevention of Sexual Harassment in accordance with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules framed thereunder to promote safe & healthy work environment. During the year, no complaint was received by the ICC.

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

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

OTHER INFORMATION

Extract of Annual Return

The extract of Annual Return in Form No. MGT 9 for the FY'20 is enclosed as **Annexure F** and forms a part of this Report.

Dividend Distribution Policy

Your Company has in place a dividend distribution policy in line with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The said policy is enclosed as **Annexure G** and forms a part of this Report.

Corporate Governance

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

Business Responsibility Report

Business Responsibility Report pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is enclosed as **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 Financial Statement of the Company.

Related Party Transactions

All related party transactions during the FY'20 were entered in the ordinary course of business and on arm's length basis.

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

The Company has 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

https://www.texmaco.in/webfiles/doc/Investors_Information/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 Financial Statements, the applicable accounting standards had been followed along with proper explanation relating to material departures;

- (b) such accounting policies are applied consistently and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Annual Financial Statements of the Company have been prepared on a going concern basis;
- (e) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

For and on behalf of the Board

17th June 2020
Kolkata

S. K. Poddar
Chairman

ANNEXURE - A

Annual Report on Corporate Social Responsibility (CSR)

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

1. 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 at the weblink https://www.texmaco.in/webfiles/doc/Investors/Information/CSR_POLICY_TEXRAIL.pdf.

Driven by passion to make a difference to society, your Company is committed to upholding the highest standards of Corporate Social Responsibility. Your Company has

continued its progress on community initiatives with renewed vigour and devotion.

2. 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 Profit of the Company for the last three financial years:

Average profit (₹ in lakhs) 4139.37

4. Prescribed CSR expenditure:

2% of the net profit (₹ in lakhs) 82.79

5. Details of CSR spent during the year:

- a) Total amount to be spent for the financial year: ₹ 82.79 lakhs
- b) Amount unspent: ₹ 19.83 lakhs
- c) Manner in which the amount spent during the financial year is detailed below:

(1) Sr. 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	83.00	13.66	-	Direct

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programmes (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (₹ in Lakhs)	Amount spent on the projects or programs		Amount spent: Direct or through implementing agency
					1) Direct expenditure on projects or Programs (₹ in Lakhs)	2) Overheads	
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, Mumbai, Maharashtra		48.34	-	Direct
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	Various other sectors including Environment Protection, Sports, etc.	Local Area	83.00	0.96	-	Direct
Total				83.00	62.96		

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.

Your Company continues to play a defining role in the development of its stakeholders and reaffirms its commitment to uplift lives of the marginalised segments of the society, living in and around its areas of operation. Your Company aims to continuously increase its CSR spend and is constantly exploring new areas/ activities particularly deeper sustainable projects, to accelerate the spend. Your Company has also strengthened the CSR framework within the organisation for implementation of CSR activities. Despite best efforts, your Company has been able to spend ₹ 62.96 lakhs against the budgeted amount of ₹ 83 lakhs towards the CSR activities during the FY' 20. Your Company shall endeavor to undertake the CSR projects and activities for the substantial well-being of the people in the community.

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.

ANNEXURE - B

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

Name	Designation	Age (Years)	Remuneration (₹)	Qualifications	Experience (Years)	Date of Commencement of Employment	Previous Employment	
1	2	3	4	5	6	7	8	
Top Ten Employees in terms of Remuneration drawn / Employed throughout the year and in receipt of remuneration aggregating ₹1,02,00,000 or more								
1.	Poddar Saroj Kumar	Executive Chairman	74	3,79,26,420	B.Com (Hons)	51	01-01-2006	M/s. Poddar Heritage Investments Limited
2.	Kamath Udyavar Vittal	Chief Executive – Rail EPC Division, Unit Bright Power	55	1,97,89,780	B.E. (Electrical)	33	01-04-2017 (on Merger of Bright Power into the Company)	Square Automation
3.	Maheshwari Ramesh	Corporate Advisor	87	1,35,28,889	M.Com., L.L.B.	64	01-02-1962	M/s. F & Cosler (India) Limited & Sister Concerns
4.	Kela Damodar Hazarimal	Executive Director & CEO (Steel Foundry)	79	1,26,68,968	B.E.(Metallurgy)	54	14-11-2000	M/s. Hindusthan Engineering & Industries Limited
5.	Fuller Sandeep*	Managing Director	54	1,14,01,891	B.Tech & PGD in Management	34	01-02-2014	M/s. L&T Limited
6.	Jain Jitendra Kumar	COO – Rail EPC Division, Unit Kalindee	53	82,65,393	M. Tech (IIT)	29	05-03-2019	M/s. L&T Limited
7.	Subbanna Mohan Kumar Mysore	Chief Executive (Projects) - Rail EPC Division, Unit Kalindee	54	73,19,813	B.E. (Electrical)	32	01-04-2014 (on Merger of Kalindee into the Company)	M/s. L&T Limited
8.	Kottawar Arvind Dattatraya	COO – Rail EPC Division, Unit Bright Power	53	71,55,627	MIE (Electrical), C. Eng.	33	27-06-2017	Atkins Global, UK & India
9.	Vijay Ashok Kumar	Executive Director & CFO	66	67,26,843	FCA, ACS	43	17-10-2001	M/s. Hindusthan Engineering & Industries Limited
10.	Chimpiri Satyaprasad	G M – Projects - Rail EPC Division, Unit Bright Power	60	58,11,263	B.A.	38	01-04-2017 (on Merger of Bright Power into the Company)	M/s. ECS Industries Limited

* Resigned w.e.f. the close of business on 31st March 2020.

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;
- Except Mr U. V. Kamath, none of the employees mentioned above holds more than 2% of the Equity Shares of the Company along with their spouse and dependent children;
- Other terms and conditions are as per the Company's rules.

ANNEXURE - C

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

- a. The ratio of remuneration of the Directors to the median remuneration of the employees of the Company for the financial year ended 31st March 2020 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	209:1	-
ii.	Mr D. H. Kela	Executive Director & CEO (SF)	70:1	-
iii.	Mr Sandeep Fuller [#]	Managing Director	63:1	-
iv.	Mr A. K. Vijay	Executive Director & CFO	37:1	-
v.	Mr G. C. Agrawal [#]	Executive Director & CEO (HED)	31:1	-
vi.	Mr A. C. Chakrabortti	Independent Director	4:1	-
vii.	Mr D. R. Kaarthikeyan	Independent Director	3:1	-
viii.	Mr Sunil Mitra	Independent Director	4:1	-
ix.	Ms Mridula Jhunjunwala	Independent Director	4:1	-
x.	Mr V. K. Sharma [*]	Independent Director	0.5:1	-
xi.	Mr Indrajit Mookerjee [^]	Independent Director	1:1	-
xii.	Mr Utsav Parekh	Independent Director	2:1	-
xiii.	Mr Akshay Poddar	Non-executive Director	1:1	-
xiv.	Mr Ravi Varma <i>(post resignation effective 22nd June 2019, re-appointed w.e.f. 14th December 2019)</i>	G M (Corp. Affairs) & Company Secretary	6:1	-
b.	The percentage increase in the median remuneration of employees in the financial year ended March 2020.			2%
c.	The number of permanent employees on the Company as at 31 st March 2020:			2674 Nos.
d.	<ul style="list-style-type: none"> - Median Remuneration and Average Remuneration of all employees have increased by 2% and 4%. - Average remuneration of employees excluding Key Managerial Personnel has also increased by 4%, 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. 			
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: https://www.texmaco.in/webfiles/doc/Investors_Information/REMUNERATION_POLICY_TexRail.pdf			

* Ceased w.e.f. 29th June 2019

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

[#] Resigned w.e.f. the close of business on 31st March 2020.

ANNEXURE - D

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

(A) Conservation of energy -

- i. the steps taken or impact on conservation of energy;

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

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

50 KW solar panel on roof top of the Corporate Office of your Company has been commissioned in the year 2018 and it is functioning well. For further addition of Solar Power generation survey is being carried out by TATA Solar Power.

- iii. the capital investment on energy conservation equipments;

Two nos 11KV / 650KVA Transformer have been installed and commissioned and remaining part of the 440V distribution system to feed the electrically heated treatment Furnace is in progress.

(B) Technology absorption-

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

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

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

- iii. The expenditure incurred on Research and Development - ₹ 106.25 Lakhs

(C) Foreign exchange earnings ₹ 14,506.79 Lakhs and outgo ₹ 6,733.15 Lakhs.

ANNEXURE - E

Form No. MR-3

SECRETARIAL AUDIT REPORT

For the Financial Year Ended 31st March 2020
[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 2020 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 2020 according to the provisions of the following, in so far as they are applicable to the Company:

1. The Companies Act, 2013 ('the Act') with Companies Act, 1956 (to the extent applicable) and the rules made thereunder;;
2. The Securities Contract (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, 2018;

- d) The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014;
 - e) The Securities and Exchange Board of India (Registrar to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
 - f) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009
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, 1968.

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 provisions 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 adequate number of 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 Act. There were no changes in the composition of the Board of Directors that took place during the period under review except the resignations of Mr Vinod Kumar Sharma as Independent Director w.e.f. 29.06.2019, Mr G. C. Agrawal, as Executive Director w.e.f. 31.03.2020 & Mr Sandeep Fuller, as the Managing Director, w.e.f. 31.03.2020. Also, Mr Indrajit Mookerjee was appointed as Independent Director w.e.f. 09.09.2019. Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed Notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on

the agenda items before the Meeting and for meaningful participation at the Meeting.

- unanimously/ Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

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

We further report that during the audit period, the Company has raised capital by issuing:

- i. 47,85,300 Equity Shares pursuant to Scheme of Amalgamation under Sections 230 and 232 of the Companies Act, 2013 between the Company, Texmaco Hitech Private Limited and Bright Power Projects (India) Private Limited as approved by the Hon'ble National Company Law Tribunal (NCLT) vide its order dated 4th April 2019.
- ii. 24,600 Equity Shares through Texmaco Employee Stock Option Scheme 2014 (ESOP) at a premium of ₹ 40/- per share i.e. Equity Shares of face value of ₹ 1/- each were issued at ₹ 41/- each.

During the audit period, the Company has approved a Rights Issue, for an amount aggregating upto ₹ 200 Crores by way of issuance of Equity Shares.

For S R & Associates

Signature:
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**

UDIN: - **F007040B000364969**

Place: Kolkata

Dated: 12th June 2020

Note: This report is to be read with Annexure-A 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

Signature:
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**

UDIN: - **F007040B000364969**

Place: Kolkata

Dated: 12th June 2020

ANNEXURE - F

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March 2020
 [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:	25 th 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 – 700056, 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. KFin Technologies Private Limited Karvy Selenium, Tower- B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500032 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	42
2.	ENGINEERING PROCUREMENT & CONSTRUCTION	439	41
3.	STEEL CASTINGS	243	17

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of Shares held	Applicable Section
1.	Belur Engineering Private Limited Belgharia, Kolkata – 700056	U28100WB2017PTC219523	Subsidiary	100.00	2 (87)
2.	Texrail SA (Pty) Limited Atrium, 9 th Floor, 5 th Street, Sandton, Johannesburg, 2196 South Africa	2018/213036/07	Subsidiary	100.00	2 (87)
3.	Texmaco Rail Electrification Limited* Chowdhuri Para Road, Belgharia, Kolkata - 700056	U35999WB2020PLC236687	Subsidiary	100.00	2 (87)
4.	Texmaco Transtrak Private Limited 238A, AJC Bose Road Unit 5D/2, 5 th Floor Kolkata - 700020	U35923WB2017PTC223786	Subsidiary	51.01	2 (87)

Sl. No.	Name and Address of the Company	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of Shares held	Applicable Section
5.	Texmaco Rail Systems Private Limited** Belgharia, Kolkata -700056	U74999WB2019PTC230789	Subsidiary	67.11	2(87)
6.	Texmaco Defence Systems Private Limited*** Birla Mills Compound G. T. Road, Clock Tower New Delhi - 110007	U35100DL2018PTC328277	Associate	41.00	2 (6)
7.	Touax Texmaco Railcar Leasing Private Limited Belgharia, Kolkata – 700056	U74999WB2011PTC167754	Joint Venture	50.00	2 (6)
8.	Wabtec Texmaco Rail Private Limited Belgharia, Kolkata – 700056	U35122WB2015FTC207096	Joint Venture	40.00	2 (6)

* Became Subsidiary w.e.f. 26th February 2020.

** Ceased as wholly owned subsidiary w.e.f. 22nd July 2019 and continue as a subsidiary thereafter.

*** Ceased as Subsidiary w.e.f. 30th March 2020.

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

Paid up Capital of the Company has increased from 22,00,49,482 at 31st March 2019 to 22,48,59,382 at 31st March 2020 on account of allotment of 24,600 Equity Shares to eligible employees under Texmaco Employee Stock Option Scheme 2014 and 47,85,300 Equity Shares to the Shareholder of Bright Power Projects (India) Private Limited pursuant to the Scheme of Amalgamation.

(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	4279510	-	4279510	1.90	0.27
b) Central Govt	-	-	-	-	-	-	-	-	
c) State Govt(s)	-	-	-	-	-	-	-	-	
d) Bodies Corp.	111504110	-	111504110	50.67	111524110	-	111524110	49.60	(1.07)
e) Banks / FI	-	-	-	-					
f) Any Other	-	-	-	-					
Sub-total (A)(1)	115083620	-	115083620	52.30	115803620	-	115803620	51.50	(0.80)
(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	52.32	115847010	-	115847010	51.52	(0.80)

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	
B. Public Shareholding									
1. Institutions									
a. Mutual Funds	30525034	-	30525034	13.87	29243468	-	29243468	13.01	(0.86)
b. Banks / FI	1261510	-	1261510	0.57	889555	-	889555	0.40	(0.17)
c. Central Govt	-	-	-	-	-	-	-	-	-
d. State Govt(s)	-	-	-	-	-	-	-	-	-
e. Venture Capital Funds	-	-	-	-	-	-	-	-	-
f. Insurance Companies	110000	10	110010	0.05	110000	10	110010	0.05	-
g. FIs	15688383	-	15688383	7.13	11277907	-	11277907	5.02	(2.11)
h. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i. Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
j. Foreign Nationals	710	-	710	0.00	710	-	710	0.00	-
Sub-total (B)(1):-	47585637	10	47585647	21.62	41521640	10	41521650	18.48	(3.14)
2. Non- Institutions									
a) Bodies Corp.									
i) Indian	12694943	219842	12914785	5.87	8600323	219842	8820165	3.92	(1.95)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	29596171	686255	30282426	13.76	29400302	598426	29998728	13.34	(0.42)
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	7625083	-	7625083	3.47	14785146	-	14785146	6.58	3.11
c) Others (specify)									
NBFC	18418	-	18418	0.01	3922	-	3922	0.00	(0.01)
Trusts	39	-	39	0.00	31	-	31	0.00	-
Non Resident Indians	2263868	14690	2278558	1.04	2181376	14690	2196066	0.97	(0.07)
HUF	2549709	-	2549709	1.16	3497543	-	3497543	1.56	0.40
Clearing Members	128570	-	128570	0.06	1611012	-	1611012	0.72	0.66
Employees	625998	35075	661073	0.30	5254799	36875	5291674	2.35	2.05
Enemy Individuals	-	4550	4550	0.00	-	4550	4550	0.00	-
IEPF	321333	-	321333	0.15	366983	-	366983	0.16	0.01
Alternative Investment Fund	552281	-	552281	0.25	914902	-	914902	0.41	0.16
Sub-total (B)(2):-	56376413	960412	57336825	26.06			67490722	30.01	3.94
Total Public Shareholding (B)= (B)(1)+ (B)(2)	103962050	960422	104922472	47.68			109012372	48.48	0.80
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	219089060	960422	220049482	100.00	223984989	874393	224859382	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	-	4147020	1.84	-	0.27
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	0.01	-	32140	0.01	-	-
6.	Ms Aashti Agarwala	14280	0.01	-	14280	0.01	-	-
7.	Ms Shradha Agarwala	14280	0.01	-	14280	0.01	-	-
8.	Texmaco Infrastructure & Holdings Limited	54600000	24.81	-	54600000	24.28	-	(0.53)
9.	Zuari Investments Limited	28963900	13.16	-	28963900	12.88	-	(0.28)
10.	Adventz Finance Private Limited	8377400	3.81	-	8397400	3.73	-	(0.07)
11.	Duke Commerce Limited	7514000	3.41	-	7514000	3.34	-	(0.07)
12.	Zuari Global Limited	4035000	1.83	-	4035000	1.79	-	(0.03)
13.	Adventz Securities Enterprises Limited	3809140	1.73	-	3809140	1.69	-	(0.04)
14.	Adventz Investment Company Private Limited	3035710	1.38	-	3035710	1.35	-	(0.03)
15.	New Eros Tradecom Limited	738800	0.34	100.00	738800	0.33	100.00	(0.01)
16.	Premium Exchange and Finance Limited	188090	0.09	-	188090	0.08	-	(0.01)
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	52.32	100.00	115847010*	51.52	100.00	(0.80)

* This excludes 80,000 Equity Shares purchased by Messrs Adventz Finance Private Limited, the Promoter Group of the Company on 30th March 2020 (30,000 shares) and 31st March 2020 (50,000 shares) as per the disclosure dated 31st March 2020 and 1st April 2020 respectively. However, these Shares are not reflected in the list of beneficial owners as on 31st March 2020 provided by the NSDL/CDSL. Therefore, the Shareholding of the Promoter and Promoter Group of the Company as on 31st March 2020 stands increased from 11,58,47,010 to 11,59,27,010.

(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	52.32		
	Increase / Decrease in shareholding during the year due to transfer of shares				
	09.03.2020	4279	0.00	115131289	51.20
	09.03.2020	255679	0.11	115386968	51.32
	11.03.2020	8732	0.00	115395700	51.32
	11.03.2020	165510	0.07	115561210	51.39
	12.03.2020	265800	0.12	115827010	51.51
	23.03.2020	20000	0.01	115847010	51.52
	At the End of the year			115847010*	51.52

*This excludes 80,000 Equity Shares purchased by Messrs Adventz Finance Private Limited, the Promoter Group of the Company on 30th March 2020 (30,000 shares) and 31st March 2020 (50,000 shares) as per the disclosure dated 31st March 2020 and 1st April 2020 respectively. However, these Shares are not reflected in the list of beneficial owners as on 31st March 2020 provided by the NSDL/CDSL. Therefore, the Shareholding of the Promoter and Promoter Group of the Company as on 31st March 2020 stands increased from 11,58,47,010 to 11,59,27,010.

(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.	HDFC Trustee Company Ltd. A/C HDFC Hybrid Debt Fund				
	At the beginning of the year	18089537	8.22		
	Increase / Decrease in shareholding during the year due to transfer of shares				
	21.02.2020	-40000	-0.02	18049537	8.03
	At the end of the year			18049537	8.03
2.	National Westminster Bank PLC as Trustee of the Jupiter India Fund				
	At the beginning of the year	8003819	3.64		
	Increase / Decrease in shareholding during the year due to transfer of shares				
	10.01.2020	-225761	-0.10	7778058	3.46
	21.02.2020	-92344	-0.04	7685714	3.42
	06.03.2020	-93403	-0.04	7592311	3.38
	At the end of the year			7592311	3.38
3.	Reliance Capital Trustee Co. Ltd-A/C Reliance Small Capital Fund				
	At the beginning of the year	6353318	2.89		
	Increase / Decrease in shareholding during the year due to transfer of shares				
	19.04.2019	67057	0.03	6420375	2.92
	26.04.2019	591139	0.27	7011514	3.19
	03.05.2019	93533	0.04	7105047	3.23
	27.12.2019	-202851	-0.09	6902196	3.07
	31.12.2019	-137149	-0.06	6765047	3.01
	At the end of the year			6765047	3.01

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
4.	IDFC Tax Advantage (ELSS) Fund				
	At the beginning of the year	3075000	1.40		
	Increase / Decrease in shareholding during the year due to transfer of shares				
	05.04.2019	25000	0.01	3100000	1.41
	12.04.2019	50000	0.02	3150000	1.43
	19.04.2019	15000	0.01	3165000	1.44
	26.04.2019	15000	0.01	3180000	1.44
	17.05.2019	20000	0.01	3200000	1.42
	28.06.2019	10000	0.00	3210000	1.43
	05.07.2019	30000	0.01	3240000	1.44
	12.07.2019	60000	0.03	3300000	1.47
	19.07.2019	60000	0.03	3360000	1.49
	26.07.2019	60000	0.03	3420000	1.52
	02.08.2019	60000	0.03	3480000	1.55
	16.08.2019	20000	0.01	3500000	1.56
	06.09.2019	25000	0.01	3525000	1.57
	20.09.2019	5000	0.00	3530000	1.57
	27.09.2019	40000	0.02	3570000	1.59
	04.10.2019	15000	0.01	3585000	1.59
	11.10.2019	65000	0.03	3650000	1.62
	18.10.2019	50000	0.02	3700000	1.65
	22.11.2019	25000	0.01	3725000	1.66
	06.12.2019	25000	0.01	3750000	1.67
	13.12.2019	50000	0.02	3800000	1.69
	27.12.2019	25000	0.01	3825000	1.70
	17.01.2020	25000	0.01	3850000	1.71
	31.01.2020	-35671	-0.02	3814329	1.70
	07.02.2020	33996	0.02	3848325	1.71
	28.02.2020	21675	0.01	3870000	1.72
	06.03.2020	30000	0.01	3900000	1.73
	At the end of the year			3900000	1.73
5.	Hypnos Fund Limited				
	At the beginning of the year	2796000	1.27		
	Increase / Decrease in shareholding during the year due to transfer of shares				
	21.06.2019	-461000	-0.21	2335000	1.04
	28.06.2019	-210000	-0.09	2125000	0.95
	20.09.2019	-1650000	-0.73	475000	0.21
	11.10.2019	-475000	-0.21	0	0.00
	At the end of the year			0	0.00
6.	Finquest Securities Private Limited				
	At the beginning of the year	2468900	1.12		
	Increase / Decrease in shareholding during the year due to transfer of shares				
	21.06.2019	412400	0.18	2881300	1.28
	28.06.2019	269400	0.12	3150700	1.40
	26.07.2019	-703100	-0.31	2447600	1.09
	02.08.2019	-2392400	-1.06	55200	0.02

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
	15.11.2019	-7900	0.00	47300	0.02
	17.01.2020	140000	0.06	187300	0.08
	At the end of the year			187300	0.08
7.	Jupiter South Asia Investment Company Limited - South Asia Access Fund				
	At the beginning of the year	1834417	0.83		
	Increase / Decrease in shareholding during the year due to transfer of shares				
	20.09.2019	-146052	-0.06	1688365	0.75
	27.09.2019	-55136	-0.02	1633229	0.73
	20.12.2019	-17511	-0.01	1615718	0.72
	27.12.2019	-17316	-0.01	1598402	0.71
	17.01.2020	-37590	-0.02	1560812	0.69
	28.02.2020	-153896	-0.07	1406916	0.63
	At the end of the year			1406916	0.63
8.	Akash Bhansali				
	At the beginning of the year	1365587	0.62		
	Increase / Decrease in shareholding during the year due to transfer of shares				
	21.02.2020	-1365587	-0.61	0	0.00
	At the end of the year			0	0.00
9.	BNP Paribas Mutual Fund A/c BNP Paribas Multi Cap Fund				
	At the beginning of the year	1300000	0.59		
	Increase / Decrease in shareholding during the year due to transfer of shares				
	24.05.2019	5737	0.00	1305737	0.58
	12.07.2019	-105737	-0.05	1200000	0.53
	06.12.2019	30000	0.01	1230000	0.55
	13.12.2019	-55957	-0.02	1174043	0.52
	20.12.2019	-184043	-0.08	990000	0.44
	31.12.2019	-140000	-0.06	850000	0.38
	03.01.2020	-250000	-0.11	600000	0.27
	10.01.2020	-600000	-0.27	0	0.00
	At the end of the year			0	0.00
10.	UTI - CCF -Investment Plan				
	At the beginning of the year	1178497	0.54		
	Increase / Decrease in shareholding during the year due to transfer of shares				
	27.09.2019	-266459	-0.12	912038	0.41
	25.10.2019	-262460	-0.12	649578	0.29
	01.11.2019	-44469	-0.02	605109	0.27
	08.11.2019	-123867	-0.06	481242	0.21
	29.11.2019	-13848	-0.01	467394	0.21
	06.12.2019	-95221	-0.04	372173	0.17
	13.12.2019	-96535	-0.04	275638	0.12
	20.12.2019	-275638	-0.12	0	0.00
	At the end of the year			0	0.00

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
11.	Udyavar Vittal Kamath				
	At the beginning of the year	0	0.00		
	Increase / Decrease in shareholding during the year due to transfer of shares				
	05.07.2019 (Allotted on 11.05.2019)	4785300	2.13	4785300	2.13
	At the end of the year			4785300	2.13
12.	Minal Bharat Patel				
	At the beginning of the year	284	0.00		
	Increase / Decrease in shareholding during the year due to transfer of shares				
	26.07.2019	703100	0.31	703384	0.31
	27.09.2019	1650000	0.73	2353384	1.05
	11.10.2019	475000	0.21	2828384	1.26
	15.11.2019	7900	0.00	2836284	1.26
	At the end of the year			2836284	1.26
13.	Hardik B. Patel				
	At the beginning of the year	0	0.00		
	Increase / Decrease in shareholding during the year due to transfer of shares				
	21.06.2019	39286	0.02	39286	0.02
	28.06.2019	-39151	-0.02	135	0.00
	02.08.2019	1135500	0.50	1135635	0.51
	01.11.2019	49000	0.02	1184635	0.53
	08.11.2019	149000	0.07	1333635	0.59
	27.12.2019	214333	0.10	1547968	0.69
	03.01.2020	50000	0.02	1597968	0.71
	10.01.2020	64608	0.03	1662576	0.74
	17.01.2020	-140000	-0.06	1522576	0.68
	31.01.2020	100000	0.04	1622576	0.72
	14.02.2020	29725	0.01	1652301	0.73
	At the end of the year			1652301	0.73
14.	Ruchit Bharat Patel				
	At the beginning of the year	68	0.00		
	Increase / Decrease in shareholding during the year due to transfer of shares				
	02.08.2019	1256900	0.56	1256968	0.56
	18.10.2019	10000	0.00	1266968	0.56
	01.11.2019	1000	0.00	1267968	0.56
	08.11.2019	1419	0.00	1269387	0.56
	27.12.2019	25000	0.01	1294387	0.58
	31.12.2019	25000	0.01	1319387	0.59
	03.01.2020	16248	0.01	1335635	0.59
	10.01.2020	125392	0.06	1461027	0.65
	07.02.2020	50000	0.02	1511027	0.67
	14.02.2020	6337	0.00	1517364	0.67
	06.03.2020	10000	0.00	1527364	0.68
	13.03.2020	50000	0.02	1577364	0.70
	20.03.2020	37500	0.02	1614864	0.72
	At the end of the year			1614864	0.72

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
15.	Nirmal Bang Securities Private Limited				
	At the beginning of the year	110211	0.05		
	Increase / Decrease in shareholding during the year due to transfer of shares				
	05.04.2019	-4300	0.00	105911	0.05
	12.04.2019	-1447	0.00	104464	0.05
	19.04.2019	550	0.00	105014	0.05
	19.04.2019	-3060	0.00	101954	0.05
	26.04.2019	200	0.00	102154	0.05
	26.04.2019	-440	0.00	101714	0.05
	03.05.2019	1653	0.00	103367	0.05
	03.05.2019	-62	0.00	103305	0.05
	10.05.2019	450	0.00	103755	0.05
	10.05.2019	-15371	-0.01	88384	0.04
	17.05.2019	1643	0.00	90027	0.04
	17.05.2019	-500	0.00	89527	0.04
	24.05.2019	527	0.00	90054	0.04
	24.05.2019	-965	0.00	89089	0.04
	31.05.2019	2445	0.00	91534	0.04
	07.06.2019	-1113	0.00	90421	0.04
	14.06.2019	-69448	-0.03	20973	0.01
	21.06.2019	2991	0.00	23964	0.01
	21.06.2019	-100	0.00	23864	0.01
	28.06.2019	-5505	0.00	18359	0.01
	05.07.2019	1120	0.00	19479	0.01
	05.07.2019	-320	0.00	19159	0.01
	12.07.2019	2474	0.00	21633	0.01
	12.07.2019	-10568	0.00	11065	0.00
	19.07.2019	9694	0.00	20759	0.01
	19.07.2019	-319	0.00	20440	0.01
	26.07.2019	10	0.00	20450	0.01
	26.07.2019	-797	0.00	19653	0.01
	02.08.2019	1406	0.00	21059	0.01
	09.08.2019	570	0.00	21629	0.01
	09.08.2019	-6790	0.00	14839	0.01
	16.08.2019	-1880	0.00	12959	0.01
	23.08.2019	597	0.00	13556	0.01
	23.08.2019	-116	0.00	13440	0.01
	30.08.2019	-644	0.00	12796	0.01
	06.09.2019	470	0.00	13266	0.01
	06.09.2019	-760	0.00	12506	0.01
	13.09.2019	3198	0.00	15704	0.01
	13.09.2019	-100	0.00	15604	0.01
	20.09.2019	600	0.00	16204	0.01
	20.09.2019	-2133	0.00	14071	0.01
	27.09.2019	1389	0.00	15460	0.01
	27.09.2019	-10845	0.00	4615	0.00
	30.09.2019	4534	0.00	9149	0.00
	30.09.2019	-4615	0.00	4534	0.00

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
	04.10.2019	-1608	0.00	2926	0.00
	11.10.2019	656	0.00	3582	0.00
	11.10.2019	-50	0.00	3532	0.00
	18.10.2019	5441	0.00	8973	0.00
	25.10.2019	112	0.00	9085	0.00
	25.10.2019	-3652	0.00	5433	0.00
	01.11.2019	623	0.00	6056	0.00
	01.11.2019	-2210	0.00	3846	0.00
	08.11.2019	250	0.00	4096	0.00
	08.11.2019	-1408	0.00	2688	0.00
	15.11.2019	-781	0.00	1907	0.00
	22.11.2019	1091	0.00	2998	0.00
	22.11.2019	-400	0.00	2598	0.00
	29.11.2019	183	0.00	2781	0.00
	06.12.2019	329	0.00	3110	0.00
	06.12.2019	-495	0.00	2615	0.00
	13.12.2019	524	0.00	3139	0.00
	13.12.2019	-25	0.00	3114	0.00
	20.12.2019	2579	0.00	5693	0.00
	27.12.2019	-2869	0.00	2824	0.00
	31.12.2019	1171	0.00	3995	0.00
	03.01.2020	7142	0.00	11137	0.00
	10.01.2020	691	0.00	11828	0.01
	10.01.2020	-100	0.00	11728	0.01
	17.01.2020	6374	0.00	18102	0.01
	24.01.2020	10916	0.00	29018	0.01
	24.01.2020	-11551	-0.01	17467	0.01
	31.01.2020	17382	0.01	34849	0.02
	31.01.2020	-4848	0.00	30001	0.01
	07.02.2020	12581	0.01	42582	0.02
	07.02.2020	-17162	-0.01	25420	0.01
	14.02.2020	2746	0.00	28166	0.01
	14.02.2020	-300	0.00	27866	0.01
	21.02.2020	6431	0.00	34297	0.02
	21.02.2020	-3235	0.00	31062	0.01
	28.02.2020	1037	0.00	32099	0.01
	28.02.2020	-4077	0.00	28022	0.01
	06.03.2020	-9402	0.00	18620	0.01
	13.03.2020	1744	0.00	20364	0.01
	13.03.2020	-965	0.00	19399	0.01
	20.03.2020	2888	0.00	22287	0.01
	20.03.2020	-4500	0.00	17787	0.01
	27.03.2020	-7825	0.00	9962	0.00
	31.03.2020	1365058	0.61	1375020	0.61
	31.03.2020	-700	0.00	1374320	0.61
	At the end of the year			1374320	0.61

Notes:

1. These data are as on Benpos Date as provided by NSDL/CDSL.
2. Percentage of shareholding have been subjected to rounding-off adjustments.

(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				
09.03.2020	4279	0.00	3451299	1.53
09.03.2020	255679	0.11	3706978	1.65
11.03.2020	8732	0.00	3715710	1.65
11.03.2020	165510	0.07	3881220	1.73
12.03.2020	265800	0.12	4147020	1.85
At the end of the year			4147020	1.85

Mr Sandeep Fuller, Managing 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	50000	0.02		
Increase / Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
At the end of the year			50000	0.02

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 & CEO (Steel Foundry Division)*

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	32000	0.01		
Increase / Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
At the end of the year			32000	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	52530	0.02		
Increase / Decrease in Shareholding during the year	Nil	Nil	Nil	Nil
At the end of the year			52530	0.02

Mr Ravi Varma, *G M (Corp. Affairs) & Company Secretary*

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	3938	0.00		
Increase / Decrease in Shareholding during the year				
25.04.2019 (ESOP allotment)	4500	0.00	8438	0.00
At the end of the year			8438	0.00

Messrs D. R. Kaarthikeyan, Sunil Mitra, Utsav Parekh, Indrajit Mookerjee, G. C. Agrawal and Ms Mridula Jhunjhunwala, Directors do not hold Shares of the Company.

** Messrs Sandeep Fuller and G. C. Agrawal, Directors resigned w.e.f. the close of business on 31st March 2020.*

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 financial year				
i) Principal Amount	47,557.20	7,000.00	-	54,557.20
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	42.46	-	-	42.46
Total (i+ii+iii)	47,599.66	7,000.00	-	54,599.66
Change in Indebtedness during the financial year				
• Addition	14,222.15	-	-	14,222.15
• Reduction	-	7,000.00	-	7,000.00
Net Change	14,222.15	7,000.00	-	7,222.15
Indebtedness at the end of the financial year				
i) Principal Amount	61,535.15	-	-	61,535.15
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	286.66	-	-	286.66
Total (i+ii+iii)	61,821.81	-	-	61,821.81

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	Mr Sandeep Fuller^	Mr D. H. Kela^	Mr G. C. Agrawal^	Mr A. K. Vijay*	
1.	Gross Salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	318.54	80.65	96.73	44.61	44.72	585.25
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	25.50	13.15	6.94	9.72	7.21	62.52
	(c) Profits in lieu of salary under section 17(3) Income- Tax Act, 1961						
2.	Stock Option						
3.	Sweat Equity						
4.	Commission						
	i) As % of profit						
	ii) Others, specify						
5.	Others :-						
	i) Co's Contribution to PF / Pension Fund	35.23	12.07	10.23	1.93	9.16	68.62
	ii) Value of Furniture				0.05		0.05
	iii) Superannuation		8.15	12.79		6.18	27.12
	Total	379.27	114.02	126.69	56.31	67.27	743.56
	Ceiling as per the Act						335.53

^Messrs. Sandeep Fuller, D.H. Kela and G. C. Agrawal are also the CEO (Rail EPC), CEO (SF) & CEO (HED) of the Company, respectively.

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

Messrs Sandeep Fuller and G. C. Agrawal resigned w.e.f. close of business on 31st March 2020.

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 V.K. Sharma [§]	Mr Indrajit Mookerjee*	Mr Utsav Parekh	Ms Mridula Jhunjunwala		Mr Akshay Poddar
1.	Independent Directors									
	Fee for attending board committee meetings	5.75	3.45	5.05	0.40	1.05	1.85	5.50	-	23.05
	Commission	2.00	2.00	2.00	0.49	1.12	2.00	2.00	-	11.61
	Others, please specify									
	Total (1)	7.75	5.45	7.05	0.89	2.17	3.85	7.50	-	34.66
2.	Other Non-executive Directors									
	Fee for attending board committee meetings								2.35	2.35
	Commission								2.00	2.00
	Others, please specify									
	Total (2)								4.35	4.35
	Total (B)=(1+2)	7.75	5.45	7.05	0.89	2.17	3.85	7.50	4.35	39.01
	Total Managerial Remuneration									782.57
	Ceiling as per the Act									369.09

[§] Ceased w.e.f. 29th June 2019* Appointed w.e.f. 9th September 2019**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	10.46
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	0.09
	(c) Profits in lieu of salary under section 17(3) Income- Tax Act, 1961	
2.	Stock Option	1.29
3.	Sweat Equity	
4.	Commission	
	i) As % of profit	
	ii) Others, specify	
5.	Others :-	
	i) Co's Contribution to PF / Pension Fund	0.36
	ii) Value of Furniture	
	Total	12.20*

* the remuneration is for the period served by him during the year.

VII. There were no penalties / Punishment / Compounding of Offences under the Companies Act, 1956 / 2013 for the year ended 31st March 2020.

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Regulations'), 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, 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 payout 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-

- i) Profits earned during the year;
- ii) Present & future Capital requirements of the existing businesses;
- iii) Brand/ Business Acquisitions;
- iv) Expansion/ Modernization of existing businesses;
- v) Additional investments in subsidiaries/associates of the Company;
- vi) Fresh investments into external businesses;
- vii) 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

1. Company's philosophy on Code of Governance

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

2. Board of Directors

The Company's Board of Directors ('Board') comprises 10 (ten) Directors, representing the optimum mix of professionalism, knowledge and experience. 6 (six) Directors of the current strength of the Board are Independent Directors as at the close of business on 31st March 2020. The category of Directors, number of Board Meetings attended, attendance at the last Annual General Meeting ('AGM'), number of Directorships in other companies including the name of listed entities and their category thereof, number of committees in which such Director is a Chairperson or Member, are mentioned below:-

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM	No. of Directorships in other Companies #	Name of other listed entities where the person is a Director and the category of directorship		No. of Chairpersonship/ Membership of Board Committees in Companies ^	
					Name	Category	Chairperson	Member
Mr S. K. Poddar (DIN: 00008654)	Executive Chairperson - Promoter	5	Yes	11	Texmaco Infrastructure & Holdings Limited	Non-Executive & Non Independent Director-Chairperson	-	-
					Chambal Fertilisers and Chemicals Limited	Non-Executive & Non Independent Director-Chairperson		
					Zuari Agro Chemicals Limited	Non-Executive & Non Independent Director-Chairperson		
					Zuari Global Limited	Non-Executive & Non Independent Director-Chairperson		
Mr Sandeep Fuller* (DIN: 06754262)	Managing Director	5	Yes	5	-	-	-	1
Mr A. C. Chakrabortti (DIN:00015622)	Independent	5	Yes	6	Asian Hotels (East) Limited	Non-Executive & Independent Director	2	4
					La Opala RG Limited	Non-Executive & Independent Director-Chairperson		
Mr D. R. Kaarthikeyan (DIN:00327907)	Independent	4	No	6	Texmaco Infrastructure & Holdings Limited	Non-Executive & Independent Director	-	3
					Taj GVK Hotels and Resorts Limited	Non-Executive & Independent Director		
					Lotus Eye Hospital and Institute Limited	Non-Executive & Independent Director		
Mr Sunil Mitra (DIN: 00113473)	Independent	5	Yes	9	CESC Limited	Non-Executive & Independent Director	-	5
					Firstsource Solutions Limited	Non-Executive & Independent Director		
					Dollar Industries Limited	Non-Executive & Independent Director		
					Century Plyboards (India) Limited	Non-Executive & Independent Director		
Ms Mridula Jhunjhunwala (DIN:05339373)	Independent	5	Yes	-	-	-	-	1

Name of Director	Category of Directorship	No. of Board Meetings attended	Attendance at the last AGM	No. of Directorships in other Companies #	Name of other listed entities where the person is a Director and the category of directorship		No. of Chairpersonship/ Membership of Board Committees in Companies ^	
					Name	Category	Chairperson	Member
Mr Indrajit Mookerjee** (DIN: 01419627)	Independent	2	N.A.	3	-	-	-	-
Mr Utsav Parekh (DIN: 00027642)	Independent	4	No	11	Texmaco Infrastructure & Holdings Limited	Non-Executive & Independent Director	4	7
					SMIFS Capital Markets Limited	Non-Executive & Non Independent Director-Chairperson		
					Xpro India Limited	Non-Executive & Independent Director		
					Spencer's Retail Limited	Non-Executive & Independent Director		
Mr V. K. Sharma [§] (DIN: 02051084)	Independent	1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Mr Akshay Poddar* (DIN:00008686)	Non-executive & Non-independent - Promoter	4	Yes	16	Texmaco Infrastructure & Holdings Limited	Non-Executive & Non Independent Director	1	3
					Adventz Securities Enterprises Limited	Non-Executive & Non Independent Director		
					Mangalore Chemicals & Fertilizers Limited	Non-Executive & Non Independent Director		
					Zuari Agro Chemicals Limited	Non-Executive & Non Independent Director		
Mr D. H. Kela (DIN: 01050842)	Executive	5	Yes	2	-	-	-	1
Mr G. C. Agrawal* (DIN:08132434)	Executive	5	Yes	1	-	-	-	-
Mr A. K. Vijay (DIN: 01103278)	Executive	5	Yes	5	-	-	-	1

[§] Ceased w.e.f. 29th June 2019

*Resigned w.e.f. close of business on 31st March 2020

** Appointed w.e.f. 9th September 2019

*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.

No Director of the Company was a member of more than 10 (ten) committees or Chairperson of more than 5 (five) committees across all the Public / Listed Companies in which he / she was a Director as on 31st March 2020. For the purpose of determination of limit, chairpersonship and membership of the Audit Committee and the Stakeholders Relationship Committee had been considered. Further, the chairpersonship in the said committee(s) is also considered as the membership as disclosed in this Report.

5 (five) Board Meetings were held during the year 2019 – 20. The details are given below:

25 th April 2019*	26 th April 2019
13 th May 2019	8 th August 2019
23 rd October 2019	31 st January 2020

*Adjourned and re-convened on 26th April 2019

Skills/expertise/competencies identified by the Board:-

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

- 1. Strategic Planning:** Your Company strives to achieve the cutting edge in the market based on its strategic planning and research activities.
- 2. Sales & Marketing:** Your Company's over-all sales performance has remarkably improved over the years. With regular market study and emphasis on consumerism, your Company seeks to achieve long term marketing synergies.
- 3. Technology:** With a drive to enhance the technical base and modify the existing ones, your Company is well equipped to set new benchmarks against the best quality technology available in the market.

4. **Financial:** The Directors of your Company possess vast experience in handling financial management along with an understanding of accounting and financial statements to ensure that your Company can achieve proficiency in managing complex financial systems.
5. **Governance:** Your Company believes in adopting the best business practices to ensure establishment of robust framework of Corporate Governance. Practicing good corporate governance has been your Company's backbone and a marked accolade.
6. **Global Presence:** With ever-increasing competition, your Company is drawing new heights in the international arenas as well. With a view to become a global leader, your Company has tied-up with the global leaders to expand the reach of its product portfolio worldwide.

All the Directors on the Board possess most of the skills/ expertise/ competencies as identified by the Board, however their area of core expertise is given as below:

Name of Director	Areas of expertise					
	Strategic Planning	Sales & Marketing	Technology	Financial	Governance	Global Presence
Mr S. K. Poddar	√	√	√	√	√	√
Mr A. C. Chakrabortti	√			√	√	√
Mr D. R. Kaarthikeyan	√		√	√	√	
Mr Sunil Mitra	√		√	√	√	√
Ms Mridula Jhunjhunwala	√			√	√	
Mr Utsav Parekh	√	√		√	√	√
Mr Indrajit Mookerjee	√	√	√		√	√
Mr Akshay Poddar	√	√	√	√	√	√
Mr D. H. Kela	√	√	√		√	√
Mr A. K. Vijay	√	√		√	√	√

3. Audit Committee

Terms of Reference and Composition

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

5 (five) Audit Committee Meetings were held during the year 2019 – 20. The details are given below:

25 th April 2019	13 th May 2019
8 th August 2019	23 rd October 2019
31 st January 2020	

The Audit Committee comprises the following 4 (four) Directors, and their attendance in the Committee Meetings is given below:

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

* Resigned w.e.f. close of business on 31st March 2020.

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 Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

5 (five) Nomination and Remuneration Committee Meetings were held during the year 2019-20. The details are given below:

13 th May 2019	8 th August 2019
2 nd December 2019	23 rd March 2020
30 th March 2020	

The Nomination and Remuneration Committee comprises the following 4 (Four) Directors, and their attendance in the Committee Meetings is given below:

Name of the Director	Category of Directorship	No. of Meeting(s) attended
Mr A. C. Chakrabortti, Chairperson	Independent	5
Mr Akshay Poddar	Non-executive & Non-independent	2
Mr Sunil Mitra	Independent	5
Ms Mridula Jhunjunwala	Independent	5

Remuneration of Directors

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

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is available on the website of the Company at the link https://www.texmaco.in/webfiles/doc/Investors_Information/REMUNERATION_POLICY_TexRail.pdf

The details of the remuneration paid to the Directors during the year 2019-20 are given below:

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	5,75,000	2,00,000	7,75,000	1800
Mr D. R. Kaarthikeyan	3,45,000	2,00,000	5,45,000	-
Mr Sunil Mitra	5,05,000	2,00,000	7,05,000	-
Ms Mridula Jhunjunwala	5,50,000	2,00,000	7,50,000	-
Mr Utsav Parekh	1,85,000	2,00,000	3,85,000	-
Mr Indrajit Mookerjee [#]	1,05,000	1,12,022	2,17,022	-
Mr V. K. Sharma [*]	40,000	49,180	89,180	-
Mr Akshay Poddar	2,35,000	2,00,000	4,35,000	14820

[#] Appointed w.e.f. 9th September 2019

^{*} ceased w.e.f. 29th June 2019

ii) Executive Directors

Name of the Director	Designation	Salary (₹)	Perquisites and Allowances [#] (₹)	Retirement Benefits (₹)
Mr S. K. Poddar	Executive Chairman	3,18,53,839	60,72,581	As per Company's Rules
Mr Sandeep Fuller [*]	Managing Director	80,65,218	33,36,673	
Mr D. H. Kela	Executive Director	96,73,065	29,95,903	
Mr G. C. Agrawal [*]	Executive Director	44,61,044	11,70,537	
Mr A. K. Vijay	Executive Director	44,72,279	22,54,564	

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

^{*} Resigned w.e.f. close of business on 31st March 2020.

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 Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

2 (two) Stakeholders Relationship Committee Meetings were held during the year 2019-20. The details are given below:

11 th May 2019	31 st January 2020
---------------------------	-------------------------------

The Stakeholders Relationship Committee comprises the following 4 (four) Directors, and their attendance in the Committee Meetings is given below:

Name of the Director	Category of Directorship	No. of Meeting(s) attended
Mr Akshay Poddar, Chairperson	Non-executive & Non-independent	1
Mr Sunil Mitra	Independent	2
Mr D. H. Kela	Executive	2
Mr A. K. Vijay	Executive	2

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

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

All the grievances received from the Shareholders are redressed within the stipulated time. During the year, 14 (fourteen) 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.

Shareholders are requested to furnish their updated telephone number and email address to facilitate prompt redressal.

6. Corporate Social Responsibility Committee

Terms of Reference and Composition

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

The Corporate Social Responsibility Committee met once during the year on 31st January 2020.

The Corporate Social Responsibility Committee comprises the following 3 (three) Directors, and their attendance in the Committee Meeting is given below:

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

7. Independent Directors

During the FY'20, a Meeting of the Independent Directors of the Company was held on 24th February 2020. All the Independent Directors except Mr A. C. Chakrabortti, attended the Meeting. The matters discussed at the Independent Directors Meeting, inter-alia, included the evaluation of the performance of Non-independent Directors including the Chairman of the Company. The Performance evaluation criteria for Independent Directors are mentioned in the Report of the Board of Directors.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. In the opinion of the Board and on due assessment, the Independent Directors fulfill the conditions of independence as specified in the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

8. Induction & Training of Board Members

To provide insight into the Company's operations, the Company periodically familiarises its Independent Directors through various 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 available on the website of the Company at the link: https://www.texmaco.in/webfiles/doc/Investors_Information/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 Mr Ravi Varma, Company Secretary & Compliance Officer of the Company, who has been appointed as the Nodal Officer

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: <https://www.texmaco.in/webfiles/doc/Investors Information/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 a policy to determine its material subsidiary. The policy is also placed on the website of the Company at the link: <https://www.texmaco.in/webfiles/doc/Investors Information/Annexure%2010.pdf>. As on the date of this Report, the Company does not have any material subsidiary.

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	No. of Special Resolutions approved at the AGM	Venue
2018-19	9 th September 2019 at 2.00 p.m.	-	7	K. K. Birla Kala Kendra, Texmaco Estate, Belgharia, Kolkata- 700056
2017-18	4 th September 2018 at 2.30 p.m.	15 th September 2018 at 1.00 p.m.	6	
2016-17	16 th September 2017 at 2.00 p.m.	-	3	

Whether Special Resolutions-

- A. Were put through postal ballot last year - No
- B. Are proposed to be conducted through postal ballot - No

13. Disclosures

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. 1.41 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.

The Company does not classify as "Large Corporate" as on 31st March 2020 as per the criteria specified in the SEBI circular no. SEBI/ HO/ DDHS/ CIR/ P/2018/144 dated 26th November 2018.

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

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 in dematerialised form held with NSDL and CDSL.

15. Means of Communication

The Quarterly Unaudited Financial Results and the Annual Audited Financial Results as taken on record and approved by the Board 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 on which the Equity Shares of the Company are listed. These results are also posted on the Company's website www.texmaco.in

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

16. General Shareholder Information

AGM : Date, Time & Venue	30th September 2020 at 2:00 p.m. The AGM will be conducted through Video Conferencing. The venue of the Meeting shall be deemed to be the Registered Office of the Company at Belgharia, Kolkata - 700056.																								
Financial Calendar (Tentative)	1 st April 2020 to 31 st March 2021 First Quarter Results – First week of August 2020. Second Quarter Results – First week of November 2020 Third Quarter Results – First week of February 2021 Results for the year ending 31 st March 2020- By Last week of May 2021																								
Date of Book Closure	Friday, 25th September 2020 to Wednesday, 30th September 2020 (both days inclusive).																								
Dividend Payment Date	Early October 2020																								
Listing on Stock Exchanges	1. National Stock Exchange of India Limited, Exchange Plaza, Bandra - Kurla Complex, Bandra (E), Mumbai – 400051 2. BSE Limited, P. J. Towers, Dalal Street, Fort, Mumbai – 400001 The Company has paid listing fees for the period 1 st April 2020 to 31 st March 2021.																								
CIN of the Company	L29261WB1998PLC087404																								
Stock Code – National Stock Exchange of India Limited BSE Limited Demat ISIN No. for NSDL / CDSL	TEXRAIL 533326 INE 621L01012																								
Credit Ratings obtained by the Company	The Company has obtained Credit Rating from India Ratings & Research with respect to the additional bank facilities which are as follows: <table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Instrument Type</th> <th>Rating/Outlook</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Fund Based Limits</td> <td>IND A/ RWN/IND A1/RWN</td> </tr> <tr> <td>2.</td> <td>Non-fund based limits</td> <td>IND A/ RWN/IND A1/RWN</td> </tr> <tr> <td>3.</td> <td>Term Loan</td> <td>IND A/RWN</td> </tr> </tbody> </table> Further, the ratings as obtained from CARE Ratings are as follows: <table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Instrument Type</th> <th>Rating/Outlook</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Long term Bank Facilities</td> <td>CARE A+; Stable</td> </tr> <tr> <td>2.</td> <td>Short term Bank Facilities</td> <td>CARE A1+</td> </tr> <tr> <td>3.</td> <td>Long term / Short term Bank Facilities</td> <td>CARE A+; Stable / CARE A1+</td> </tr> </tbody> </table>	Sl. No.	Instrument Type	Rating/Outlook	1.	Fund Based Limits	IND A/ RWN/IND A1/RWN	2.	Non-fund based limits	IND A/ RWN/IND A1/RWN	3.	Term Loan	IND A/RWN	Sl. No.	Instrument Type	Rating/Outlook	1.	Long term Bank Facilities	CARE A+; Stable	2.	Short term Bank Facilities	CARE A1+	3.	Long term / Short term Bank Facilities	CARE A+; Stable / CARE A1+
Sl. No.	Instrument Type	Rating/Outlook																							
1.	Fund Based Limits	IND A/ RWN/IND A1/RWN																							
2.	Non-fund based limits	IND A/ RWN/IND A1/RWN																							
3.	Term Loan	IND A/RWN																							
Sl. No.	Instrument Type	Rating/Outlook																							
1.	Long term Bank Facilities	CARE A+; Stable																							
2.	Short term Bank Facilities	CARE A1+																							
3.	Long term / Short term Bank Facilities	CARE A+; Stable / CARE A1+																							

During the year, the Equity Shares of the Company were delisted from the Calcutta Stock Exchange Limited w.e.f. 12th December 2019 and therefore, the Company's Equity Shares are now available for trading on National Stock Exchange of India Limited and BSE Limited.

High / Low market prices of the Company's Equity Shares of ₹ 1/- each traded on National Stock Exchange of India Limited and BSE Limited during the period April 2019 to March 2020 are furnished below:

Period	National Stock Exchange of India Limited		BSE Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2019	72.15	66.65	72.15	66.75
May 2019	77.50	60.65	77.95	60.55
June 2019	76.65	67.30	77.40	67.05
July 2019	70.30	46.20	70.55	46.40
August 2019	55.80	42.65	55.15	42.65
September 2019	53.80	43.30	53.65	43.05
October 2019	48.00	40.80	48.00	41.00
November 2019	47.75	40.40	48.85	40.05
December 2019	41.45	29.40	41.05	29.15
January 2020	43.85	33.35	43.90	33.35
February 2020	39.70	24.90	39.60	25.00
March 2020	26.70	13.50	26.25	14.50

Registrar & Share Transfer Agent (RTA)	M/s KFin Technologies Private Limited Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli Financial District, Nanakramguda, Hyderabad - 500032	Phone: 040-6716 2222 Fax No: 040-23001153 E-mail: einward.ris@kfintech.com Website: www.kfintech.com
---	---	---

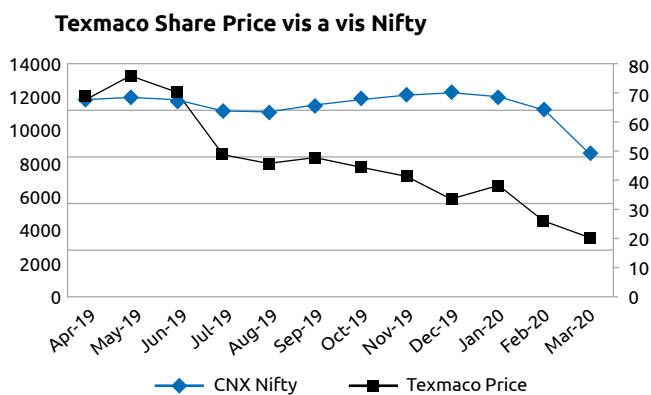
Share Transfer System

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

Distribution of Shareholding as on 31st March 2020

No. of Equity Shares	No. of Folios	%	No. of Equity Shares	%
Up to 5000	63438	98.14	20716466	9.21
5001 to 10000	547	0.85	4005930	1.78
10001 to 20000	305	0.47	4444234	1.98
20001 to 30000	102	0.16	2534656	1.13
30001 to 40000	51	0.08	1772956	0.79
40001 to 50000	46	0.07	2126697	0.94
50001 to 100000	64	0.10	4545419	2.02
100001 and above	86	0.13	184713024	82.15
Grand Total	64639	100.00	224859382	100.00

Category	No. of Equity Shares	%
Promoters	115847010	51.52
Mutual Funds	29243468	13.01
Banks, Insurance Cos., and FIs	999565	0.44
NRI / OCB/FIs	13474683	5.99
Corporate Bodies	8820165	3.92
Indian Public	44783874	19.92
Others	11690617	5.20
Total	224859382	100.00



Dematerialisation of Equity Shares as on 31st March 2020 and Liquidity

The Company’s Equity Shares are compulsorily traded in dematerialised form and are available for trading on both the Depositories in India – NSDL and CDSL. 223984989 Equity Shares of the Company representing 99.61 % of the Company’s Equity Share Capital are in the dematerialised form on NSDL and CDSL as on 31st March 2020.

Statutory Auditors

During the year, the Company and its subsidiaries had paid ₹ 32.60 Lakhs on consolidated basis to Messrs L. B. Jha & Co., the Statutory Auditors and its network firms.

Code of Conduct and Ethics and Insider Trading

The Company has in place a Code of Conduct and Ethics (‘Code’) which applies to all its employees including the

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

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

The Company has also adopted the Code in accordance with 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 and at Urla, Dist. Raipur, Chhattisgarh.

Address for Correspondence	Shareholders may contact Mr Ravi Varma, G M (Corp. Affairs), 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 Sections 124 and 125 of the Companies, Act 2013, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (‘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
31.03.2019	09.09.2019	14.10.2026
31.03.2018	04.09.2018	10.10.2025
31.03.2017	16.09.2017	21.10.2024
31.03.2016	26.09.2016	02.11.2023
31.03.2015	28.09.2015	02.11.2022
31.03.2014	04.09.2014	09.10.2021
31.03.2013	14.09.2013	19.10.2020

Further, the IEPF Rules mandate the transfer of Equity Shares of Shareholders whose dividends remain unpaid / unclaimed for a continuous period of 7 (seven) years to the demat account of IEPF Authority. Communications are being sent to the concerned Shareholders advising them to write to RTA or to the Company to claim the dividend. 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 the IEPF Rules, which is also available on the website of the Company www.texmaco.in

Annual Secretarial Compliance Report

Messrs. S. R. & Associates, Practicing Company Secretaries has submitted the Annual Secretarial Compliance Report for the year ended 31st March 2020 to the Company, in terms of the SEBI circular no. CIR/CFD/CMD1/27/2019 dated 8th February 2019.

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 Chairman.

(ii) **Shareholder Rights:**

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

(iii) **Audit Qualifications:**

There are no audit qualifications on the Company's Financial Statements for the year ended 31st March 2020.

(iv) **Reporting of Internal Auditor:**

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

18. Certificate from Practicing Company Secretary

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

The aforementioned certificate is attached to this Report.

19. MD/CEO and CFO Certification

The Managing Director, CEO 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.

20. Retirement of Director by rotation and re-appointment

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

Declaration by the Managing Director

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

Place: Kolkata
Dated: 17th June 2020

Indrajit Mookerjee
Managing Director

Certificate of Non-Disqualification of Directors

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

To,
The Members of
Texmaco Rail & Engineering Limited
Belgharia, Kolkata – 700 056

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

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal www.mca.gov.in] as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended 31st March 2020 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of Appointment in the Company
1.	Saroj Kumar Poddar	00008654	25-09-2010
2.	Sandeep Fuller*	06754262	01-02-2014
3.	A. C. Chakrabortti	00015622	25-09-2010
4.	D. R. Kaarthikeyan	00327907	02-09-2011
5.	Sunil Mitra	00113473	05-11-2012
6.	Mridula Jhunjhunwala	05339373	20-03-2015
7.	Utsav Parekh	00027642	04-09-2018
8.	Indrajit Mookerjee	01419627	09-09-2019
9.	Akshay Poddar	00008686	02-09-2011
10.	D. H. Kela	01050842	01-01-2010
11.	G. C. Agrawal*	08132434	15-05-2018
12.	A. K. Vijay	01103278	01-01-2015

***Ceased w.e.f. the close of business on 31st March 2020**

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

For S R & Associates
Practicing Company Secretaries

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: 17th June 2020

UDIN No: - **F007040B000396616**

MD/CEO and CFO Certification

We certify that:

- a. we have reviewed Financial Statements and the Cash Flow Statement for the year ended 31st March 2020 and that to the best of our knowledge and belief:
 - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b. there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct;
- c. we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. During the year, we have not come across any reportable instances relating to deficiencies in design or operation of such internal controls;
- d. we have indicated to the Auditors and the Audit Committee:
 - (1) that there are no significant changes in internal control over financial reporting during the year;
 - (2) that there are no significant changes in accounting policies during the year; and
 - (3) that there are no instances of significant fraud of which we have become aware.

For Texmaco Rail & Engineering Limited

Place: Kolkata
Dated: 17th June 2020

Indrajit Mookerjee
Managing Director

D. H. Kela
CEO

A. K. Vijay
CFO

Auditor's Certificate on Corporate Governance

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 2020, 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 examination is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the Books of Accounts and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
5. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of Chartered Accountants of India (ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

7. In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.
8. We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

For **L.B. Jha & Co.**,
Chartered Accountants
(Firm Registration No. 301088E)

Place : Kolkata
Date : 17th June 2020

(D. N. Roy)
Partner
(Membership No. 300389)
UDIN: 20300389AAAACL2390

ANNEXURE - I

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 - 700056
4.	Website	www.texmaco.in
5.	E-mail ID	texrail_cs@texmaco.in
6.	Financial Year reported	2019-20
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Rolling Stock, Hydro - Mechanical Equipment, Bridges and Other Steel Structures: NIC Code - 302 Rail EPC: NIC Code - 439 Steel Castings: NIC Code - 243
8.	List three key products / services that the Company manufactures / provides (as in balance sheet)	Rolling Stock Rail EPC Steel Castings
9.	Total number of locations where business activity is undertaken by the Company	
	i. Number of International Locations	One, i.e at Johannesburg, South Africa
	ii. Number of National Locations	Registered & Corporate Office: Belgharia, Kolkata – 700056 Regional Offices: i. Delhi ii. Mumbai iii. Jaipur Plant Locations: Kolkata: i. Belgharia ii. Agarpara iii. Sodepur iv. Panihati Raipur: i. Urla
10.	Markets served by the Company	National / International

SECTION B – FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (₹)	224859382
2.	Total Turnover (₹)	183179.98 lakhs
3.	Total Profit after Taxes (₹)	(6584.03) lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of average Net profit of the Company for last 3 financial years (₹)	62.96 lakhs

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

- i. Health
- ii. Education
- iii. Environment Protection
- iv. Sports

SECTION C – OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	Yes. The Company has 5 (five) subsidiaries, namely: i. Belur Engineering Private Limited ii. Texmaco Transtrak Private Limited iii. Texrail SA (Pty) Limited iv. Texmaco Rail Systems Private Limited v. Texmaco Rail Electrification Limited*
----	--	---

2.	Do the Subsidiary Company / Companies participate in the Business Responsibility (BR) initiatives of the Parent Company? If yes, then indicate the number of such subsidiary company(ies)?	The Subsidiaries are encouraged to participate in the BR initiatives of the Company by adhering to the BR initiatives of the Company.
3.	Do any other entity / entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]	No

* Incorporated as a wholly-owned subsidiary w.e.f. 26th February 2020

During the year, Bright Power Projects (India) Private Limited, and Texmaco Hi-tech Private Limited, subsidiaries of the Company, were merged into and with the Company in terms of the Scheme of Amalgamation duly approved by the Shareholders and the Hon'ble National Company Law Tribunal, Kolkata Bench vide order dated 4th April 2019.

Further, pursuant to the disinvestment to the extent of 10% of total shareholding of Texmaco Defence Systems Private Limited, it has ceased to be the subsidiary of the Company w.e.f. 30th March 2020.

SECTION D – BUSINESS RESPONSIBILITY (“BR”) INFORMATION

Details of 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 as required from time to time. The details of the Committee members as on date of this Report are as follows:

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

Governance related to BR

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

Your Directors have pleasure in presenting the 4th Business Responsibility Report of the Company, which forms a part of the Annual Report. This report is also available on the website of the Company.

Principle 1: Ethics, Transparency and Accountability [P1]

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

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

Your Company's policy on ethics, bribery and anti-corruption covers all individuals / associates working with it at all levels and grades, and the same extends to its subsidiaries for

their adherence. The Policy on Code of Conduct formulated by the Company applies to all its employees including the Directors, Key Managerial Personnel and third parties including consultants, contractors, etc. A well-defined policy showcases the tenets on ethical business conduct and the framework for reporting concerns.

Your Company has a well-defined mechanism for receiving, dealing and expeditious redressal of the complaints received from stakeholders like customers, employees, suppliers, etc.

As enumerated in the Corporate Governance Report, a total of 14 (fourteen) investor complaints were received during the FY'20. 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. Your Company ensures to design its products in a manner which caters to social responsibility of creating safe and environment friendly products.

It is the Company's diligent exertion to design or manufacture products taking cognizance of the environmental risks and concerns.

Your Company's motto is to establish a long-term relationship with its external stakeholders including the customers, vendors, etc. and work towards building an inclusive growth environment. Your Company places high premium on techno commercial aspects and the Company's procedures with regard to finalising vendors emphasises on safe working practices, technical certifications, prevention of child labour and general housekeeping, etc. The selection procedure of the

Company's transport vendors (Trucks and Containers) involves scrutiny at various levels like age of vehicle / container fleet, well laid out systems of mandatory inspections, and safe driving procedures.

It is also ensured that to the extent possible, the transporter dwells into the integrities of minimising environmental pollution caused by its vehicles. Your 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. Your Company has a zero tolerance policy on safety compromise. In addition, with an endeavour to boost the "Make In India" initiative, your Company ensures that most of the raw materials are sourced from within India / locally which again helps the growth of local vendors and society, and further contributes to the country's GDP.

Your Company ensures that majority of the scrap materials generated during the process of manufacturing are recycled. Presently, the Company recycles majority of its scrap materials. Adequate practices are adopted in order to mitigate the impact of other waste generations and these wastes are disposed off in due compliance with the local rules & regulations and taking utmost care of environment.

Principle 3: Employees' Well-being [P3]

Businesses should promote the well-being of all employees:

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

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

Your Company takes a rigid stand against the barbaric practices relating to child labour, forced labour, involuntary labour and discriminatory employment. Your Company has been able to create an environment which promotes the concept of respecting every employee, at all levels and henceforth, your Company has not received any complaints with regard to sexual harassment during the period under review.

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

Your Company has acted promptly in implementing effective protocols to properly handle the ongoing COVID-19 pandemic. Proper measures were taken to control its spread, like regular sanitisation, temperature check at all entry points, spreading awareness amongst the employees, etc.

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

Total number of employees	2674
Total number of employees hired on temporary/contractual / casual basis	3573
Number of permanent women employees	64
Number of permanent employees with disabilities	5
Percentage of under mentioned employees that were given safety & skill up-gradation training in the last year	Permanent Employees - 40% Permanent Women Employees - 25% Casual/ Temporary/ Contractual Employees - 60% Employees with disabilities - 40%

Principle 4: Stakeholder Engagement [P4]

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

Your Company firmly believes that stakeholders are one of the key drivers of business viability and long-term profitability. Your Company continues to fulfil its responsibility towards the stakeholders by giving greater emphasis on building long-term relationships with them.

Stakeholders are an important and an integral part of the Company, as they provide practical and financial support to the business. Internal and external stakeholder engagement and partnership are essential to the Company's growth.

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

Your Company acknowledges its duty towards various stakeholders.

Principle 5: Human Rights [P5]

Businesses should respect and protect human rights:

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

All policies of your Company take into account the Human Rights of not only employees but also people likely to be affected by the business of the Company. The policies of the Company are in line with the relevant national standards and international standards for its operations and business pursuits.

There were no complaints reported during the Financial Year 2019-20.

Principle 6: Environment [P6]

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

Your Company recognises 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 by your Company.

Your Company is committed to "Maintaining the Environmental Management System to ISO 14001 Standard". To achieve our environmental commitments, your Company is involved in-

- Managing the operations in compliance with all applicable laws, legislations, regulations, standards and code of practices that minimize the impact on the environment;
- Conserving resources, minimising waste and seeking continual improvement of processes to protect the environment;
- Setting objectives and targets to reduce the impact on the environment through conducting risk assessment and hazard analysis;
- Awareness and education to the employees on environmental issues;
- Monitoring and evaluation, to ensure the environmental compliance and obligations are achieved;

There was no pending or unresolved show cause/ legal notice from CPCB / SPCB, as at 31st March 2020.

Principle 7: Policy Advocacy [P7]

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

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

Your Company aims to create an environment that encourages supportive deliberations made in a responsible way. Your Company has its representation in several business 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.

Your Company ensures that these platforms are effectively utilised to address key issues which affect the industry.

Principle 8: Inclusive Growth [P8]

Businesses should support inclusive growth and equitable development:

Your Company does take care of its social obligations towards maintaining high standards of business practices. While the growth of business of the Company is the primary objective of the Management, the Company does promote the concept of inclusive growth. The endeavour continues towards improving the Quality of Life of the people and motivating them to deliver 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. Your Company's philosophy focuses on acquisition of skills relating to international qualities of economic, political, and social developments.

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

Principle 9: Customer Value [P9]**Businesses should engage with, and provide value to their customers and consumers in a responsible manner:**

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

Your Company displays requisite product information as mandated under the applicable law(s) for the purpose of providing the detailed information to its customers. It is ensured that product information provides adequate information relating to safety, operation and maintenance of the products to the customers. There was no case filed by any stakeholder against your Company regarding unfair trade practices,

irresponsible advertising and /or anti-competitive behaviour during the last five years and hence, there was no pending case as at 31st March 2020.

Customer satisfaction is your Company's goal, driving it to ensure its products deliver performance that meets customer requirements. To understand customers better, your 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.

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

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

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

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

Standalone

Financial Statements

Independent Auditor's Report

To
The Members of
TEXMACO RAIL & ENGINEERING LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

- We have audited the accompanying standalone financial statements of TEXMACO RAIL & ENGINEERING LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2020, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, the Statement of Changes in Equity for the year then ended on that date and notes to the financial statements including a summary of significant accounting policies and other explanatory information in which are incorporated the returns for the year ended on that date audited by the branch auditor of the Kalindee unit (herein after referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2020, its loss (including Other Comprehensive Loss), Changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

- We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matter	Auditor's Response
<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 116 "Leases" (new accounting standard)</p> <p>Ind AS 116 Leases replaces the existing standard Ind AS 17 and specifies how the Company will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Accordingly, the Company has adopted Ind AS 116 Leases with effect from 01.04.2019. The implementation of Ind AS 116 is considered a key audit matter due to the judgments needed in establishing the underlying key assumptions.</p>	<p>Principal Audit Procedures</p> <p>In responding to the identified key audit matter, we completed the following audit procedures:</p> <ul style="list-style-type: none"> Assessed the design and implementation of key controls pertaining to the determination of the Ind AS 116 transition impact disclosures; Assessed the appropriateness of the discount rates applied in determining lease liabilities with input from our valuation specialists; Assessed whether the accounting regarding leases is consistent with the definitions of Ind AS 116 including factors such as lease term and measurement principles.

Key Audit Matter	Auditor's Response
	<ul style="list-style-type: none"> • Verified the accuracy of the underlying lease data by agreeing a representative sample of leases to original contract or other supporting information, and checked the integrity and mechanical accuracy of the Ind AS 116 calculations for each lease sampled through recalculation of the expected Ind AS 116 adjustment; • Considered completeness by testing the reconciliation to the Group's operating lease commitments and by investigating key service contracts to assess whether they contained a lease under Ind AS 116; and • Assessed whether the disclosures within the financial statements are appropriate in light of the requirements of Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
<p>Valuation of Inventories</p> <p>As at 31st March 2020, the Company's inventories amounted to ₹ 53,704.99 lakhs representing 18.60 % of the Company's total assets as at 31st March 2020 and the estimates and judgements described below, the valuation of inventory required significant audit attention.</p> <p>As disclosed in Note 1.10, inventories are held at the lower of cost and net realisable value determined using the weighted average cost method. At year end, the valuation of inventory is reviewed by management and the cost of inventory is reduced where inventory is forecast to be sold below cost.</p> <p>The determination of whether inventory will be realised for a value less than cost requires management to exercise judgement and apply assumptions. Management undertake the following procedures for determining the level of write down required:</p> <ul style="list-style-type: none"> • Use inventory ageing reports together with historical trends to estimate the likely future saleability of slow moving and older inventory lines; • For inventory aged greater than one year, management apply a percentage based write down to inventory. The percentages are derived from historical levels of write down; • Perform a line-by-line analysis of remaining inventory to ensure it is stated at the lower of cost and net realisable value and a specific write down is recognised if required. <p>Write-down of inventories to net realisable value is subjective owing to the nature of inventories and is dependent on significant judgments around probability of decrease in the realisable value of slow moving inventory due to obsolesce or lack of alternative use as well as the consideration of the need to maintain adequate inventory</p>	<p><u>Principal Audit Procedures</u></p> <p>Our audit procedures for assessing the valuation of inventories as per Company's policy included, but were not limited to the following;</p> <ul style="list-style-type: none"> • Understood the management process for determining net realizable value of inventories and identification of slow moving or obsolete inventories and tested whether the same is consistently applied; • Evaluated and tested on a sample basis the design and operating effectiveness of key controls around inventory valuation operating within the Company; • Inquired with the management about the slow moving and obsolete inventories as at 31st March 2020 and evaluated the assessment prepared by the management including forecasted uses of these inventories on a test check basis; • Tested the computation for write down of inventories with the assessment provided by the management and performed independent ageing analysis of the inventory line-items along with specific inquiries with the management to evaluate completeness of the inventory identified as slow moving or obsolete; • Reviewed the historical trends of inventory write-downs to compare and assess the actual utilization or liquidation of inventories to the previous assessment done by the management to determine the efficacy of the process of estimation by the management; and • Assessed the appropriateness of disclosures in the financial statements in accordance with the applicable accounting standards

Key Audit Matter	Auditor's Response
<p>levels for aftersales services considering the long useful life of the product. Assessing net realizable value of inventory and identification of slow moving and obsolete inventory are areas requiring the use of significant judgements and owing to the inherent complexities and materiality of the balances, we have considered this area to be a key audit matter for current year audit.</p>	
<p>Contingent Liabilities</p> <p>The Company operates in a complex tax environment and is required to discharge direct and indirect tax obligations under various legislations such as Income Tax Act, 1961, the Finance Act, 1994, Goods and Services Tax Acts and VAT Acts of various states.</p> <p>The tax authorities under these legislations have raised certain tax demands on the Company in respect of the past periods. The Company has disputed such demands and has appealed against them at appropriate forums. As at 31st March 2020 the Company has an amount of ₹ 18,068.56 Lakhs involved in various pending tax litigations.</p> <p>Ind AS 37 requires the Company to perform an assessment of the probability of economic outflow on account of such disputed tax matters and determine whether any particular obligation needs to be recorded as a provision in the books of account or to be disclosed as a contingent liability. Considering the significant degree of judgement applied by the management in making such assessments and the resultant impact on the financial statements, we have considered it to be an area of significance for our audit.</p>	<p>Principal Audit Procedures</p> <p>In assessing the exposure of the Company for the tax litigations, we have performed the following procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of the process laid down by the management for performing their assessment taking into consideration past legal precedents, changes in laws and regulations, expert opinions obtained from external tax / legal experts (as applicable); • Assessed the processes and entity level controls established by the Company to ensure completeness of information with respect to tax litigations; • Along with our tax experts, we undertook the following procedures: • Reading communications with relevant tax authorities including notices, demands, orders, etc., relevant to the ending litigations, as made available to us by the management; • Testing the accuracy of disputed amounts from the underlying communications received from tax authorities and responses filed by the Company; • Considered the submissions made to appellate authorities and expert opinions obtained by the Company from external tax / legal experts (wherever applicable) which form the basis for management's assessment; • Assessed the positions taken by the management in the light of the aforesaid information and based on the examination of the matters by our tax experts. • Read the disclosures included in the Standalone Ind AS Financial Statements in accordance with Ind AS 37.

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

Emphasis of Matter

4. In the unit not audited by us, the branch auditor who has audited that unit has drawn attention to Note 1.65 and Note 1.66 to the financial statements, which describes the impairment on the unit's receivables (including unbilled revenue and contractual reimbursements), assessed so far by the Management and the economic impact of COVID 19 on the industry.

Our opinion is not modified in respect of this matter.

Other Information

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

Management's Responsibility for the Standalone Financial Statements

9. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting

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

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

Auditor's Responsibility for the Audit of the Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtained an understanding of internal control relevant to the audit in order to design audit

procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
14. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

17. Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

Other Matters

18. We did not audit the financial statements of one unit included in the standalone Ind AS financial statements of the Company whose financial statements reflect total assets ₹ 1,05,744.95 lakhs as at 31st March 2020 and total revenues of ₹ 55,700.95 lakhs, total loss of ₹ 17,867.25 lakhs, total comprehensive loss of ₹ 18,066.58 lakhs and cash flows (net) of ₹ 960.18 lakhs for the year ended on that date. The financial statements of this unit has been audited by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this unit, is based solely on the report of such branch auditor.

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

Report on Other Legal and Regulatory Requirements

19. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure-A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
20. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The report on the accounts of the unit of the Company audited under section 143(8) of the Act by branch auditor has been sent to us and has been properly dealt with by us in preparing this report.
 - (d) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive loss) and the Cash Flow Statement, Statement of Changes in Equity dealt with by this report are in agreement with the books of account and with the returns received from the unit not visited by us.

- (e) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) On the basis of the written representations received from the directors as on 31st March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

According to the information and explanations given to us and the records of the Company examined by us, the managerial remuneration paid or provided to two Executive Directors are in excess of the prescribed limits mandated by the provisions of section 197 read with Schedule V of the Act for which the Company has to take an approval from shareholders through a Special Resolution in the ensuing Annual General Meeting.

- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 1.37 of the standalone financial statements.
 - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

(D.N.Roy)
Partner

Place : Kolkata
Date : 17.06.2020

Membership No. 300389
UDIN: 20300389AAAACH6333

ANNEXURE- A: TO THE INDEPENDENT AUDITOR'S REPORT, to the Members of TEXMACO RAIL & ENGINEERING LIMITED
 [Referred to in paragraph 19 of the Auditors' Report of even date]

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, plant and equipments.
- (b) There is no stipulation regarding recovery of loans as these loans are repayable on demand.
- (b) As explained to us, the company has a system of verifying all its major Property, Plant & Equipments over a period of three years. The Property, Plant and Equipment so scheduled for verification during this year have been physically verified. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.
- (c) The aforesaid loans being repayable on demand, there is no amount overdue for more than ninety days in respect of recovery of principal and interest of the above loans.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the title deeds of the immovable properties of the Company are held in the name of the Company except the immovable properties which were owned by companies demerged/merged with the Company under the scheme of arrangements approved by the appropriate authorities which are still held in the name of the erstwhile companies.
4. According to the information and explanations given to us and the records of the Company examined by us, the provisions of section 185 and 186 of the Companies Act, 2013, have been complied with in respect of loans, investments guarantees and securities given by the Company.
- 2 The inventory has been physically verified by the management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account. In our opinion, the frequency of verification is reasonable.
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.
3. (a) According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has granted unsecured loans to subsidiary companies and its associate, covered in the register maintained under section 189 of the Companies Act, 2013. The terms and conditions of these loans in our opinion are not prima-facie prejudicial to the interests of the Company.
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. (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 2020 which have not been deposited on account of a dispute are as follows:
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and services tax, cess and any other statutory dues, as applicable, with the appropriate authorities.

Name of the statute	Nature	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Customs Act, 1962	Custom	111.67	01/12/1998 to 30/06/2000	Commissioner CE.
The Central Excise Act, 1944	Excise	1,019.06	1986-87 to 2013-14	Appeal filed before the CESTAT
The Central Excise Act, 1944	Excise	25.69	1986-87 to 2013-14	Commissioner Appeal
The Central Excise Act, 1944	Excise	118.43	1995-96 to 2007-08	Supreme Court
Finance (Service Tax) Act, 1994	Service Tax	5,740.36	2003-04 to 2010-11	Appeal filed before the CESTAT
Entry Tax Act	Entry Tax	41.81	2011-12 to 2016-17	Commissioner Appeal
Income Tax Act, 1961	Income Tax	163.60	AY 2010-11 to 2013-14	Commissioner Appeal
Income Tax Act, 1961	Income Tax	441.62	AY 2016-17 and 2017-18	Commissioner Appeal

Name of the statute	Nature	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Value Added Tax Act	Vat	204.71	2003-04 to 2005-06	Addl. Commissioner
Value Added Tax Act	Vat	4,783.83	2008-09 to 2011-12	Appellate and Revisional Board.
Value Added Tax Act	Vat	2,236.81	2011-12 to 2015-16	West Bengal Taxation Tribunal.
Central Sales Tax Act	CST	360.57	2003-04 to 2014-15	Addl. Commissioner
Central Sales Tax Act	CST	1,757.69	2006-07 to 2013-14	Appellate and Revisional Board.
Maharashtra Value Added Tax Act 2002	Sales Tax	110.25	2012-13 to 2013-14	Dy. Commissioner of Sales, Tax Mumbai
Odisha VAT ACT 2004	Sales Tax	6.51	2013-14 to 2016-17	Sales Tax, Bhubaneswar-III Circle
West Bengal Value Added Tax Act, 2003	Sales Tax	75.25	2012-13	Senior Joint Commissioner, Commercial Taxes, Kolkata South Circle
West Bengal Value Added Tax Act, 2003	Sales Tax	15.75	2014-15	Deputy Commissioner, Commercial Taxes, Ballygunge Charge, Kolkata
Income Tax Act, 1961	Income Tax	34.84	AY 2009-10	High Court, Bombay
The West Bengal VAT Act, 2003	Vat	12.63	AY 2012-13	Appellate Authorities, West Bengal
MP VAT Act, 2002	Entry Tax	2.53	AY 2009-10	Appellate Authorities, Bhopal
Value Added Tax Act	Vat	35.11	AY 2009-10 and AY 2015-16	Appellate Authorities, Bhopal
Value Added Tax Act	Vat	3.13	AY 2009-10	Second Appellate Authorities, Bhopal
Value Added Tax Act	Vat	508.30	AY 2016-17 and 2017-18	West Bengal Taxation Tribunal
Central Sales Tax Act	CST	55.68	AY 2016-17 and 2017-18	WB Appellate & Revision Board
Goods and Services Tax Act	GST	6.39	AY 2018-19	Superintendent- Tadipatri
Central Sales Tax Act	Sales Tax	4.07	AY 2011-12	DCCT, Singhbhum, Circle, Jamshedpur
Central Sales Tax Act	Sales Tax	5.79	AY 2015-16	ETO, Gurgaon North.
Tamil Nadu VAT Act, 2006	Sales Tax	175.39	AY 2010-11 to 2012-13	Commercial Tax officer (Enforcement) Group-1, Office of the Asst. Commissioner (CT) (Enforcement) Cuddalore
Goods and Services Tax Act	Service Tax	11.09	16 th October to 17 th June	Deputy Commissioner, East – II, Division CGST, Gurugram
Total		18,068.56		

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 two Executive Directors are in excess of the prescribed limits mandated by the provisions of section 197 read with Schedule V of the Act for which the Company has to take an approval from shareholders through a Special Resolution in the ensuing Annual General Meeting.

12. The related statutes are not applicable as the Company is not a Nidhi Company.
13. According to the information and explanations given to us and the records of the Company examined by us, the company has complied with the requirements of sections 177 and 188 of the Act with respect to its transactions with the related parties. Pursuant to the requirement of the applicable Accounting Standard, details of the related party transactions have been disclosed in Note 1.41 of the standalone financial statements for the year under audit.
14. The Company has 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
Firm Registration No : 301088E

(D.N.Roy)
Partner

Place : Kolkata
Date : 17.06.2020

Membership No. 300389
UDIN: 20300389AAAACH6333

ANNEXURE- B TO THE INDEPENDENT AUDITOR'S REPORT to the Members of TEXMACO RAIL & ENGINEERING LIMITED
[Referred to in paragraph 20 (g) of the Independent Auditor's Report of even date]

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

1. We have audited the internal financial controls over financial reporting of Texmaco Rail & Engineering Limited ("the Company") as of 31st March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Control

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Control over Financial Reporting

6. A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that
 - 1) Pertain to the maintenance of the records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
 - 2) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditure of the Company are being made only in accordance with authorization of management and directors of company; and
 - 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Control over Financial Reporting

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

to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Company has, in all material respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2020, based on the internal control over financial reporting criteria established by the company considering, the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting, issued by ICAI.

Other Matters

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

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

(D.N.Roy)
Partner

Place : Kolkata
Date : 17.06.2020

Membership No. 300389
UDIN: 20300389AAAACH6333

Balance Sheet as at 31st March 2020

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
ASSETS :			
(1) Non-current Assets			
(a) Property, Plant & Equipment	1.01	37,634.02	36,305.44
(b) Right-of-Use Assets	1.02	44.69	-
(c) Capital work-in-progress	1.02	360.46	978.95
(d) Investment Property	1.02	3,073.55	-
(e) Other Intangible Assets	1.03	104.14	145.48
(f) Financial Assets			
(i) Investments	1.04	6,620.53	7,361.61
(ii) Loans	1.05	578.05	141.44
(iii) Bank Balance	1.06	1,109.34	607.45
(iv) Others	1.07	103.60	71.52
(g) Deferred Tax Assets (Net)	1.08	8,212.30	4,288.99
(h) Other Non current Assets	1.09	888.74	539.97
		58,729.42	50,440.85
(2) Current Assets			
(a) Inventories	1.10	53,704.99	45,005.93
(b) Financial Assets			
(i) Investments	1.11	3,335.86	6,951.47
(ii) Trade Receivables	1.12	64,453.84	81,545.82
(iii) Cash & cash equivalents	1.13	1,658.41	1,053.92
(iv) Bank balances other than (iii) above	1.14	6,684.65	3,600.96
(v) Loans	1.15	4,856.50	5,154.02
(c) Current Tax Assets (Net)	1.16	2,121.78	1,095.51
(d) Other Current Assets	1.17	93,274.42	75,755.11
		2,30,090.45	2,20,162.74
		2,88,819.87	2,70,603.59
TOTAL ASSETS			
EQUITY AND LIABILITIES:			
(1) Equity			
(a) Equity Share capital	1.18	2,248.59	2,248.35
(b) Other Equity	1.19	1,00,542.38	1,11,776.91
(2) Non-current Liabilities :			
(a) Financial Liabilities			
(i) Borrowings	1.20	5,269.99	5,014.10
(b) Provisions	1.21	816.08	648.79
(c) Other non current liabilities	1.22	17,814.34	20,668.19
		23,900.41	26,331.08
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	1.23	69,710.54	53,602.15
(ii) Trade Payables	1.24		
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		55,412.12	55,643.97
(iii) Other financial liabilities	1.25	5,473.25	3,464.84
(b) Other current liabilities	1.26	14,810.95	16,294.31
(c) Provisions	1.27	16,721.63	1,241.98
		1,62,128.49	1,30,247.25
		2,88,819.87	2,70,603.59
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: 17th June 2020

Ravi Varma

Company Secretary

Directors

S. K. Poddar

A. C. Chakrabortti

Indrajit Mookerjee

D. H. Kela

A. K. Vijay

Statement of Profit and Loss for the year ended 31st March 2020

(₹ in Lakhs)

Particulars	Note No.	Year Ended 31.03.2020	Year Ended 31.03.2019
I Revenue From Operations	1.28	1,83,179.98	1,85,816.38
II Other Income	1.29	2,725.68	2,112.96
III Total Income		1,85,905.66	1,87,929.34
IV EXPENSES			
Cost of materials consumed	1.30	1,30,551.17	1,36,153.61
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	1.31	(8,499.68)	(6,444.64)
Employee benefit expenses	1.32	12,776.56	11,325.39
Finance costs	1.33	9,689.15	7,064.45
Depreciation and amortization expense	1.34	3,590.85	2,895.96
Other expenses	1.35	32,676.75	28,113.81
Total expenses		1,80,784.80	1,79,108.58
V Profit/(loss) before tax		5,120.86	8,820.76
VI Exceptional items	1.65	14,991.97	-
VII Profit/(loss) before tax		(9,871.11)	8,820.76
VIII Tax Expenses			
1)Current Tax		747.00	1,794.45
2)MAT Credit Entitlement		(258.00)	(1,794.45)
3)Deferred Tax		(3,665.30)	1,166.58
4)Income Tax Paid Related to Earlier Years		(110.78)	126.20
		(3,287.08)	1,292.78
IX Profit/(loss) for the period		(6,584.03)	7,527.98
X Other comprehensive income	1.36		
(i) Items that will not be reclassified to profit or loss		(1,173.49)	(99.31)
(ii) Items that will be reclassified to profit or loss		(212.38)	102.05
		(1,385.87)	2.74
XI Total Comprehensive Income for the period		(7,969.90)	7,530.72
XII Earnings per equity share (for continuing operations)	1.43		
1) Basic		(2.93)	3.42
2) Diluted		(2.93)	3.35
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: 17th June 2020

Ravi Varma
Company Secretary

Directors

S. K. Poddar

A. C. Chakrabortti

Indrajit Mookerjee

D. H. Kela

A. K. Vijay

Statement of Cash Flow for the year ended 31st March 2020

(₹ in Lakhs)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
A) Cash Flows From Operating Activities:		
Net Profit before Taxation & Exceptional Items	5,120.86	8,820.76
Adjustments for:		
Depreciation	3,590.85	2,895.96
Interest Paid	9,689.15	7,064.45
Bad Debt Written off	98.44	703.17
Employee Compensation Expenses under ESOP	-	(179.06)
Provision and Excess Liabilities Written Back	(18.09)	(1.40)
Interest Received	(1,270.72)	(965.98)
Income From Investments	(60.89)	(29.54)
Profit on Sale Of Investments-Current(Net)	(5.29)	(174.28)
Gain on Fair Value of bonds/Mutual Fund	(281.34)	(401.38)
Loss/(Profit) on Sale Of Property, Plant and Equipment(Net)	(78.75)	(146.33)
	11,663.36	8,765.61
	16,784.22	17,586.37
Operating Profit before Working Capital Changes & Exceptional Items		
(Increase)/Decrease in Trade & Other Receivables	(404.34)	(31,571.79)
(Increase)/Decrease in Inventories	(8,699.06)	(15,931.00)
Increase/(Decrease) in Trade Payables & Other Liabilities	13,147.03	27,779.81
	4,043.63	(19,722.98)
Cash Generated from Operations	20,827.85	(2,136.61)
Direct Taxes Paid	(1,662.49)	(2,349.70)
Cash Flow before Exceptional Items	19,165.36	(4,486.31)
Exceptional Items	(14,991.97)	-
Net Cash from Operating Activities	4,173.39	(4,486.31)
B) Cash Flows From Investing Activities		
Sale/(Purchase) of Property, Plant & Equipments	(7,684.26)	(5,744.97)
(Purchase)/Sale of Investments (Net)	3,452.22	11,532.35
Consideration Paid for Acquisition	(2,324.62)	-
Bank Deposits(Includes having original maturity more than three months)	(3,585.58)	(2,370.16)
Interest Received	743.64	938.13
Dividend Received	60.89	29.54
Net Cash used in Investing Activities	(9,337.71)	4,384.89
C) Cash Flows From Financing Activities		
Receipt/(Payment) of Long Term Borrowings	255.89	1,713.82
Receipt/(Payment) of Short Term Borrowings	16,108.39	5,357.67
Increase in Share Capital	0.25	2.22
Increase in Securities Premium	9.84	88.42
Interest Paid	(9,444.95)	(7,057.02)
Dividend Paid	(785.38)	(550.12)
Dividend Tax Paid	(162.85)	(111.99)
Net Cash used in Financing Activities	5,981.19	(557.00)
D) Changes in Foreign Currency Translation arising from Foreign Operations		
Net Decrease in Cash and Cash Equivalents	(212.38)	102.05
Cash and Cash Equivalents at the beginning of the period	604.49	(556.37)
Cash and Cash Equivalents at the end of the period	1,053.92	1,610.29
	1,658.41	1,053.92
Note:		
(1) Details of Cash and Equivalents as on		
Balances with banks		
Current Accounts	1,591.88	1,019.60
Cash on hand	66.53	34.32
	1,658.41	1,053.92

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: 17th June 2020

Ravi Varma

Company Secretary

Directors

S. K. Poddar

A. C. Chakrabortti

Indrajit Mookerjee

D. H. Kela

A. K. Vijay

Statement of Changes in Equity

a. Equity share capital

(₹ in Lakhs)

Particulars	Issued, Subscribed Paid up Capital	Share Capital Suspense	Total
Balance as at 01.04.2018	2,198.28	47.85	2,246.13
Add: Change in Equity Share Capital during the year	2.22	-	2.22
Balance as at 01.04.2019	2,200.50	47.85	2,248.35
Add: Change in Equity Share Capital during the year	48.09	(47.85)	0.24
Balance as at 31.03.2020	2,248.59	-	2,248.59

b. Other equity

(₹ in Lakhs)

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	Capital reserve	Securities premium account	General Reserve	Share Option Outstanding Account	Retained earnings	Equity instruments/ retained benefits/ income in Associates and Joint Ventures through other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	
Balance as at 1st April 2018	3,951.22	39,836.44	46,720.92	1,363.44	11,414.07	1,667.55	53.51	1,05,007.15
Income for the year	-	-	-	-	7,527.98	-	-	7,527.98
Other Comprehensive Income for the year	-	-	-	-	-	(107.49)	102.05	(5.44)
Dividend and Tax on Dividend	-	-	-	-	(662.14)	-	-	(662.14)
Transfer to/from retained earnings	-	-	500.00	-	(146.26)	146.26	-	500.00
Transfer to General Reserve	-	-	-	-	(500.00)	-	-	(500.00)
Any other change (ESOP allotment)	-	88.42	-	(179.06)	-	-	-	(90.64)
Balance as at 31st March 2019	3,951.22	39,924.86	47,220.92	1,184.38	17,633.65	1,706.32	155.56	1,11,776.91
Income for the year	-	-	-	-	(6,584.03)	-	-	(6,584.03)
Other Comprehensive Income for the year	-	-	-	-	-	(1,191.09)	(212.38)	(1,403.47)
Adjustment of Goodwill in Business Combination	(2,324.62)	-	-	-	-	-	-	(2,324.62)
Dividend and Tax on Dividend	-	-	-	-	(949.85)	-	-	(949.85)
Remeasurement of the net defined benefit plan	-	-	-	-	-	17.60	-	17.60
Transfer to/from retained earnings	-	-	-	-	17.60	(17.60)	-	-
Any other change (ESOP allotment)	-	9.84	-	-	-	-	-	9.84
Balance as at 31st March 2020	1,626.60	39,934.70	47,220.92	1,184.38	10,117.37	515.23	(56.82)	1,00,542.38

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: 17th June 2020

Ravi Varma
Company Secretary

Directors

S. K. Poddar

A. C. Chakrabortti

Indrajit Mookerjee

D. H. Kela

A. K. Vijay

Notes on Financial Statement

A. CORPORATE INFORMATION

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

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

The Company has acquired the Steel Foundry unit of M/s. Simplex Castings Limited, located at Urla Industrial Estate, Raipur on 26th April 2019 as a going concern on a slump sale basis in accordance with the Business Transfer Agreement. As a result of the acquisition, the production capacity of the Foundry Division of the Company has been enhanced by 12,000 M.T. per annum. The financial statements of the current year include the financial information of Urla unit from the date of its acquisition.

B. SIGNIFICANT ACCOUNTING POLICIES

(i) Statement of Compliance

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

(ii) Basis of Accounting

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

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

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

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

(iii) Use of Estimates

The preparation of the Financial Statements in conformity with IND AS requires the management to make estimates, judgments and assumptions. These estimates, judgment and assumptions affect the application of accounting policies and the reported amount of Assets and Liabilities and disclosure of contingent Liabilities on the date of the Financial Statements and reported amounts of revenues and expenses for the year.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are 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

Notes on Financial Statement

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 (xxi).

(iv) Property, plant and equipment

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

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

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

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

Capital work-in-progress

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

(v) Intangible Assets

Intangible Assets are recorded at the consideration paid for acquisition less accumulated amortization and accumulated impairment, if any, Amortization is recognized at Straight Line Basis over their estimated useful life. The estimated useful life and 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.

(vi) Impairment of Non-Financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may

Notes on Financial Statement

not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

(vii) Derivative Financial Instrument

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

Derivatives are initially 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 to statement profit or loss immediately.

(viii) Financial Instrument

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

All recognized financial assets are subsequently measured in their entirety at either 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

Notes on Financial Statement

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.

(ix) Measurement of Fair Values

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

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

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

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

(x) Revenue Recognition

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

a. Revenue from Operations

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

When the outcome of individual contracts can be estimated reliably, contract revenue and contract cost are

Notes on Financial Statement

recognized as revenue and expenses respectively by reference to the stage of completion at the reporting date. Costs are recognized as incurred and revenue is recognized on the basis of the proportion of total cost at the reporting date to the estimated total cost of the contract.

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

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

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

c. Other Income

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

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

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

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

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

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

(xi) Employee Benefits

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

a. Short term benefits:

Short term employee benefits are 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:

Notes on Financial Statement

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.

(xii) Employee Stock Option Scheme

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

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

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

(xiv) Research and Development

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

Notes on Financial Statement

(xv) Valuation of Inventories

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

Stores and Spares are valued on the “weighted average” basis.

(xvi) Lease

a. Where the Company is the lessee

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

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

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

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

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

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

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

b. Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is 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.

Notes on Financial Statement

(xvii) Foreign Currency Transactions and Exchange Differences

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

(xviii) Provisions, Contingent Liabilities and Contingent Assets

a. Provisions & Warranties

Provisions are 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.

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 reliable.

Provisions for the expected cost of warranty obligations under local sale of goods legislation are recognise 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 no probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the standalone financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

d. Contingent Assets

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

(xix) Cash & Cash Equivalents

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

Notes on Financial Statement

from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balance with banks which are unrestricted for withdrawal and usage.

(xx) Borrowing Cost

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

(xxi) Segment Reporting

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

(xxii) Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are 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.

Notes on Financial Statement

(xxiii) Government Grant

The Company may receive government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria. Government grants are 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:

- (a) 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.
- (b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
- (c) by way of financial assistance on the basis of certain qualifying criteria are 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.

(xxiv) Earnings Per Share

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

(xxv) Cash Flow Statement

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

(xxvi) Exceptional Item

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

(xxvii) Accounting for interests in Joint Ventures

Interests in joint ventures are accounted as follows:

Type of joint venture	Accounting treatment
Jointly controlled operations	Company's share of revenues, common expenses, assets and liabilities are included in revenues, expenses, assets and liabilities respectively on line by line basis.
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	<p>(a) Integrated joint ventures:</p> <p>(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.</p> <p>(ii) Investments in integrated joint ventures are carried at cost net of Company's share recognised in profits or losses.</p> <p>(b) Incorporated jointly controlled entities:</p> <p>(i) Income on investments in incorporated jointly controlled entities is recognised when the right to receive the same is established.</p> <p>(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.</p>

Notes on Financial Statement

(xxviii) Standards issued but not yet effective

The amendments are proposed to be effective for reporting periods beginning on or after 1st April 2020.

- A. Issue of Ind AS 117 – Insurance Contracts Ind AS 117 supersedes Ind AS 104 Insurance contracts. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. Under the Ind AS 117 model, insurance contract liabilities will be calculated as the present value of future insurance cash flows with a provision for risk. Application of this standard is not expected to have any significant impact on the Company's financial statements.
- B. Amendments to existing Standards Ministry of Corporate Affairs has carried out amendments of the following accounting standards:
 - 1. Ind AS 103 – Business Combination
 - 2. Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
 - 3. Ind AS 40 – Investment Property

The Company is in the process of evaluating the impact of the new amendments issued but not yet effective.

Notes on Financial Statement

(₹ in Lakhs)

Description of Assets	Gross Block				Depreciation				Net Block
	As at 01.04.2019	Additions during the Year	Sales / Adjustments	As at 31.03.2020	As at 01.04.2019	During the year	Sales/ Adjustments	As at 31.03.2020	As at 31.03.2020
Note: 1.01 Property, Plant & Equipment:									
Land	1,543.33	-	35.32	1,508.01	129.88	20.92	-	150.80	1,357.21
Buildings	13,363.99	711.27	3,611.05	10,464.21	1,197.48	403.61	482.29	1,118.80	9,345.41
Roads	177.63	5.87	(0.01)	183.51	77.77	20.74	-	98.51	85.00
Railway Sidings	217.71	-	-	217.71	38.53	9.71	-	48.24	169.47
Plant & Machinery	25,330.00	6,924.11	114.35	32,139.76	4,883.67	2,555.65	105.70	7,333.62	24,806.14
Electrical Machinery	672.62	3.02	18.94	656.70	200.25	50.79	18.36	232.68	424.02
Office Equipments	836.74	99.25	1.78	934.21	335.25	175.78	0.90	510.13	424.08
Furniture & Fittings	654.82	39.39	-	694.21	263.29	57.01	-	320.30	373.91
Vehicles	889.73	126.73	44.70	971.76	255.01	134.07	66.10	322.98	648.78
Total	43,686.57	7,909.64	3,826.13	47,770.08	7,381.13	3,428.28	673.35	10,136.06	37,634.02
Note: 1.02									
a) Right-of-use Assets	-	45.37	-	45.37	-	0.68	-	0.68	44.69
b) Capital Work in Progress (CWIP)	978.95	2,086.77	2,705.26	360.46	-	-	-	-	360.46
c) Investment Property	-	3,638.16	-	3,638.16	-	89.81	(474.80)	564.61	3,073.55
Total	978.95	5,770.30	2,705.26	4,043.99	-	90.49	(474.80)	565.29	3,478.70
Note: 1.03 Intangible Assets:									
Software	463.41	30.74	-	494.15	317.93	72.08	-	390.01	104.14
Total	463.41	30.74	-	494.15	317.93	72.08	-	390.01	104.14
Grand Total	45,128.93	13,710.68	6,531.39	52,308.22	7,699.06	3,590.85	198.55	11,091.36	41,216.86

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

Previous Year

(₹ in Lakhs)

Description of Assets	Gross Block				Depreciation				Net Block
	As at 01.04.2018	Additions during the Year	Sales / Adjustments	As at 01.04.2019	As at 01.04.2018	During the year	Sales/ Adjustments	As at 01.04.2019	As at 01.04.2019
Note: 1.01 Property, Plant & Equipment:									
Land	1,543.33	-	-	1,543.33	79.61	50.27	-	129.88	1,413.45
Buildings	12,524.09	870.82	30.92	13,363.99	784.49	427.57	14.58	1,197.48	12,166.51
Roads	116.43	61.20	-	177.63	57.29	20.48	-	77.77	99.86
Railway Sidings	215.17	2.54	-	217.71	28.85	9.68	-	38.53	179.18
Plant & Machinery	21,883.37	3,462.66	16.03	25,330.00	3,036.98	1,861.65	14.96	4,883.67	20,446.33
Electrical Machinery	662.13	14.16	3.67	672.62	148.27	54.63	2.65	200.25	472.37
Office Equipments	548.62	289.47	1.35	836.74	184.92	153.49	3.16	335.25	501.49
Furniture & Fittings	596.00	66.94	8.12	654.82	193.51	77.86	8.08	263.29	391.53
Vehicles	785.88	155.51	51.66	889.73	172.60	124.42	42.01	255.01	634.72
Total	38,875.02	4,923.30	111.75	43,686.57	4,686.52	2,780.05	85.44	7,381.13	36,305.44
Note: 1.02									
a) Right-of-use Assets	-	-	-	-	-	-	-	-	-
b) Capital Work in Progress (CWIP)	534.51	973.33	528.89	978.95	-	-	-	-	978.95
c) Investment Property	-	-	-	-	-	-	-	-	-
Total	534.51	973.33	528.89	978.95	-	-	-	-	978.95
Note: 1.03 Intangible Assets:									
Software	447.30	19.10	2.99	463.41	202.02	115.91	-	317.93	145.48
Total	447.30	19.10	2.99	463.41	202.02	115.91	-	317.93	145.48
Grand Total	39,856.83	5,915.73	643.63	45,128.93	4,888.54	2,895.96	85.44	7,699.06	37,429.87

Notes on Financial Statement

Note 1.04 Non Current Investments

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
OTHER THAN TRADE INVESTMENTS		
Fully paid-up		
Investments in Equity Instruments (Quoted) (At Fair Value)		
Texmaco Infrastructure & Holdings Limited 23,49,809 (2019: 23,49,809) Shares of ₹ 1 each	727.26	1,332.34
Chambal Fertilisers & Chemicals Limited 10,00,000 (2019: 10,00,000) Shares of ₹ 10 each	1,084.50	1,670.50
Investments in Equity Instruments of Subsidiary Company (Unquoted) (At Cost)		
Belur Engineering Private Limited 1,00,000 (2019: 1,00,000) Shares of ₹ 10 each	10.00	10.00
Texmaco Defence Systems Private Limited NIL (2019: 51,000) Shares of ₹ 10 each	-	5.10
Texmaco Transtrak Private Limited 5,101 (2019: 5,101) Shares of ₹ 10 each	0.51	0.51
Texmaco Rail Systems Private Limited 10,000 (2019: Nil) Shares of ₹ 10 each	1.00	-
Investments in Equity Instruments of Associate Company (Unquoted) (At Cost)		
Texmaco Defence Systems Private Limited 41,000 (2019: NIL) Shares of ₹ 10 each	4.10	-
Investments in Equity Instruments of Joint Ventures (Unquoted)(At Cost)		
Touax Texmaco Railcar Leasing Pvt Limited 1,26,49,999 (2019: 1,26,49,999) Shares of ₹ 10 each	1,264.99	1,264.99
Wabtec Texmaco Rail Private Limited 32,81,700 (2019:32,81,700) Shares of ₹ 10 each	328.17	328.17
Investments in CCD of Joint Ventures (Unquoted)(At Cost)		
Touax Texmaco Railcar Leasing Pvt Limited 32,00,000 (2019: 27,50,000) CCD of ₹ 100 each	3,200.00	2,750.00
TOTAL NON CURRENT INVESTMENTS	6,620.53	7,361.61
(i) Aggregate amount of quoted Investments	1,811.76	3,002.84
(ii) Market value of quoted Investments	1,811.76	3,002.84
(iii) Aggregate amount of unquoted Investments	4,808.77	4,358.77

 M/S Texmaco Defence Systems Pvt. Ltd. ceased to be a Subsidiary w.e.f. 30th March 2020

Note 1.05 Loans (Non-Current)

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured- Considered Good		
(a) Security Deposits	578.05	137.17
(b) Loans and Advances to Employees	-	3.17
(c) Deferred Interest Exp (Loan given to Employees)	-	1.10
Total	578.05	141.44

Notes on Financial Statement

Note 1.06 Bank Balance (Non-Current)

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Margin Money	1,109.34	607.45

Note 1.07 Other Non Current Financial Assets

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Share Application Money	2.00	-
Term Deposit of more Than Twelve Months Maturity	62.65	45.31
Interest Accured on Deposits & Others	38.95	26.21
Total	103.60	71.52

Comapany has paid a sum of ₹ 2.00 lakhs towards initial subscription of Share capital of M/s. Texmaco Rail Electrification Limited.

Note 1.08 Deferred Tax Assets (net)

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred Income Tax Assets		
(a) Property, Plant and equipment	-	437.03
(b) Investment	-	169.92
(c) Carried Forward Losses	181.27	488.26
(d) Provisions & others	7,586.53	3,048.03
(e) MAT Credit	4,501.19	4,203.66
(f) Compensated absences	158.33	128.01
(g) Gratuity	107.90	100.14
Total deferred income tax assets	12,535.22	8,575.05
Deferred Income Tax Liabilities		
Others	(4,322.92)	(4,286.06)
Total deferred income tax liabilities	(4,322.92)	(4,286.06)
Net deferred tax assets	8,212.30	4,288.99

Note 1.09 Other Non-Current Asset

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Capital Advances	507.56	393.26
(b) Security Deposit	126.19	1.32
(c) Prepaid Expenses	254.99	145.10
(d) Deferred Rent Expenses (Security Deposit Rent Given)	-	0.29
Total	888.74	539.97

Notes on Financial Statement

Note 1.10 Inventories

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Raw Material and Components	17,113.04	17,975.78
(b) Work in Progress	27,792.32	21,869.00
(c) Finished Goods	5,095.33	1,698.09
(d) Stores and Spares	2,014.66	1,537.60
(e) Goods in transit (Raw Materials and Components)	1,689.64	1,925.46
Total	53,704.99	45,005.93

Inventories are secured against first charge on working capital facility.

Note 1.11 Current Investments

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
OTHER THAN TRADE INVESTMENTS		
Fully paid-up		
a) Investments in Equity Instruments (Quoted) (At Fair Value)		
Bharti Airtel Limited	-	-
Nil (2019: Nil) Shares of ₹ 5 each (On demerger of TTML)		
Tata Teleservices (Maharashtra) Limited (TTML)	-	0.69
Nil (2019: 22,666) Units of ₹ 10 each		
EIH Limited	-	20.58
Nil (2019: 10,000) Shares of ₹ 2 each		
SREI Infrastructure Finance Limited	-	0.54
Nil (2019: 1,800) Shares of ₹ 10 each		
Century Textiles & Industries Limited (CTIL)	-	4.67
Nil (2019: 500) Shares of ₹ 10 each		
Ultratech Cement Limited	-	-
Nil (2019: Nil) Shares of ₹ 10 each (On demerger of CTIL)		
NHPC Limited	-	25.06
Nil (2019: 1,01,471) Shares of ₹ 10 each		
Sub-total-(a)	-	51.54
b) Investments in Bonds (Unquoted) (At Fair Value)		
In 6.70% IRFC (Tax Free)	-	558.12
Nil (2019: 540) Units of ₹ 1,00,000 each		
In 8.10% IRFC (Tax Free)	-	252.31
Nil (2019: 21,751) Units of ₹ 1,000 each		
In 8.20% HUDCO (Tax Free)	-	569.99
Nil (2019: 50,000) Units of ₹ 1,000 each		
Sub-total-(b)	-	1,380.42
c) Investments in Mutual Funds (Unquoted) at Fair Value		
Axis Treasury Advantage Fund Growth	14.54	13.45
645 (2019: 645) Units of ₹ 1000 each		
IDFC Low Duration Fund Regular Plan Growth	-	200.54
Nil (2019: 7,56,810) Units of ₹ 10 each		
ICICI Prudential Fixed Maturity Plan Series 83 1108 Days Plan H	1,769.16	1,624.46

Notes on Financial Statement

Note 1.11 Current Investments (Contd..)

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
1,50,00,000 (2019: 1,50,00,000) Units of ₹ 100 each		
Reliance Strategic Debit Fund - Growth Plan - Growth Option	-	140.79
Nil (2019: 9,57,068) Units of ₹ 10 each		
Reliance Credit Risk Fund Growth Plan -Growth Option	-	1,467.74
Nil (2019: 56,93,711) Units of ₹ 10 each		
Reliance Liquid Fund Growth Plan Growth	-	126.17
Nil (2019: 2,780) Units of ₹ 100 each		
SBI Magnum Ultra SDF Direct Fund - Growth	-	500.20
Nil (2019: 11,997) Units of ₹ 10 each		
SBI Liquid Fund Regular Growth	-	17.95
Nil (2019: 616) Units of ₹ 10 each		
SBI Debt Fund Series C-16 1100 Days	1,552.16	1,428.21
1,32,24,964 (2019: 1,32,24,964) Units of ₹ 10 each		
Sub-total-(c)	3,335.86	5,519.51
TOTAL CURRENT INVESTMENTS	3,335.86	6,951.47
(i) Aggregate amount of quoted Investments	-	51.54
(ii) Market value of quoted Investments	-	51.54
(iii) Aggregate amount of unquoted Investments	3,335.86	6,899.93

The above investment in Mutual Funds are pledged with M/s HDFC Bank Limited against short term loans.

Note 1.12 Trade Receivables

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Secured , considered good	-	-
(b) Unsecured , considered good	64,453.84	81,545.82
(c) Unsecured, Credit Impaired	5,904.53	8,092.51
	70,358.37	89,638.33
Allowance for bad and doubtful debts	(5,904.53)	(8,092.51)
Total	64,453.84	81,545.82

Note:

- The above includes ₹ 19,016.13 Lakhs as retention money (2019: ₹ 20,533.01 Lakhs) which are recoverable on completion of the project as per the relevant contract.
- Trade Receivable are secured against first charge on working capital facility.
- The Company provide allowance in trade recivables based on historic credit loss expreince, current economic conditions and events and future observable data and information. The expected credit loss allowance is computed based on the ageing of the receivable.

Note 1.13 Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Balances with banks		
- In current accounts	1,591.88	1,019.60
(b) Cash on hand	66.53	34.32
Total	1,658.41	1,053.92

Note:

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

Notes on Financial Statement

Note 1.14 Bank Balances other than above

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Unpaid Dividend Account	28.24	26.61
(b) Term Deposit of upto Twelve Months Maturity	12.71	12.71
(c) Margin Money	6,643.70	3,561.64
Total	6,684.65	3,600.96

Note:

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

Note 1.15 Loans (Current)

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
I Unsecured Considered Good		
(a) Security Deposits to others	87.69	87.55
(b) Loan to Subsidiaries & Associates	3,569.85	4,567.31
(c) Interest accrued on Loans	915.24	400.90
(d) Advance to Employee	283.72	97.86
(e) Deferred Interest Exp(Loan given to Employees)	-	0.40
	4,856.50	5,154.02
II Unsecured, Credit Impaired		
Loan to Body Corporates	275.00	275.00
Less Allowance for Loan to Body Corporate	(275.00)	(275.00)
	-	-
Total	4,856.50	5,154.02

Note 1.16 Current Tax Assets (net)

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Advance Payment of Income Tax (net of provision)	2,121.78	1,095.51
Total	2,121.78	1,095.51

Note 1.17 Other Current Assets

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Security Deposits	514.06	15.12
(b) Advance to Parties	8,129.69	8,967.12
(c) Other Advances	2,336.23	1,809.61
(d) Prepaid Expenses	420.99	866.90
(e) Balances with Government Dept.	23,805.81	21,231.92
(f) Contractually reimbursable expenses	3,965.33	1,754.93
(g) Unbilled Debtors	54,102.31	41,109.04
(h) Deferred Rent Expenses(Security Deposit Rent Given)	-	0.47
Total	93,274.42	75,755.11

Notes on Financial Statement

Note 1.18 Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Authorised Share Capital		
197,00,00,000 Equity shares at par value of ₹ 1/- each	19,700.00	19,700.00
(As at 31 st March 2019: 197,00,00,000 Equity shares of ₹ 1/- each)	19,700.00	19,700.00
Issued, Subscribed and paid up capital		
22,48,59,382 Equity shares at par value of ₹ 1/- each	2,248.59	2,200.50
(As at 31 st March 2019: 22,00,49,482 Equity shares of ₹ 1/- each)		
Share Capital Suspense Accounts	-	47.85
(As at 31 st March 2019: 47,85,300 Equity shares of ₹ 1/- each)	2,248.59	2,248.35

Note:

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

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) (a) 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 (formerly Texmaco Limited) on record date without payment being received in cash for demerging its Heavy Engineering Division & Steel Foundry Division to Texmaco Rail & Engineering Limited.
- (b) 47,85,300 shares were issued during the year to the shareholders of M/s Bright Power Projects (India) Pvt. Ltd. as per scheme of merger approved by NCLT dated 29th March 2019, w.e.f. 1st April 2017 without payment being received in cash.
- (iv) During the Year the Company has allotted 24,600 Equity Shares to its employees under Employee Stock Option Scheme.
- (v) Reconciliation of numbers of Issued, Subscribed and Paid-up Capital.

	As at 31.03.2020	As at 31.03.2019
	No . Of Shares	No . Of Shares
Number of Shares at the beginning of the year	22,00,49,482	21,98,28,443
Add: Allotment under ESOP	24,600	2,21,039
Add: Transfer from Share Capital Suspense	47,85,300	-
Number of Shares at the end of the year	22,48,59,382	22,00,49,482

- (vi) After the reporting date, dividend of 0.10 paise (2019: 0.25 Paise) 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.
- (vii) The name of Shareholders holding more than 5% Equity shares

	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	% Holding	No. of Shares	% Holding
Texmaco Infrastructure & Holdings Ltd.	5,46,00,000	24.28	5,46,00,000	24.81
Zuari Investments Ltd.	2,89,63,900	12.88	2,89,63,900	13.16
HDFC Trustee Company Ltd. A/C HDFC Hybrid Debt Fund	1,80,49,537	8.03	1,80,89,537	8.22

Notes on Financial Statement

Note 1.19 Other Equity

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(i) Other Reserves		
Share Options Outstanding Account		
Balance as per last Account	1,184.38	1,363.44
Add: On issue of ESOP	-	(179.06)
	1,184.38	1,184.38
(ii) Capital Reserve		
Balance as per last Account	3,951.22	3,951.22
Less: Adjustment of Goodwill in Business Combination	(2,324.62)	-
	1,626.60	3,951.22
(iii) Securities Premium		
Balance as per last Account	39,924.86	39,836.44
Add: On issue of ESOP	9.84	88.42
	39,934.70	39,924.86
(iv) General Reserve		
Balance as at the beginning of the year	47,220.92	46,720.92
Add: Transferred from Statement of Profit and Loss	-	500.00
	47,220.92	47,220.92
(v) Reserves representing unrealised gains/losses		
(a) Equity Instruments through Other Comprehensive Income	1,706.32	1,784.52
Addition during the year	(1,191.09)	(78.20)
	515.23	1,706.32
(b) Remeasurements of the net defined benefit Plans	-	(116.97)
Addition during the year	17.60	(29.29)
Less: Transferred to Retained Earning	(17.60)	146.26
	-	-
(vi) Exchange differences on translating the financial statements of a foreign operation		
Balance as at the beginning of the year	155.56	53.51
Addition during the year	(212.38)	102.05
	(56.82)	155.56
(vii) Retained Earnings		
Surplus at the beginning of the year	17,633.65	11,414.07
Add: Profit for the year	(6,584.03)	7,527.98
Add: Transferred from Remeasurements of the net defined benefit Plans	17.60	(146.26)
Less: Transferred to General Reserve	-	(500.00)
Less: Dividend on Equity Shares	(787.00)	(550.15)
Less: Tax on dividend	(162.85)	(111.99)
	10,117.37	17,633.65
Total	1,00,542.38	1,11,776.91

Note:

- (i) **General Reserve:** The General Reserve is used from time to time to transfer profit Retained Earnings for appropriation purpose. As the General Reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items 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 or loss arising on net revaluation of equity instruments measured at fair value through OCI, net of amounts reclassified to the Retained Earnings when those assets have been disposed off.

Notes on Financial Statement

Note 1.19 Other Equity (Contd..)

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

Note 1.20 Borrowings (Non Current)

(₹ in Lakhs)

	As at 31.03.2020	As at 31.03.2019
Secured		
From banks		
Term Loan	5,255.41	4,975.66
Car Loan	14.58	36.16
From Other Parties	-	2.28
Total	5,269.99	5,014.10

Note:

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

Note 1.21 Provisions (Non Current)

(₹ in Lakhs)

	As at 31.03.2020	As at 31.03.2019
Provision for employee benefits (Leave)	334.25	220.14
Provision for employee benefits (Gratuity)	297.84	244.66
For Warranty and others	183.99	183.99
Total	816.08	648.79

Note:

The Company accounts for leave and gratuity based on Actuary Valuation

Note 1.22 Other Non Current Liabilities

(₹ in Lakhs)

	As at 31.03.2020	As at 31.03.2019
Advances from Customers	17,476.90	20,668.19
Security Deposit	337.44	-
Total	17,814.34	20,668.19

Notes on Financial Statement

Note 1.23 Borrowings (Current)

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Secured		
(i) From Banks		
Cash Credit	47,490.65	42,452.15
Short Term Loan	7,719.89	-
(b) Unsecured		
From Banks	-	7,000.00
(c) From Other Parties		
(i) Loans from related parties	6,700.00	3,150.00
(ii) Inter-Corporate Deposits	7,800.00	1,000.00
Total	69,710.54	53,602.15

Note:

- (i) Cash Credit facilities are secured by hypothecation of first charge on Stock, book debts and other current assets of the company.
- (ii) Further, Cash Credit for Rail EPC Division is also secured by first charge on the fixed assets (both present and future).
- (iii) Cash Credit facility for Heavy Engineering and Steel Foundry Division are also secured by way of second charge on fixed assets of its divisions.
- (iv) 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.

Note 1.24 Trade Payables

(₹ in Lakhs)

	As at 31.03.2020	As at 31.03.2019
Dues to Micro Enterprise and Small Enterprises	-	-
Dues of Creditors other than Micro Enterprise and Small Enterprises	55,412.12	55,643.97
Total	55,412.12	55,643.97

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

Disclosure required under the Micro, Small and Medium Enterprises

Development Act, 2006 (the Act) are give as follows:

(a) Principal amount due Unpaid matured deposits and interest accrued thereon	-	-
(b) Interest paid during the period beyond the appointed day	-	-
(c) Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	-	-
(d) Amount of interest accrued and remaining unpaid at the end of the period	-	-
(e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act	-	-

Note:

There are no material dues owned by the Company to Micro and Small Enterprises, which are outstanding for more than 45 days during the year and as at 31st March 2020 and 31st March 2019. This information as required under the Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the Auditors.

Notes on Financial Statement

Note 1.25 Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Current maturities of long-term debt		
Term Loan	1,049.67	90.95
Car Loan	4.94	-
(b) Interest accrued		
Interest accrued but not due on borrowings	286.66	42.46
(c) Unclaimed / Unpaid dividends	28.24	26.61
(d) Others		
Liabilities for Expenses	2,043.07	1,239.47
Amount Due to Employee	1,138.21	971.80
Others Misc. Payable	230.68	132.90
Misc. Security Deposit	2.02	-
Creditors for Capital Advance	689.76	960.65
Total	5,473.25	3,464.84

Note:

- (i) Term Loan from Bank is secured against Property, Plant and Equipments created from such loan. The balance term loan is repayable in 4 quarterly installments.
- (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 2020.

Note 1.26 Other Current Liabilities

(₹ in Lakhs)

	As at 31.03.2020	As at 31.03.2019
(a) Advances from Customers	10,206.68	12,648.47
(b) TDS and other taxes payable	741.16	417.82
(c) PF, ESI amount Payble	89.39	126.06
(d) Security Deposits	2,152.97	1,562.05
(e) Interest Payable	31.59	21.90
(f) Other Liabilities	1,589.16	1,518.01
Total	14,810.95	16,294.31

Note 1.27 Provisions (Current)

(₹ in Lakhs)

	As at 31.03.2020	As at 31.03.2019
(a) Provision for employee benefits (for Gratuity)	50.36	41.91
(b) Provision for employee benefits (for leave)	172.85	146.19
(c) Provision for Contract Loss Provision	55.70	109.90
(d) Provision for Expenses	1,450.75	943.98
(e) Provision for Impairment of Assets/Covid-19	14,991.97	-
Total	16,721.63	1,241.98

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

Refer note 1.65 & 1.66 for details of Impairment of Assets/ COVID-19 impact.

Notes on Financial Statement

Note 1.28 Revenue From Operations

(₹ in Lakhs)

Particulars	For the period ended 31.03.2020	For the period ended 31.03.2019
(a) Sale of products	1,18,336.57	1,04,105.94
(b) Sale of services	82,536.50	95,449.07
(c) Other operating revenues	1,154.43	962.58
Gross Revenue from operations	2,02,027.50	2,00,517.59
Less: Inter Segment Revenue	(18,847.52)	(14,701.21)
Net Revenue from operations	1,83,179.98	1,85,816.38

Note 1.29 Other Income

(₹ in Lakhs)

Particulars	For the period ended 31.03.2020	For the period ended 31.03.2019
(a) Interest Income		
From Bank	240.51	140.61
From Others	1,030.21	825.37
(b) Dividend Income		
Income from Non-Current Investments	60.89	29.54
(c) Other non-operating income		
Net gain on Sale of Current Investments	5.29	174.28
Compensation Against Old Refugee Settlement Area	178.02	-
Miscellaneous Receipts and Income	455.56	123.34
Sundry Credit Balance Adjusted	7.77	81.65
Profit on sale of PPE (Net)	78.75	146.33
Rent Received	367.20	179.26
Provision & Excess Liabilities Written Back	18.09	1.40
Insurance Claim Received	2.05	9.80
Gain on fair valuation of Bonds/Mutual	281.34	401.38
Total	2,725.68	2,112.96

Note 1.30 Cost of Materials Consumed

(₹ in Lakhs)

	For the period ended 31.03.2020	For the period ended 31.03.2019
Opening Stock of Raw Materials	8,241.44	5,049.43
Add: Raw materials Purchased and Departmental Transfers etc.	84,968.63	1,00,334.42
	93,210.07	1,05,383.85
Less: Closing Stock of Raw Materials	5,888.15	8,241.44
	87,321.92	97,142.41
Consumption of Components (Including Job Processing and Contract Labour Charges ₹ 5,771.39 lakhs, Previous Year ₹ 5,298.30 lakhs)	62,076.77	53,712.41
Less Inter Segment Revenue	(18,847.52)	(14,701.21)
Total	1,30,551.17	1,36,153.61

Notes on Financial Statement

Note 1.31 Changes In Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress (₹ in Lakhs)

	For the period ended 31.03.2020	For the period ended 31.03.2019
Opening Stock		
Finished Goods	1,698.09	2,297.64
Work-in-Progress	21,869.00	14,824.81
	23,567.09	17,122.45
Add : Stock of Finished Goods acquired during the year of Urla unit	820.88	-
Total	24,387.97	17,122.45
Less : Closing Stock		
Finished Goods	5,095.33	1,698.09
Work-in-Progress	27,792.32	21,869.00
	32,887.65	23,567.09
(Increase) / Decrease in Stock	(8,499.68)	(6,444.64)

Note 1.32 Employee Benefit Expenses (₹ in Lakhs)

Particulars	For the period ended 31.03.2020	For the period ended 31.03.2019
a) Salaries ,Wages and Bonus	11,369.56	10,008.34
b) Contribution to provident and other funds		
i) Provident Fund and Pension Fund	760.49	675.28
ii) Superannuation Fund	50.90	52.37
iii) Gratuity	2.00	73.08
c) Share based payments to employees	-	(179.06)
d) Staff Welfare Expenses	592.44	688.73
e) VRS Expenses	1.17	6.65
Total	12,776.56	11,325.39

Note 1.33 Finance Costs (₹ in Lakhs)

Particulars	For the period ended 31.03.2020	For the period ended 31.03.2019
(a) Interest		
i) Banks	7,704.06	5,825.75
ii) Others	196.87	39.48
(b) Other Borrowing Costs	1,788.22	1,199.22
Total	9,689.15	7,064.45

Note 1.34 Depreciation and Amortization Expense (₹ in Lakhs)

	For the period ended 31.03.2020	For the period ended 31.03.2019
Depreciation on Tangible Assets	3,518.77	2,780.05
Depreciation on Intangible Assets	72.08	115.91
Total	3,590.85	2,895.96

Notes on Financial Statement

Note 1.35 Other Expenses

(₹ in Lakhs)

	For the period ended 31.03.2020		For the period ended 31.03.2019	
Consumption of stores and spares part		10,303.71		9,219.07
Power and Fuel		7,167.10		6,204.92
Rent		843.46		729.05
Repairs to buildings		524.77		623.02
Repairs to machinery		454.16		404.72
Repairs to others		130.94		95.77
Insurance		601.00		445.10
Rates and Taxes excluding taxes on Income		447.81		378.27
Freight,Packing and Transport		1,211.91		2,015.36
Erection Expenses		6,767.06		3,886.01
Drawings and Designs		2.33		4.05
Royalty & Knowhow		60.72		48.60
Research & Development		106.25		119.88
Selling Agents Commission		13.81		169.09
Selling Expenses		294.76		258.35
Director's Sitting Fees		25.40		15.50
Director's Commission		13.61		14.14
Payments to the Auditor				
As Auditor	20.75		21.92	
For Tax Audit	4.50		4.95	
For Quarterly Review	3.60		2.55	
For Fees for Other Services (incl for issuing various certificates)	8.75		6.30	
To Cost Auditor	1.85		1.64	
For Reimbursement of out of pocket expenses	4.64	44.09	3.63	40.99
Donation		200.70		1.91
CSR Expenses		62.96		52.66
Miscellaneous Expenses		3,380.35		3,079.89
Sundry Debit Balance Adjusted		1.14		25.19
Allowance for bad & doubtful debts		394.66		-
Bad Debt written off	2681.07		1,829.60	
Less: Allowance for bad & doubtful debts	(2582.63)	98.44	(1,126.43)	703.17
Net (gain)/loss on foreign currency transaction		(474.39)		(420.90)
Total		32,676.75		28,113.81

Note on CSR Expense:

- i) Gross amount required to be spent by the Company during the year: ₹ 82.79 Lakhs.
- ii) Amount spent in cash during the year on:

Particulars	In Cash	Total
i) Construction/acquisition of any asset	0.75	0.75
ii) On purposes other than (i) above	62.21	62.21
Total	62.96	62.96

Notes on Financial Statement

Note 1.36 Other Comprehensive Income

(₹ in Lakhs)

Particulars	For the period ended 31.03.2020	For the period ended 31.03.2019
(A) Items that will not be reclassified to profit or loss		
(i) Remeasurements of the defined benefit plans	17.60	(21.11)
(ii) Equity Instruments through Other Comprehensive Income;	(1,191.09)	(78.20)
	(1,173.49)	(99.31)
(B) Items that will be reclassified to profit or loss		
(i) Exchange differences in translating the financial statements of a foreign operation	(212.38)	102.05
Total	(212.38)	102.05

Note 1.37 Commitments and Contingent Liabilities

(₹ in Lakhs)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
(A) Commitments		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advance)	848.00	1,462.00
(B) Contingent Liabilities (not provided for) in respect of :		
(a) Guarantees given by Banks in the normal course of Business.	1,23,108.73	1,34,418.20
(b) Letters of Credit opened by Banks in the normal course of Business.	30,216.88	25,405.12
(c) Bonds issued to Custom Department	92.20	92.20
(d) Claims under dispute (Excise, Service Tax, Income Tax and others)	20,145.56	18,929.19
(e) Claims not acknowledged as debt (Amount unascertainable)	-	-
(f) Income Tax assessment under appeal (Amount unascertainable)	-	-

Note 1.38 Movement of Provisions during the year as required under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.

(₹ in Lakhs)

Particulars	Opening Provision as on 1.4.2019	Utilized during the year	Reversed during the year	Provision during the year	Closing provision as on 31.03.2020
(a) Site warranty period maintenance	183.99	--	--	--	183.99
(b) Others	943.98	--	151.00	657.77	1,450.75
Total	1,127.97	--	151.00	657.77	1,634.74
Previous Year	996.98	--	19.01	150.00	1,127.97

In accordance with the requirement of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" issued by the Companies (Accounting Standard) Rules 2006, the company has provided liability for other expenses amounting to ₹ 657.77 lakhs (Previous Year ₹ 150 lakh).

Site warranty period maintenance: - The Company gives warranties and maintenance on certain products and services, undertaking to repair, replace and maintain the items for satisfactory working during the warranty period. Provision as at 31st March 2020 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 1.39 In the opinion of the management, current assets, loans and advances have a value on realisation in the ordinary course of business unless otherwise stated, at least to the amount at which they are stated and the provisions for all known and determined liabilities is adequately provided.

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

Notes on Financial Statement

Note 1.41 RELATED PARTY DISCLOSURE

(a) Name of the Related Parties and Relationship

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

Relationship	Name of the Parties	
	2019-20	2018-19
A. Key Management Personnel	Mr. S. K. Poddar Executive Chairman Mr. Sandeep Fuller, Managing Director (Resigned w.e.f. 31 st March 2020) Mr. A.K. Vijay, Executive Director (Finance) & CFO Mr. D. H. Kela Executive Director & CEO (SF) Mr. G.C.Agrawal, ED & CEO (HED) (Resigned w.e.f. 31 st March 2020) Mr. Ravi Varma (Company Secretary) (Appointed w.e.f. 14 th December 2019)	Mr. S. K. Poddar Executive Chairman Mr. Sandeep Fuller, Managing Director (w.e.f. 15 th May 2018) Mr. A.K. Vijay, Executive Director (Finance) & CFO Mr. D. H. Kela Executive Director & CEO (SF) Mr. G.C.Agrawal, ED & CEO (HED) (w.e.f. 15 th May 2018) Mr. Ravi Varma (Company Secretary)
B. Relative of Key Management Personnel	Ms. Jyotsna Poddar (Wife 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. Shradha Agarwal (Daughter of Mr. S.K.Poddar)	Ms. Jyotsna Poddar (Wife 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. Shradha Agarwal (Daughter of Mr. S.K.Poddar)
C. Subsidiary Company	Belur Engineering Private Ltd. (100% of Capital held by Company) Texmaco Transtrak Private Ltd. (51.01% of Capital held by Company) Texrail SA (Pty) Ltd. (Subsidiary by way of control) Texmaco Rail Systems Pvt. Ltd (Formerly Texmaco Signalling Systems Pvt.Ltd) (100% of Capital held by Company)	Belur Engineering Private Ltd. (100% of Capital held by Company) Texmaco Defence Systems Pvt. Ltd. (51% of Capital held by Company) Texmaco Transtrak Private Ltd. (51.01% of Capital held by Company) Texrail SA (Pty) Ltd. (Subsidiary by way of control) Texmaco Rail Systems Pvt. Ltd (Formerly Texmaco Signalling Systems Pvt.Ltd) (100% of Capital held by Company)
D. Associate	Texmaco Defence Systems Pvt. Ltd. (41% of Capital held by Company)	-
E. Joint Ventures	Touax Texmaco Railcar Leasing Pvt. Ltd. (50% of Capital held by Company) Wabtec Texmaco Rail Pvt. Ltd. (40% of Capital held by Company) Kalindee Cobra JV Kalindee Kapoor Railcon JV Kalindee Karthik JV Kalindee VNC JV Kalindee IF&LS JV GMR TPL KRNL JV Kalindee Rahee JV Kalindee URC JV JMC – GPT – Vijaywargi – Bright Power JV JMC – Vijaywargi – Bright Power JV Bright – Vijaywargi JV Tata Projects – Kalindee JV Texmaco Rahee JV	Touax Texmaco Railcar Leasing Pvt. Ltd. (50% of Capital held by Company) Wabtec Texmaco Rail Pvt. Ltd. (40% of Capital held by Company) Kalindee Cobra JV Kalindee Kapoor Railcon JV Kalindee Karthik JV Kalindee VNC JV Kalindee IF&LS JV GMR TPL KRNL JV Kalindee Rahee JV Kalindee URC JV JMC – GPT – Vijaywargi – Bright Power JV JMC – Vijaywargi – Bright Power JV Bright – Vijaywargi JV Tata Projects – Kalindee JV
F. Group Company where Transaction Exists.	Duke Commerce Ltd. Adventz Securities Enterprises Ltd. Zuari Global Ltd. New Eros Tradecom Ltd. Master Exchange & Finance Ltd. Adventz Investments Co. Pvt. Ltd. Adventz Finance Pvt. Ltd. (Formerly Adventz Investments & Holding Pvt. Ltd.) Eureka Traders Pvt. Ltd. Abhishek Holdings Pvt. Ltd. Greenland Trading Pvt. Ltd. Indrakshi Trading Company Pvt. Ltd. Zuari Management Services Ltd. High Quality Steels Ltd. Lionel India Ltd. Lionel Edwards Ltd. Texmaco Infrastructure & Holdings Ltd. Indian Furniture Private Ltd. Paradeep Phosphate Ltd. Zuari Investments Ltd. Magnacon Electricals India Ltd.	Duke Commerce Ltd. Adventz Securities Enterprises Ltd. Zuari Global Ltd. New Eros Tradecom Ltd. Master Exchange & Finance Ltd. Adventz Investments Co. Pvt. Ltd. Adventz Finance Pvt. Ltd. (Formerly Adventz Investments & Holding Pvt. Ltd.) Eureka Traders Pvt. Ltd. Abhishek Holdings Pvt. Ltd. Greenland Trading Pvt. Ltd. Indrakshi Trading Company Pvt. Ltd. Zuari Management Services Ltd. High Quality Steels Ltd. Lionel India Ltd. Lionel Edwards Ltd. Texmaco Infrastructure & Holdings Ltd. Indian Furniture Private Ltd. Paradeep Phosphate Ltd. Zuari Investments 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 31.03.2020
Remuneration Paid							
- Mr. S. K. Poddar	-- (-)	-- (-)	-- (-)	-- (-)	379.26 (385.99)	379.26 (385.99)	53.85 (-)
- Mr. Sandeep Fuller (Resigned w.e.f. 31 st March 2020)	-- (-)	-- (-)	-- (-)	-- (-)	114.01 (121.85)	114.01 (121.85)	15.41 (-)
- Mr. A.K. Vijay	-- (-)	-- (-)	-- (-)	-- (-)	67.26 (76.94)	67.26 (76.94)	5.19 (-)
- Mr. D. H. Kela	-- (-)	-- (-)	-- (-)	-- (-)	126.68 (137.03)	126.68 (137.03)	10.53 (-)
- Mr. Girish Chandra Agrawal (Resigned w.e.f. 31 st March 2020)	-- (-)	-- (-)	-- (-)	-- (-)	56.31 (59.50)	56.31 (59.50)	6.31 (-)
- Mr. Ravi Varma (Appointed w.e.f. 14 th December 2019)	-- (-)	-- (-)	-- (-)	-- (-)	12.20 (17.19)	12.20 (17.19)	0.50 (-)
Transactions with Relative of Key Management Personnel							
- Mr. Akshay Poddar (Sitting Fees & Commission)	4.85 (3.50)	-- (-)	-- (-)	-- (-)	-- (-)	4.85 (3.50)	-- (-)
Investment							
- Touax Texmaco Railcar Leasing Pvt. Ltd.	-- (-)	-- (-)	-- (-)	450.00 (300.00)	-- (-)	450.00 (300.00)	4464.99 (4014.99)
- Texmaco Infrastructure & Holdings Ltd.	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	727.27 (1332.34)
- Wabtec Texmaco Rail Pvt. Ltd.	-- (-)	-- (-)	-- (-)	-- (240.00)	-- (-)	-- (240.00)	328.17 (328.17)
- Belur Engineering Pvt. Ltd.	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	10.00 (10.00)
- Texmaco Transtrak Pvt. Ltd.	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	0.51 (0.51)
- Texmaco Rail Systems Pvt. Ltd. (Formerly Texmaco Signalling Systems Pvt Ltd)	-- (-)	1.00 (-)	-- (-)	-- (-)	-- (-)	1.00 (-)	1.00 (-)
- Texmaco Defence Systems Pvt. Ltd.*	-- (-)	-- (-)	-1.00 (5.10)	-- (-)	-- (-)	-1.00 (5.10)	4.10 (5.10)
* M/s Texmaco Defence Systems Pvt. Ltd. ceased to be a Subsidiary w.e.f. 30 th March 2020.							
Loans & Advances Given							
- Belur Engineering Pvt. Ltd.	-- (-)	-1200.00 (1200.00)	-- (-)	-- (-)	-- (-)	-1200.00 (1200.00)	2990.00 (4190.00)
- Texmaco Transtrak Pvt. Ltd.	-- (-)	191.31 (157.00)	-- (-)	-- (-)	-- (-)	191.31 (157.00)	360.30 (169.00)
- Texmaco Defence Systems Pvt. Ltd.	-- (-)	-- (-)	11.22 (208.32)	-- (-)	-- (-)	11.22 (208.32)	219.54 (208.32)
- Bright-Vijaywargi-JV	-- (-)	-- (-)	-- (-)	234.90 (149.13)	-- (-)	234.90 (149.13)	149.40 (126.66)

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 31.03.2020
Loans & Advances Received / Repaid							
- Adventz Finance Pvt. Ltd.	4100.00 (-)	-- (-)	-- (-)	-- (-)	-- (-)	4100.00 (-)	5200.00 (1100.00)
- Adventz Securities Enterprises Ltd.	-150.00 (150.00)	-- (-)	-- (-)	-- (-)	-- (-)	-150.00 (150.00)	700.00 (850.00)
- Magnacon Electricals India Ltd.	800.00 (-)	-- (-)	-- (-)	-- (-)	-- (-)	800.00 (-)	800.00 (-)
Dividend Paid							
- Mr Saroj Kumar Poddar	-- (-)	-- (-)	-- (-)	-- (-)	12.06 (8.62)	12.06 (8.62)	-- (-)
- Ms Jyotsna Poddar	0.25 (0.18)	-- (-)	-- (-)	-- (-)	-- (-)	0.25 (0.18)	-- (-)
- Ms Puja Poddar	0.10 (0.07)	-- (-)	-- (-)	-- (-)	-- (-)	0.10 (0.07)	-- (-)
- Mr Akshay Poddar	0.05 (0.04)	-- (-)	-- (-)	-- (-)	-- (-)	0.05 (0.04)	-- (-)
- Ms Shradha Agarwal	0.05 (0.03)	-- (-)	-- (-)	-- (-)	-- (-)	0.05 (0.03)	-- (-)
- Abhishek Holdings Pvt. Ltd.	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)
- Adventz Securities Enterprises Ltd.	13.33 (9.52)	-- (-)	-- (-)	-- (-)	-- (-)	13.33 (9.52)	-- (-)
- Adventz Finance Pvt. Ltd.	29.32 (20.94)	-- (-)	-- (-)	-- (-)	-- (-)	29.32 (20.94)	-- (-)
- Adventz Investments Co. Pvt. Ltd.	10.62 (7.59)	-- (-)	-- (-)	-- (-)	-- (-)	10.62 (7.59)	-- (-)
- Duke Commerce Ltd.	26.30 (18.79)	-- (-)	-- (-)	-- (-)	-- (-)	26.30 (18.79)	-- (-)
- Eureka Traders Pvt. Ltd.	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)
- Greenland Trading Pvt. Ltd.	0.12 (0.09)	-- (-)	-- (-)	-- (-)	-- (-)	0.12 (0.09)	-- (-)
- Master Exchange & Finance Ltd.	0.05 (0.04)	-- (-)	-- (-)	-- (-)	-- (-)	0.05 (0.04)	-- (-)
- New Eros Tradecom Ltd.	2.58 (1.85)	-- (-)	-- (-)	-- (-)	-- (-)	2.58 (1.85)	-- (-)
- Indrakshi Trading Company Pvt. Ltd.	0.11 (0.08)	-- (-)	-- (-)	-- (-)	-- (-)	0.11 (0.08)	-- (-)
- Texmaco Infrastructure & Holdings Ltd.	191.10 (136.50)	-- (-)	-- (-)	-- (-)	-- (-)	191.10 (136.50)	-- (-)
- Zuari Investments Ltd.	101.37 (72.41)	-- (-)	-- (-)	-- (-)	-- (-)	101.37 (72.41)	-- (-)
- Zuari Global Ltd.	14.12 (10.09)	-- (-)	-- (-)	-- (-)	-- (-)	14.12 (10.09)	-- (-)

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 31.03.2020
- Mr D. H. Kela	-- (-)	-- (-)	-- (-)	-- (-)	0.11 (0.03)	0.11 (0.03)	-- (-)
- Mr Sandeep Fuller (resigned w.e.f. 31 st March 2020)	-- (-)	-- (-)	-- (-)	-- (-)	0.18 (0.08)	0.18 (0.08)	-- (-)
- Mr A.K. Vijay	-- (-)	-- (-)	-- (-)	-- (-)	0.18 (0.08)	0.18 (0.08)	-- (-)
- Mr Ravi Varma (appointed w.e.f: 14 th December 2019)	-- (-)	-- (-)	-- (-)	-- (-)	-- (0.01)	-- (0.01)	-- (-)
Dividend Received							
- Texmaco Infrastructure & Holdings Ltd.	4.70 (4.70)	-- (-)	-- (-)	-- (-)	-- (-)	4.70 (4.70)	-- (-)
Other							
- Adventz Finance Pvt. Ltd. (Rent Paid)	15.73 (15.73)	-- (-)	-- (-)	-- (-)	-- (-)	15.73 (15.73)	-- (-)
- Adventz Finance Pvt. Ltd. (Interest Paid)	515.23 (148.50)	-- (-)	-- (-)	-- (-)	-- (-)	515.23 (148.50)	105.10 (90.81)
- Adventz Securities Enterprises Ltd. (Interest Paid)	103.72 (94.83)	-- (-)	-- (-)	-- (-)	-- (-)	103.72 (94.83)	22.55 (71.75)
- Magnacon Electricals India Ltd. (Interest Paid)	68.11 (-)	-- (-)	-- (-)	-- (-)	-- (-)	68.11 (-)	68.11 (-)
- High Quality Steels Ltd. (Services Received)	492.43 (630.61)	-- (-)	-- (-)	-- (-)	-- (-)	492.43 (630.61)	-- (57.74)
- Lionel India Ltd. (Services Received)	151.64 (241.10)	-- (-)	-- (-)	-- (-)	-- (-)	151.64 (241.10)	60.36 (60.88)
- Lionel Edwards Ltd. (Services Received)	37.22 (5.79)	-- (-)	-- (-)	-- (-)	-- (-)	37.22 (5.79)	9.77 (0.58)
- Indian Furniture Private Ltd. (Purchase of Goods)	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	2.34 (2.34)
- Zuari Management Services Ltd. (Services Received)	335.27 (235.30)	-- (-)	-- (-)	-- (-)	-- (-)	335.27 (235.30)	53.87 (54.64)
- Texmaco Infrastructure & Holdings Ltd. (Rent Received)	0.72 (0.72)	-- (-)	-- (-)	-- (-)	-- (-)	0.72 (0.72)	-- (-)
- Texmaco Infrastructure & Holdings Ltd. (Rent Paid)	68.74 (68.74)	-- (-)	-- (-)	-- (-)	-- (-)	68.74 (68.74)	114.60 (40.35)
- Texmaco Infrastructure & Holdings Ltd. (Services Received)	149.09 (-)	-- (-)	-- (-)	-- (-)	-- (-)	149.09 (-)	26.54 (-)
- Wabtec Texmaco Rail Pvt. Ltd. (Sale of Goods)	-- (-)	-- (-)	-- (-)	516.35 (225.47)	-- (-)	516.35 (225.47)	330.34 (47.28)
- Wabtec Texmaco Rail Pvt. Ltd. (Purchase of Goods)	-- (-)	-- (-)	-- (-)	1590.60 (1468.61)	-- (-)	1590.60 (1468.61)	282.81 (198.45)
- Wabtec Texmaco Rail Pvt. Ltd. (Sale of Services)	-- (-)	-- (-)	-- (-)	209.36 (253.12)	-- (-)	209.36 (253.12)	29.20 (27.08)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Sale of Goods & Services)	-- (-)	-- (-)	-- (-)	4228.11 (4762.86)	-- (-)	4228.11 (4762.86)	112.45 (113.17)

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 31.03.2020
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Rent Received)	-- (--)	-- (--)	-- (--)	1.37 (0.05)	-- (--)	1.37 (0.05)	-- (--)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Deposit Against Order)	-- (--)	-- (--)	-- (--)	700.56 (2204.37)	-- (--)	700.56 (2204.37)	1964.72 (2204.37)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Interest receivable against CCD given)	-- (--)	-- (--)	-- (--)	301.35 (245.00)	-- (--)	301.35 (245.00)	491.71 (205.00)
- Paradeep Phosphate Ltd (Rent Received)	7.69 (8.86)	-- (--)	-- (--)	-- (--)	-- (--)	7.69 (8.86)	-- (0.82)
- Belur Engineering Pvt. Ltd (Rent Received)	-- (--)	0.05 (0.05)	-- (--)	-- (--)	-- (--)	0.05 (0.05)	-- (--)
- Belur Engineering Pvt. Ltd (Rent Paid)	-- (--)	330.55 (330.55)	-- (--)	-- (--)	-- (--)	330.55 (330.55)	-- (--)
- Belur Engineering Pvt. Ltd (Interest received against ICD given)	-- (--)	322.30 (335.74)	-- (--)	-- (--)	-- (--)	322.30 (335.74)	-- (--)
- Belur Engineering Pvt. Ltd (Interest paid against ICD given)	-- (--)	-- (16.18)	-- (--)	-- (--)	-- (--)	-- (16.18)	-- (--)
- Texmaco Defence Systems Pvt. Ltd. (Rent Received)	-- (--)	-- (--)	0.05 (0.05)	-- (--)	-- (--)	0.05 (0.05)	-- (0.05)
- Texmaco Defence Systems Pvt. Ltd. (Interest Received)	-- (--)	-- (--)	26.40 (8.37)	-- (--)	-- (--)	26.40 (8.37)	33.93 (7.53)
- Texmaco Transtrak Private Ltd. (Rent Received)	-- (--)	3.04 (--)	-- (--)	-- (--)	-- (--)	3.04 (--)	1.52 (--)
- Texmaco Transtrak Private Ltd. (Interest Received)	-- (--)	30.22 (5.28)	-- (--)	-- (--)	-- (--)	30.22 (5.28)	35.50 (5.28)
- Texmaco Rail Systems Private Ltd. (Rent Received)	-- (--)	0.07 (--)	-- (--)	-- (--)	-- (--)	0.07 (--)	-- (--)
- JMC-Vijaywargi-Bright Power JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	-- (144.89)	-- (--)	-- (144.89)	264.39 (264.39)
- Bright-Vijaywargi JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	5536.84 (3853.34)	-- (--)	5536.84 (3853.34)	1570.70 (1075.12)
- Bright-Vijaywargi JV (Mobilization Advance Received)	-- (--)	-- (--)	-- (--)	637.82 (--)	-- (--)	637.82 (--)	196.88 (--)
- JMC-GPT-Vijaywargi-Bright Power JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	120.52 (120.52)
- JMC-Vijaywargi-Bright Power JV (Amount paid on behalf of JV)	-- (--)	-- (--)	-- (--)	-- (0.42)	-- (--)	-- (0.42)	1.15 (1.15)
- JMC-GPT-Vijaywargi-Bright Power JV (Amount paid on behalf of JV)	-- (--)	-- (--)	-- (--)	-- (0.30)	-- (--)	-- (0.30)	2.45 (2.45)
- Kalindee Cobra JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	1244.80 (2846.77)	-- (--)	1244.80 (2846.77)	870.44 (1966.64)
- Kalindee Cobra JV (Amount paid by the company on behalf of others)	-- (--)	-- (--)	-- (--)	0.60 (15.15)	-- (--)	0.60 (15.15)	-- (--)
- Kalindee IL & FS JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	685.33 (2295.11)	-- (--)	685.33 (2295.11)	2406.91 (2569.29)

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 31.03.2020
- Kalindee Kapoor Railcon JV (Sale of Goods)	-- (-)	-- (-)	-- (-)	2282.72 (7812.73)	-- (-)	2282.72 (7812.73)	2279.31 (5700.33)
- Kalindee Kapoor Railcon JV (Amount paid on behalf of the company)	-- (-)	-- (-)	-- (-)	12.66 (0.05)	-- (-)	12.66 (0.05)	-- (-)
- Kalindee Karthik JV (Sale of Goods)	-- (-)	-- (-)	-- (-)	(4.78) (-)	-- (-)	(4.78) (-)	401.46 (406.24)
- Kalindee Rahee JV (Amount paid by the company on behalf of others)	-- (-)	-- (-)	-- (-)	1386.49 (655.72)	-- (-)	1386.49 (655.72)	2364.64 (1845.25)
- Kalindee URC JV (Sale of Goods)	-- (-)	-- (-)	-- (-)	363.69 (816.84)	-- (-)	363.69 (816.84)	223.35 (1173.95)
- Kalindee URC JV (Amount paid by the company on behalf of others)	-- (-)	-- (-)	-- (-)	2.81 (0.25)	-- (-)	2.81 (0.25)	-- (-)
- Kalindee VNC JV (Amount paid by the company on behalf of others)	-- (-)	-- (-)	-- (-)	178.79 (426.18)	-- (-)	178.79 (426.18)	1604.02 (1791.12)
- GMR TPL KRNL JV (Sale of Goods)	-- (-)	-- (-)	-- (-)	170.43 (3321.01)	-- (-)	170.43 (3321.01)	1270.02 (2956.11)
- Tata Projects- Kalindee JV (Sale of Goods)	-- (-)	-- (-)	-- (-)	529.95 (801.71)	-- (-)	529.95 (801.71)	112.88 (325.08)
- Texmaco SA (Pty) Ltd. (Services Received)	-- (-)	73.01 (8.45)	-- (-)	-- (-)	-- (-)	73.01 (8.45)	5.77 (8.45)
- Texmaco-Rahee JV (Sale of Goods)	-- (-)	-- (-)	-- (-)	378.25 (-)	-- (-)	378.25 (-)	67.24 (543.11)
Corporate Guarantee Given							
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Against Sale of Wagons)	-- (-)	-- (-)	-- (-)	-- (-585.37)	-- (-)	-- (-585.37)	1706.39 (941.80)
Corporate Guarantee Received							
- Texmaco Infrastructure & Holdings Ltd. (Against Cash Credit facility)	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	5000.00 (5000.00)
- Belur Engineering Pvt. Ltd. (Against Term Loan facility)	-- (-)	4800.00 (-)	-- (-)	-- (-)	-- (-)	4800.00 (-)	4800.00 (-)

Note: Figures in brackets are for previous financial year.

Notes on Financial Statement

Note 1.42 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 ₹ 10.04 Lakhs Adjusted Profit: ₹ (7,979.94) Lakhs Standalone - Basic : ₹ (2.93) EPS - Diluted : ₹ (2.93)
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 Ordinary 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 : ₹ 72.50/-

Notes on Financial Statement

(A) Employees Stock Option Scheme (Contd..)

Sl No	Particulars	Employee Stock Option Scheme 2014		
11	Option movement during the year			
	Options outstanding at the beginning of the year			1,58,825
	Options granted during the year			NIL
	Options cancelled and lapsed during the year			1,11,725
	Options vested and exercisable during the year (net of option lapsed and exercised)			47,100
	Options exercised during the year			24,600
	Number of ordinary Shares of ₹ 1/- each arising as a result of exercise of options during the year			24,600
	Options outstanding at the end of the year			22,500
	Options exercisable at the end of the year			22,500
	Money realised by exercise of the Options during the year			10,08,600
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 Stakeholders Relationship Committee) for the year ended 31 st 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)	10,11,424	₹ 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 significant assumptions used to ascertain the above.	<p>The fair value of each Option is estimated using the Black Scholes Option Pricing model.</p> <p>Weighted average exercise price per Option : ₹ 41/-</p> <p>Weighted average fair value per Option : ₹ 97/-</p> <p>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 :</p> <p>(i) Risk – free Interest rate 8.01%</p> <p>(ii) Expected life 25 months</p> <p>(iii) Expected volatility 26.39%</p> <p>(iv) Expected dividends 10%</p> <p>(v) The Price of underlying shares in market at the time of option grant ₹ 97/-</p>		

Notes on Financial Statement

(A) Employees Stock Option Scheme (Contd..)

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 2020

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. U. Banerjee	40,000	Sr. Vice President E & M (HME & Strls)
7	Mr. P. C. Kejriwal	16,875	CFO, Kalindee Division
8	Mr. Ravi Varma	8,438	GM (Corp. Affairs) & Company Secretary
9	Others	11,08,562	-

Note 1.43 Earning Per Share – The Numerator and Denominator used to calculate basic/ diluted earning per share

(₹ in Lakhs)

Particulars		2019-20	2018-19
Net Profit for the period from ordinary activities attributable to equity shareholders (Excluding Preference Share Dividend) – used as numerator.	₹ in Lakhs	(6,584.03)	7,527.98
Weighted average number of Equity share outstanding used as denominator for Basic earning per share.	Number	22,48,57,832	21,99,89,414
Number of Equity share on account of Employee Stock Option Scheme	Number	24,600	-
Weighted Average Number of Equity share on account of Employee Stock Option Scheme	Number	23,050	-
Weighted Average Number of Equity share on account of merger of Bright Power Projects (India) Pvt. Ltd.	Number	-	47,85,300
Weighted Average Number of Equity share used on denominator for Diluted Earning Per Share	Number	22,48,57,832	22,47,74,714
(A) Basic Earning per share (face value of ₹ 1/- each)	₹	(2.93)	3.42
(B) Diluted Earning per share (face value of ₹ 1/- each)	₹	(2.93)	3.35

Notes on Financial Statement

Note 1.44 Interest in Joint Venture (JV)

Particulars of the Company's interest in Jointly Controlled Entities are as below:

(₹ in Lakhs)

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

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

The company's share in assets, liabilities, income and expense in the above jointly controlled entities as at and for the year ended 31st March 2020 is as follows:

(₹ in Lakhs)

Name of Joint Venture	Company's share in				
	Assets	Liabilities	Income	Expenses	Profit/ (Loss)
TouaxTexmaco Railcar Leasing Pvt. Ltd	10,701.76 (8,746.52)	6,169.72 (4,903.12)	1,201.36 (876.92)	884.66 (594.49)	316.70 (224.83)
Wabtec Texmaco Rail Pvt. Ltd	1,795.76 (1,006.65)	1,346.55 (661.88)	1,764.77 (1,894.52)	1,633.48 (1,849.97)	105.92 (37.16)

Note: Figures in bracket are of previous year figure

Note 1.45 Employee Benefits Obligation :

The Company accounts for Gratuity, Leave and Provident Fund Liability at actuarial valuation at the end of the year i.e. 31st March. Accordingly these Liabilities have been computed by the actuary as at 31st March 2020.

Defined benefits Plans – As per Actuarial valuation as on 31st March 2020

(₹ in Lakhs)

Sl No.	Particulars	Funded Gratuity 2019-20	Funded Gratuity 2018-19	Unfunded Leave 2019-20	Unfunded Leave 2018-19
A	Amount Recognised in Balance Sheet				
	Present Value of defined benefit obligations	2,617.23	2,107.65	499.46	366.34
	Fair Value of Plan Assets	2,477.06	2,054.62	-	-
	Net asset / (liability) recognized in Balance Sheet	(140.17)	(53.03)	(499.46)	(366.34)
B	Change in Present Value of Obligations				
	Present Value of Obligation as at the beginning of the year	2,107.65	2,400.13	366.34	314.84
	Current Service Cost	195.48	181.86	67.51	76.02
	Interest (Income) / Cost	174.98	180.41	30.50	23.95
	Re- measurement (or Actuarial) (Gain)/Loss arising from :-	-	-	-	-
	change in demographic assumptions	20.36	-	26.65	-
	change in financial assumptions	44.62	14.93	5.64	2.67
	experience variance (i.e. Actual experience vs. assumptions)	(111.77)	154.73	(7.29)	(10.71)
	Past Service Cost	-	(299.60)	-	-
	Benefits Paid	(131.19)	(524.81)	(42.18)	(40.44)
	Acquisition Adjustment	317.10	-	52.29	-
	Present Value of Obligation as at the end of the year	2,617.23	2,107.65	499.46	366.34
C	Changes in the Fair Value of Plan Assets				
	Fair Value of Plan Assets as at the beginning of the year	2,054.62	2,312.16	-	-
	Investment Income	150.33	174.07	-	-
	Employer's Contribution	367.53	97.50	8.45	17.52

Notes on Financial Statement

Note 1.45 Employee Benefits Obligation : (Contd..)

Defined benefits Plans – As per Actuarial valuation as on 31st March 2020(Contd..)

(₹ in Lakhs)

Sl No.	Particulars	Funded Gratuity 2019-20	Funded Gratuity 2018-19	Unfunded Leave 2019-20	Unfunded Leave 2018-19
	Employee's Contribution	-	-	-	-
	Benefits paid	(131.20)	(523.98)	(8.45)	(17.52)
	Return on plan assets , excluding amount recognised in net interest expense	35.78	(5.13)	-	-
	Fair Value of Plan Assets at the end of the year	2,477.06	2,054.62	-	-
D	Expenses Recognised in the Income Statement				
	Current Service Cost	195.48	181.86	67.51	76.02
	Past Service Cost	-	(299.60)	-	-
	Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	174.98	180.41	30.50	23.95
	change in demographic assumptions	20.36	-	26.65	-
	change in financial assumptions	44.62	14.93	5.64	2.67
	experience variance (i.e. Actual experience vs assumptions)	(111.77)	154.73	(7.29)	(10.71)
	Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-	41.31	1.07
	Expenses Recognised in the Income Statement	323.67	232.33	164.32	93.00
E	Other Comprehensive Income				
	Actuarial (gains) / losses arising from				
	change in demographic assumptions	20.36	-	26.65	-
	change in financial assumptions	44.62	14.93	5.64	2.67
	experience variance (i.e. Actual experience vs assumptions)	(111.77)	154.73	(7.29)	(10.71)
	Return on plan assets, excluding amount recognised in net interest expense	(35.78)	5.13	-	-
	Components of defined benefit costs recognised in other comprehensive income	(82.57)	174.79	25.00	(8.04)
F	Major categories of Plan Assets (as percentage of Total Plan Assets)				
	Government of India securities	-	-	-	-
	State Government securities	-	-	-	-
	High quality corporate bonds	-	-	-	-
	Equity shares of listed companies	-	-	-	-
	Property	-	-	-	-
	Special Deposit Scheme	-	-	-	-
	Funds managed by Insurer	100%	100%	-	-
	Bank balance	-	-	-	-
	Other Investments	-	-	-	-
	Total	100%	100%	-	-

H) Assumptions

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

The significant actuarial assumptions were as follows:

Financial Assumptions	Gratuity		Leave	
	2020	2019	2020	2019
Discount rate (per annum)	6.50%	7.30%	6.50%	7.30%
Salary growth rate (per annum)	5.00%	5.00%	5.00%	5.00%

Notes on Financial Statement

Note 1.45 Employee Benefits Obligation : (Contd..)

Demographic Assumptions	Gratuity		Leave	
	2020	2019	2020	2019
Mortality Rate (% of IALM 06-08)	100%	100%	100%	100%
Withdrawal rates, based on age: (per annum)				
Up to 30 years	3.00%	3.00%	3.00%	3.00%
31 - 44 years	2.00%	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%	1.00%
Rate of Leave Availment (per annum)	NA	NA	0.00%	0.00%
Rate of Leave Encashment during employment (P.A.)	NA	NA	0.00%	0.00%

i) Sensitivity

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

(₹ in Lakhs)

Particulars		Discount Rate (- / + 1%)	Salary Growth Rate (- / + 1%)	Attrition Rate (- / + 50% of attrition rates)	Mortality Rate (- / + 10% of mortality rates)
Gratuity					
Increase/ (Decrease) in Liability	31.03.2020	(215.18)	(415.98)	(508.41)	(322.05)
Increase/ (Decrease) in Liability	31.03.2020	(413.66)	(214.49)	(494.54)	(317.33)
Increase/ (Decrease) in Liability	31.03.2019	106.76	(99.27)	(162.88)	(1.78)
Increase/ (Decrease) in Liability	31.03.2019	(95.36)	108.37	(138.54)	1.74
Leave					
Increase/ (Decrease) in Liability	31.03.2020	(117.44)	(155.94)	(250.06)	(140.26)
Increase/ (Decrease) in Liability	31.03.2020	(154.59)	(116.17)	(246.75)	(133.86)
Increase/ (Decrease) in Liability	31.03.2019	25.60	(23.52)	(56.45)	0.29
Increase/ (Decrease) in Liability	31.03.2019	(22.00)	26.97	(46.55)	(0.48)

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

Expected cash flows over the next (valued on undiscounted basis):	Gratuity		Leave	
	2020	2019	2020	2019
1 Year	808.42	518.68	117.99	87.98
2 to 5 years	1,048.92	1,049.32	178.46	124.01
6 to 10 years	886.66	705.27	178.38	139.21
More than 10 years	980.26	1,035.32	278.64	378.95

k) Risk Exposure

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

Notes on Financial Statement

Note 1.46 Amount Remitted During the Year to Non-Resident Shareholders on Account of Dividend (As Certified by the Management)

(₹ in Lakhs)

Particulars	2019-20	2018-19
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	2018-19	2017-18

Note 1.47 Value of Raw Materials and Stores Consumed (Including Components and Spare Parts) Services Etc.

(₹ in Lakhs)

Particulars	2019-20	%	2018-19	%
Imported	11,035.11	6.91%	5,857.50	3.66%
Indigenous	1,48,667.29	93.09%	1,54,216.39	96.34%
Total	1,59,702.40	100.00	1,60,073.89	100.00

Note 1.48 Value of Imports on C.I.F. Basis

(₹ in Lakhs)

Particulars	2019-20	2018-19
Raw Materials	3,282.98	376.07
Components, Spare Parts and Stores	3,221.96	7,099.71
Capital Goods	-	383.67
Total	6,504.94	7,859.45

Note 1.49 Analysis of Raw Material Consumed

(₹ in Lakhs)

Particulars	2019-20	2018-19
M.S. & C.I. Scrap	4,305.77	4,841.15
Plates & Sheets	74,857.33	90,638.56
Rounds, Bars & Flats	32.95	56.41
Structural	8,125.87	1,606.29
Total	87,321.92	97,142.41

Note 1.50 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 1.51 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 reasonably certain.

Note 1.52 Expenditure in Foreign Currency

(₹ in Lakhs)

Particulars	2019-20	2018-19
R & D Expenses	8.44	15.61
Travelling and Others	213.60	142.50
Fees & Subscription	5.96	6.30
General Charges (Charity & Donation, AAR Audit Fee, Books & Periodicals)	0.21	5.29
Total	228.21	169.70

Notes on Financial Statement

Note 1.53 Income in Foreign Exchange

(₹ in Lakhs)

Particulars	2019-20	2018-19
Export of Goods (F.O.B.)	14,506.79	15,645.64

Note 1.54 Details of Inventory of Work in Progress

(₹ in Lakhs)

Particulars	2019-20	2018-19
Work-in- Process		
- Heavy Engineering Division	10,737.54	9,721.98
- Steel Foundry Division	9,167.58	5,669.00
- Rail EPC Division	7,887.20	6,478.02
Total	27,792.32	21,869.00

Note 1.55 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	2019-20	2018-19
(a) Un-hedged foreign currency exposure as at 31 st March 2020 – Payables Euro: 34,90,916, USD: 86,89,006 (Previous Year: Euro: 25,08,212 & USD: 40,56,276 & ZAR: 1,74,247)	9,463.97	4,845.22
(b) Un-hedged foreign currency exposure as at 31 st March 2020 – Receivable. Euro: -16,11,772, USD- 30,70,947, JPY- 8,10,00,720, AUD- 15,58,940 and NRS: -1,02,42,611 (Previous Year: Euro: 24,75,704, USD: 44,93,685, AUD: 16,81,883, NRS: 9,26,88,224 & JPY: 7,17,15,347)	5,107.23	6,396.96

Note 1.56 Details of Income/ Expenses Disclosed on Net Basis

(₹ in Lakhs)

Particulars	2019-20	2018-19
1 Profit/ Loss on sale of Property, Plant & Equipments		
Profit	79.18	149.33
Loss	0.43	3.00
Net	78.75	146.33
2 Profit on sale of current investment		
Mutual Funds & Others		
Profit	12.97	199.73
Loss	7.68	25.45
Net	5.29	174.28

Notes on Financial Statement

Note 1.57 Disclosure Pursuant to Ind AS 111 Joint Arrangements

Name of Joint venture	Description of Interest/ (Description of Job)	Country of Residence
Kalindee Kartik JV	Jointly controlled operations (civil work and signaling at Sini Jharkhand, SE Railway) – 80%	India
Kalindee Kapoor 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 Kolkata, 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 Bangaluru and Delhi, India respectively) – 50%	India
Kalindee URC JV	Jointly controlled operations (civil work and signaling of RVNL Project in the state of Tamilnadu, India) – 50%	India
Tata projects – Kalindee JV	Jointly controlled operations (civil, signaling and electrification work of RVNL Project in the state of Assam, India) – 10%	India
JMC-GPT-Vijaywargi-Bright Power JV	Joint Operations (S & T OHE & General Electrical Works, Tamluk Basuliya, West Bengal) BPP-12.032%	India
JMC-Vijaywargi-Bright Power Joint Venture	Joint Operations (S & T OHE & General Electrical Works, Jaroli Basantpur, Orissa) BPP-16.58%	India
Bright-Vijaywargi	Joint Operations (25KV, 50 HZ Single phase traction, OHE, Scada, Gen. Ele. Works, - Civil Works between Jakhal-Hissar BPP-82%, VIJAYWARGI -18%	India
Bright-Vijaywargi	Joint Operations (25KV, 50 HZ Single phase traction, OHE, Switching Stn, Traction Sub Station, Scada, Gen. Ele. Works, Civil Works between Rajpura-Dhuri-Lehera-Mohabbat BPP-82%, VIJAYWARGI -18%	India

Notes on Financial Statement

Note 1.58 Leases

Effective 1st April 2019, the Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on 1st April 2019 using the modified retrospective method. Consequently, the Company recorded the right of use asset and lease liability at the present value of the lease payments discounted at the incremental borrowing rate wherever applicable. Comparatives as at and for the year ended 31st March 2019 have not been retrospectively adjusted and therefore will continue to be reported under the accounting Ind AS 17.

Note 1.59 Financial Risk Management Objectives and policies-

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

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

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

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

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

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

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

C. Interest Risk – Interest Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of change in market interest rates related primarily to the company's short term borrowing (excluding commercial paper) with floating interest rates. For all long term borrowings with floating rates, the risk of variation in the interest rates is mitigated through interest rate swaps. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve 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 an forex exposure will fluctuate because of changes in foreign exchange rates is defined as Foreign Currency Risk. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's export, import and foreign currency loan/ derivatives operating activities. The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange exposure. The management monitors the foreign exchange fluctuations on a continuous basis.

Notes on Financial Statement

Note 1.59 Financial Risk Management Objectives and policies- (Contd..)

- (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.

(₹ in Lakhs)		
Particulars	As at 31.03.2020	As at 31.03.2019
Foreign Currency (Payable) / Receivable (net) – EURO	(1,555.37)	(25.27)
Foreign Currency (Payable) / Receivable (net) - USD	(4,250.97)	303.04
Impact		
- EURO/INR- Increase by 10%	(15.55)	(2.53)
- EURO/INR- Decrease by 10%	15.55	2.53
USD/INR- Increase by 10%	(42.51)	30.30
USD/INR- Decrease by 10%	42.51	(30.30)

- 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 1.60 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 24,600 Equity Shares to its employees under Employee Stock Option Scheme.

Note 1.61 Fair Value

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

Notes on Financial Statement

Note 1.62 Financial Instruments

A. Accounting classification and fair values

(₹ In Lakhs)

31 st March 2020	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial Assets (Long Term)								
- Investments	-	1,811.76	4,808.77	6,620.53	1,811.76	4,808.77	-	6,620.53
- Loans & Advances	-	-	578.05	578.05	-	-	578.05	578.05
- Bank Balances	-	-	1,109.34	1,109.34	-	-	1,109.34	1,109.34
- Others	-	-	103.60	103.60	-	-	103.60	103.60
Financial Assets (Short Term)								
- Investments	3,335.86	-	-	3,335.86	3,335.86	-	-	3,335.86
- Trade Receivable	-	-	64,453.84	64,453.84	-	-	64,453.84	64,453.84
- Cash and cash equivalents	-	-	1,658.41	1,658.41	-	-	1,658.41	1,658.41
- Bank Balances & Others	-	-	6,684.65	6,684.65	-	-	6,684.65	6,684.65
- Loans & Advances	-	-	4,856.50	4,856.50	-	-	4,856.50	4,856.50
Total	3,335.86	1,811.76	84,253.16	89,400.78	5,147.62	4,808.77	79,444.39	89,400.78
Financial liabilities (Long Term)								
- Borrowings	-	-	5,269.99	5,269.99	-	-	5,269.99	5,269.99
Financial liabilities (Short Term)								
- Borrowings	-	-	69,710.54	69,710.54	-	-	69,710.54	69,710.54
- Trade Payable	-	-	55,412.12	55,412.12	-	-	55,412.12	55,412.12
- Other Financial Liabilities	-	-	5,473.25	5,473.25	-	-	5,473.25	5,473.25
Total	-	-	1,35,865.90	1,35,865.90	-	-	1,35,865.90	1,35,865.90

(₹ In Lakhs)

31 st March 2019	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial Assets (Long Term)								
- Investments	-	3,002.84	4,358.77	7,361.61	3,002.84	4,358.77	-	7,361.61
- Loans & Advances	-	-	141.44	141.44	-	-	141.44	141.44
- Bank Balances	-	-	607.45	607.45	-	-	607.45	607.45
- Others	-	-	71.52	71.52	-	-	71.52	71.52
Financial Assets (Short Term)								
- Investments	6,951.47	-	-	6,951.47	6,951.47	-	-	6,951.47
- Trade Receivable	-	-	81,545.82	81,545.82	-	-	81,545.82	81,545.82
- Cash and cash equivalents	-	-	1,053.92	1,053.92	-	-	1,053.92	1,053.92
- Bank Balances & Others	-	-	3,600.96	3,600.96	-	-	3,600.96	3,600.96
- Loans & Advances	-	-	5,154.02	5,154.02	-	-	5,154.02	5,154.02
Total	6,951.47	3,002.84	96,533.90	1,06,488.21	9,954.31	4,358.77	92,175.13	1,06,488.21
Financial liabilities (Long Term)								
- Borrowings	-	-	5,014.10	5,014.10	-	-	5,014.10	5,014.10
Financial liabilities (Short Term)								
- Borrowings	-	-	53,602.15	53,602.15	-	-	53,602.15	53,602.15
- Trade Payable	-	-	55,643.97	55,643.97	-	-	55,643.97	55,643.97
- Other Financial Liabilities	-	-	3,464.84	3,464.84	-	-	3,464.84	3,464.84
Total	-	-	1,17,725.06	1,17,725.06	-	-	1,17,725.06	1,17,725.06

* The carrying value and the fair value approximates.

Notes on Financial Statement

Note 1.62 Financial Instruments (Contd..)

A. According classification and fair values (Contd..)

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 1.63 Tax Expense

(₹ in Lakhs)

Particulars	For the Year Ended	
	31.03.2020	31.03.2019
a) Tax Expense		
Current Tax		
- Current tax on profits for the year	747.00	1,794.45
- Adjustments for current tax of prior periods	(110.78)	126.20
- Total current tax expense	636.22	1,920.65
Deferred Tax		
- Decrease/(increase) in deferred tax assets	(3,702.16)	896.02
- (Decrease)/increase in deferred tax liabilities	36.86	270.56
- Total deferred tax expenses/(benefit)	(3,665.30)	1,166.58
MAT credit entitlement	(258.00)	(1,794.45)
Tax Expense	(3,287.08)	1,292.78
b) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate		
Profit before tax	(9,871.11)	8,820.76
Tax at the Indian tax rate of 34.944% (previous year - 34.994%)	(3,449.36)	3,082.33
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Corporate social responsibility expenditure	22.00	18.40
- Disallowance of estimated expenditure to earn tax exempt income	10.83	10.83
- Others	160.74	120.21
Tax effect of amounts which are deductible (non-taxable) in calculating taxable income		
- Weighted deduction on R&D expenses	(18.56)	(8.74)
- Income from Investment	(78.97)	(191.84)
- Income from rented property	(38.49)	(18.64)
- Others	(27.61)	(584.26)
Tax effect of other adjustment		
- Income tax for earlier years	(110.78)	126.20
- MAT Credit/carry forward losses adjustment & Others	243.12	(1,261.71)
Tax Expense	(3,287.08)	1,292.78

Notes on Financial Statement

Note 1.64: Information on Segment Working is given below:

(₹. in Lakhs)

Particulars	2019-20				2018-19			
	Heavy Engg. Division	Steel Foundry	Rail EPC	Total	Heavy Engg. Division	Steel Foundry	RailEPC	Total
	1	2	3	4(1+2+3)	1	2	3	4(1+2+3)
Revenue (Net of GST)								
Gross Sales	83,642.51	34,781.42	82,449.14	200,873.07	78,093.80	26,558.66	94,902.55	199,555.01
Internal-Segment Sales	(1,810.74)	(17,036.78)	-	(18,847.52)	(1,892.21)	(12,809.00)	-	(14,701.21)
Other Operating Revenue	1,154.43	-	-	1,154.43	441.98	320.89	199.71	962.58
Total	82,986.20	17,744.64	82,449.14	183,179.98	76,643.57	14,070.55	95,102.26	1,85,816.38
Result								
Segment Result	3,071.59	4,026.80	4,231.55	11,329.94	2,012.80	2,949.31	8,259.54	13,221.65
Others (Net of Unallocated Expenses)				421.13				498.36
Operating Profit/(Loss)				11,751.07				13,720.01
Interest Expense				(7,900.93)				(5,865.23)
Interest Income				1,270.72				965.98
Total Profit/(Loss) before Tax				5,120.86				8,820.76
Provision for Current Tax				(489.00)				-
Provision for Deferred Tax				3,665.30				(1,166.58)
Income Tax for Earlear Year				110.78				(126.20)
Profit/(Loss) from ordinary activities				8,407.94				7,527.98
Extra ordinary items				(14,991.97)				-
Net Profit/(Loss)				(6,584.03)				7,527.98
Other Information								
Segment Assets	97,537.99	46,204.23	1,35,121.26	2,78,863.48	96,538.43	30,873.17	1,28,878.91	2,56,290.51
Unallocated Corporate assets				9,956.39				14,313.08
Total Assets				2,88,819.87				2,70,603.59
Segment liabilities	58,034.10	19,387.91	1,08,606.89	1,86,028.90	55,473.48	10,452.53	90,652.32	1,56,578.33
Total Liabilities				1,86,028.90				1,56,578.33
Capital expenditure				7,359.05				5,386.84
Depreciation				3,590.85				2,895.96
Non-cash expenses other than depreciation				494.24				728.36

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

Note No. 1.65 Exceptional Items - During the accounting year Rail EPC Division - Kalindee has completed/ brought close to completion number of legacy contracts. As a result of such progress, a broad review of impairment of Assets including receivables and costs to completion has been carried out and amounts outstanding against Trade Receivables, unbilled revenue and contractual reimbursement expenses have been evaluated. On the basis of such review, the Management has decided to provide for impairments as ascertainable at this stage.

Note No. 1.66 COVID-19 Impact - An unprecedented catastrophe in the form of pandemic COVID-19 has emerged as a disastrous global challenge and our Company too has not been left unscathed from its onslaught. The Company has resumed operations in a skeleton manner from 4th May 2020 and thereafter in a phased manner is streamlining the operations, complying with all the prescribed safety standards and expects to achieve near normalcy in its operations by early 2nd quarter.

While the operations were hobbling back to some resemblance, the eastern Part of India suffered another serious setback in the form of Super Cyclone 'Amphan' which caused widespread destruction of life & property specially in the state of West Bengal,

Notes on Financial Statement

where the Company's five (5) plants are located. As a result, the operations received another setback with severe damage to buildings and equipment which bore the brunt of the impact.

As an effect of above turmoil, the 1st quarter of 2020-21 is a virtual wash out and the 2nd quarter is also likely to be affected due to disruptions caused on account of impact of pandemic & likely Supply Chain mismatch. The actual impact of COVID-19's impact would be recognized prospectively at a later date through monitoring the prevalent future economic conditions its impact. In view of the situation still being uncertain, with increased number of cases reported everyday, we are unable to assess the extent and duration of COVID-19's overall impact on the Company's business operations at this stage.

Note 1.67 Disclosures as per Ind AS 115 "Revenue from contract with customer"

(₹ in Lakhs)

Class of goods	Sales		Opening Stock	Closing Stock
Wagons	2019-20	63,879.18	113.32	4,194.87
	2018-19	60,043.00	1,515.91	113.32
Rail EPC	2019-20	82,449.14	-	-
	2018-19	94,902.55	-	-
Structurals	2019-20	4,883.06	1,499.64	645.77
	2018-19	4,432.09	714.26	1,499.64
Bridges	2019-20	2,206.88	76.72	56.69
	2018-19	1,751.55	59.06	76.72
Locomotive and its Components	2019-20	8,914.65	-	189.59
	2018-19	8,789.26	-	-
Site Fabrication and Erection	2019-20	1,878.27	-	-
	2018-19	1,075.05	-	-
Steel Castings & Ingots (Including Draft Gear 4000 Sets)	2019-20	34,781.42	-	-
	2018-19	26,549.66	-	-
Power Tiller/Reaper	2019-20	-	7.41	7.41
	2018-19	-	7.41	7.41
Ring Frames, Doublers and Worsted Ring Frames	2019-20	-	0.61	0.61
	2018-19	-	0.61	0.61
Speed Frames	2019-20	-	0.39	0.39
	2018-19	-	0.39	0.39
Other Sales	2019-20	1,880.47	-	-
	2018-19	2,011.85	-	-
Add: Other Operating Revenue / Income	2019-20	1,154.43	-	-
	2018-19	962.58	-	-
Gross Sales total	2019-20	2,02,027.50	1,698.09	5,095.33
	2018-19	2,00,517.59	2,297.64	1,698.09
Less: Inter Segment	2019-20	18,847.52	-	-
	2018-19	14,701.21	-	-
Total Operating Revenue / Income from Operations	2019-20	1,83,179.98	1,698.09	5,095.33
	2018-19	1,85,816.38	2,297.64	1,698.09

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

1.69 - 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: 17th June 2020

Ravi Varma

Company Secretary

Directors

S. K. Poddar

A. C. Chakrabortti

Indrajit Mookerjee

D. H. Kela

A. K. Vijay

Notes on Financial Statement

Statement containing salient features of the financial statement of subsidiary as at 31.03.2020

Part "A": Subsidiaries

(₹ in Lakhs)

Sl No	Name of Subsidiary Company	Belur Engineering Private Limited	Texmaco Transtrak Private Limited	Texmaco Rail Systems Limited	Texmaco S.A. PTY
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	ZAR 1 ZAR= ₹ 4.2325
3	Share Capital	10.00	1.00	1.49	-
4	Reserves & Surplus	4.36	(21.20)	(0.74)	0.11
5	Total Assets	3,015.34	436.09	0.94	5.77
6	Total Liabilities	3,000.98	456.29	0.19	5.66
7	Investments	163.76	-	-	-
8	Turnover	330.56	-	-	63.68
9	Profit/Loss before Taxation	4.38	(15.89)	(0.74)	0.11
10	Provision For Taxation	0.54	0.89	-	-
11	Profit/Loss after Taxation	3.84	(16.78)	(0.74)	0.11
12	Proposed Dividend	NIL	NIL	NIL	NIL
13	% of shareholding	100%	51%	100%	NA

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

Part "B": Joint Ventures

Name of Joint Ventures	Touax Texmaco Railcar Leasing Private Limited	Wabtec Texmaco Rail Private Limited
1. Latest audited Balance Sheet Date	31 st March 2020	31 st March 2020
2. Shares of Associate/ Joint Ventures held by the company on the year end Numbers	1,26,49,999	32,81,700
Amount of Investment in Joint Venture	1,264.99	328.17
Extent of Holding (in %)	50%	40%
3. Description of how there is significant Influence	Holding more than 20%	Holding more than 20%
4. Reason why the Joint Venture is not Consolidated	N.A.	N.A.
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	9,064.08	449.21
6. Profit / Loss for the year	633.40	264.79
i. Considered in Consolidation	316.70	105.92
i. Not Considered in Consolidation	N.A.	N.A.

- Names of associates or joint ventures which are yet to commence operations. NIL
- 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.

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: 17th June 2020

Ravi Varma
Company Secretary

Directors

S. K. Poddar

A. C. Chakrabortti

Indrajit Mookerjee

D. H. Kela

A. K. Vijay

Consolidated

Financial Statements

Independent Auditor's Report

To
The Members of
TEXMACO RAIL & ENGINEERING LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

- We have audited the accompanying consolidated financial statements of TEXMACO RAIL & ENGINEERING LIMITED (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate and jointly controlled entities, which comprise the Consolidated Balance Sheet as at 31st March 2020, the Consolidated Statement of Profit and Loss including other comprehensive Income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information (herein after referred to as "Consolidated Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and jointly controlled entities referred to in the Other Matters paragraph, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of

affairs of the Group as at 31st March 2020, of consolidated loss (including Other Comprehensive Loss), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

Basis for Opinion

- We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained alongwith the consideration of audit reports of the other auditor referred to in sub paragraph (a) of the "Other Matter" paragraph below is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key Audit Matter	Auditor's Response
<p>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 116 "Leases" (new accounting standard)</p> <p>Ind AS 116 Leases replaces the existing standard Ind AS 17 and specifies how the Company will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Accordingly, the Company has adopted Ind AS 116 Leases with effect from 01.04.2019. The implementation of Ind AS 116 is considered a key audit matter due to the judgments needed in establishing the underlying key assumptions.</p>	<p>Principal Audit Procedures</p> <p>In responding to the identified key audit matter, we completed the following audit procedures:</p> <ul style="list-style-type: none"> Assessed the design and implementation of key controls pertaining to the determination of the Ind AS 116 transition impact disclosures; Assessed the appropriateness of the discount rates applied in determining lease liabilities with input from our valuation specialists; Assessed whether the accounting regarding leases is consistent with the definitions of Ind AS 116 including factors such as lease term and measurement principles.

Key Audit Matter	Auditor's Response
	<ul style="list-style-type: none"> • Verified the accuracy of the underlying lease data by agreeing a representative sample of leases to original contract or other supporting information, and checked the integrity and mechanical accuracy of the Ind AS 116 calculations for each lease sampled through recalculation of the expected Ind AS 116 adjustment; • Considered completeness by testing the reconciliation to the Group's operating lease commitments and by investigating key service contracts to assess whether they contained a lease under Ind AS 116; and • Assessed whether the disclosures within the financial statements are appropriate in light of the requirements of Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors.
<p>Valuation of Inventories</p> <p>As at 31st March 2020, the Company's inventories amounted to ₹ 53,704.99 lakhs representing 18.60 % of the Company's total assets as at 31st March 2020 and the estimates and judgements described below, the valuation of inventory required significant audit attention.</p> <p>As disclosed in Note 1.10, inventories are held at the lower of cost and net realisable value determined using the weighted average cost method. At year end, the valuation of inventory is reviewed by management and the cost of inventory is reduced where inventory is forecast to be sold below cost.</p> <p>The determination of whether inventory will be realised for a value less than cost requires management to exercise judgement and apply assumptions. Management undertake the following procedures for determining the level of write down required:</p> <ul style="list-style-type: none"> • Use inventory ageing reports together with historical trends to estimate the likely future saleability of slow moving and older inventory lines; • For inventory aged greater than one year, management apply a percentage based write down to inventory. The percentages are derived from historical levels of write down; • Perform a line-by-line analysis of remaining inventory to ensure it is stated at the lower of cost and net realisable value and a specific write down is recognised if required. <p>Write-down of inventories to net realisable value is subjective owing to the nature of inventories and is dependent on significant judgments around probability of decrease in the realisable value of slow moving inventory due to obsolesce or lack of alternative use as well as the consideration of the need to maintain adequate inventory levels for aftersales services considering the long useful life of the product. Assessing net realizable value of inventory</p>	<p>Principal Audit Procedures</p> <p>Our audit procedures for assessing the valuation of inventories as per Company's policy included, but were not limited to the following;</p> <ul style="list-style-type: none"> • Understood the management process for determining net realizable value of inventories and identification of slow moving or obsolete inventories and tested whether the same is consistently applied; • Evaluated and tested on a sample basis the design and operating effectiveness of key controls around inventory valuation operating within the Company; • Inquired with the management about the slow moving and obsolete inventories as at 31st March 2020 and evaluated the assessment prepared by the management including forecasted uses of these inventories on a test check basis; • Tested the computation for write down of inventories with the assessment provided by the management and performed independent ageing analysis of the inventory line-items along with specific inquiries with the management to evaluate completeness of the inventory identified as slow moving or obsolete; • Reviewed the historical trends of inventory write-downs to compare and assess the actual utilization or liquidation of inventories to the previous assessment done by the management to determine the efficacy of the process of estimation by the management; and • Assessed the appropriateness of disclosures in the financial statements in accordance with the applicable accounting standards

Key Audit Matter	Auditor's Response
<p>and identification of slow moving and obsolete inventory are areas requiring the use of significant judgements and owing to the inherent complexities and materiality of the balances, we have considered this area to be a key audit matter for current year audit.</p>	
<p>Contingent Liabilities</p> <p>The Company operates in a complex tax environment and is required to discharge direct and indirect tax obligations under various legislations such as Income Tax Act, 1961, the Finance Act, 1994, Goods and Services Tax Acts and VAT Acts of various states.</p> <p>The tax authorities under these legislations have raised certain tax demands on the Company in respect of the past periods. The Company has disputed such demands and has appealed against them at appropriate forums. As at 31st March 2020 the Company has an amount of ₹ 18, 068.56 Lakhs involved in various pending tax litigations.</p> <p>Ind AS 37 requires the Company to perform an assessment of the probability of economic outflow on account of such disputed tax matters and determine whether any particular obligation needs to be recorded as a provision in the books of account or to be disclosed as a contingent liability. Considering the significant degree of judgement applied by the management in making such assessments and the resultant impact on the financial statements, we have considered it to be an area of significance for our audit.</p>	<p>Principal Audit Procedures</p> <p>In assessing the exposure of the Company for the tax litigations, we have performed the following procedures:</p> <ul style="list-style-type: none"> • Obtained an understanding of the process laid down by the management for performing their assessment taking into consideration past legal precedents, changes in laws and regulations, expert opinions obtained from external tax / legal experts (as applicable); • Assessed the processes and entity level controls established by the Company to ensure completeness of information with respect to tax litigations; • Along with our tax experts, we undertook the following procedures: <ul style="list-style-type: none"> • Reading communications with relevant tax authorities including notices, demands, orders, etc., relevant to the ending litigations, as made available to us by the management; • Testing the accuracy of disputed amounts from the underlying communications received from tax authorities and responses filed by the Company; • Considered the submissions made to appellate authorities and expert opinions obtained by the Company from external tax / legal experts (wherever applicable) which form the basis for management's assessment; • Assessed the positions taken by the management in the light of the aforesaid information and based on the examination of the matters by our tax experts. • Read the disclosures included in the Standalone Ind AS Financial Statements in accordance with Ind AS 37.

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

Emphasis of Matter

4. In the unit not audited by us, the branch auditor who has audited that unit has drawn attention to Note 1.44 (Exceptional Item & COVID-19 impact) to the financial statements, which describes the impairment on the unit's receivables (including unbilled revenue and contractual reimbursements), assessed so far by the Management and the economic impact of COVID 19 on the industry.

Our opinion is not modified in respect of this matter.

Other Information

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

Management's Responsibility for the Consolidated Financial Statements

9. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive Loss, consolidated cash flows and statement of changes in equity of the Group including its associate and jointly controlled entities in accordance with the accounting principles generally

accepted in India, including the Indian Accounting Standards (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 associate and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associate and jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

10. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group including its associate and jointly controlled entities are responsible for assessing the ability of the Group and its associate and jointly controlled entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so
11. The respective Board of Directors of the companies included in the Group and its associate and jointly controlled entities are responsible for overseeing the financial reporting process of the Group and of its associate and jointly controlled entities.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

12. Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

13. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group and its joint ventures which are companies incorporated in India have adequate internal financial controls system in place and the operating effectiveness of such controls.
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
 - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
 - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
14. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
15. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
16. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
17. Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
- Other Matters**
- 18 (a) We did not audit the financial statements of one unit included in the standalone financial statements of the companies included in the Group whose financial statements reflect total assets of ₹ 1,05,744.95 lakhs as at 31st March 2020 and total revenues of

₹ 55,700.95 lakhs, total net loss of ₹ 17,867.25 lakhs, total comprehensive Loss of ₹ 18,066.58 lakhs and cash flows (net) of ₹ 960.18 lakhs for the year ended on that date, as considered in the respective standalone financial statements of the entities included in the Group. The financial statements of this unit has been audited by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this unit, is based solely on the report of such branch auditor.

- (b) We did not audit the financial statements of one subsidiary included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 3,015.34 lakhs as at 31st March 2020, total revenues of ₹ 345.04 lakhs, total net profit after tax of ₹ 3.84 lakhs and total comprehensive income of ₹ 3.84 lakhs and cash flows (net) of ₹ 6.08 lakhs for the year ended on that date as considered in the financial statements. The consolidated financial statements also includes the Group's share of net profit of ₹ 422.63 lakhs and total comprehensive income of ₹ 421.15 lakhs for the year ended 31st March 2020 as considered in the consolidated financial statement 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 statements have been furnished to us by the Management and our opinion on these consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of these subsidiary and joint ventures is based solely on the reports of other auditor.
- (c) The consolidated financial statements include the unaudited financial information of one subsidiary which is located outside India whose financial information reflect Group's share of total assets of ₹ 5.77 lakhs as 31st March 2020, Group's share of total revenue of ₹ 63.68 lakhs and Group's share of total net profit after tax of ₹ 0.11 lakhs and total comprehensive income of ₹ 0.11 lakhs for the year ended 31st March 2020, as considered in the consolidated financial statements. The financial information has been prepared in accordance with accounting principles generally accepted in their respective countries and has not been audited by us. This financial information is unaudited and has been furnished to us by the Management. The Company's Management has converted the financial statements of the subsidiary located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India and our opinion on the Statement, in so far as it relates to the amounts and disclosures included

in respect of this subsidiary is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial information is not material to the Group.

Our opinion on the consolidated Financial Statements is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Board of Directors.

Report on Other Legal and Regulatory Requirements

19. As required by Section 143 (3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March 2020 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 its associate and jointly controlled entities, none of the directors of the Group's companies and its associate and jointly controlled entities incorporated in India is disqualified as on 31st March 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in "Annexure A", which is based on the auditor's report of the parent, subsidiary companies and jointly controlled entities, which are companies incorporated in India and

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

According to the information and explanation given to us and the records of the Group examined by us, the managerial remuneration paid or provided to two Executive Directors are in excess of the prescribed limits mandated by the provision of Section 197 read with Schedule V of the Act for which the Holding Company has to take an approval from shareholders through a Special Resolution in the ensuing Annual General Meeting.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associate

and jointly controlled entities – Refer Note 1.44 to the consolidated financial statements.

- ii. The Group and its associate and jointly controlled entities did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies, its associate and jointly controlled entities companies incorporated in India.

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

(D.N.Roy)
Partner

Place : Kolkata
Date : 17.06.2020

Membership No. 300389
UDIN: 20300389AAAACI3972

ANNEXURE- A: TO THE INDEPENDENT AUDITOR'S REPORT, to the Members of TEXMACO RAIL & ENGINEERING LIMITED
[Referred to in paragraph 18(f) of the Auditors' Report of even date]

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

1. We have audited the internal financial controls over financial reporting of TEXMACO RAIL & ENGINEERING LIMITED. (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its jointly controlled entities, which are companies incorporated in India as of 31st March 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiaries and 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 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 internal financial controls system over financial reporting the Company, its subsidiary companies and its joint ventures which are companies incorporated in India

Meaning of Internal Financial Control over Financial Reporting

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

- 1) pertain to the maintenance of the records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and expenditure of the company are being made only in accordance with authorization of management and directors of company; and

- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statement.

Inherent Limitations of Internal Financial Control over Financial Reporting

7. Because of inherent limitation of internal financial control over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to errors or fraud may occur and not be detected. Also, projections of any evaluations of the internal financial control over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the other auditors referred to in the Other Matters paragraph below, the Holding Company its subsidiary companies and its jointly controlled entities, which are companies incorporated in India, have, in all material respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively

as at 31st March 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting, issued by ICAI.

Other Matters

9. Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal Financial Controls over financial reporting in so far as it relates to the Kalindee unit is based on the corresponding report of the branch auditor.
10. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company and two jointly controlled entities 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 : 17.06.2020

Membership No. 300389
UDIN: 20300389AAAACI3972

Consolidated Balance Sheet as at 31st March 2020

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2020	As at 31.03.2019
ASSETS :			
(1) Non-current Assets			
(a) Property, Plant & Equipment	1.01	40,441.18	39,107.86
(b) Right-of-Use Assets	1.02	44.69	-
(c) Capital work-in-progress	1.02	735.42	1,376.43
(d) Investment Property	1.02	3,073.55	-
(e) Other Intangible Assets	1.03	104.14	145.48
(f) Financial Assets			
(i) Investments	1.04	6,561.36	7,191.02
(ii) Loans	1.05	578.30	141.44
(iii) Bank Balance	1.06	1,109.34	607.45
(iv) Others	1.07	103.60	71.52
(g) Deferred Tax Assets (Net)	1.08	8,211.10	4,289.23
(h) Other Non current Assets	1.09	888.75	539.97
		61,851.43	53,470.40
(2) Current Assets			
(a) Inventories	1.10	53,707.04	45,005.92
(b) Financial Assets			
(i) Investments	1.11	3,499.62	7,103.05
(ii) Trade Receivables	1.12	64,450.00	81,545.82
(iii) Cash & cash equivalents	1.13	1,676.29	1,112.43
(iv) Bank balances other than (iii) above	1.14	6,684.65	3,600.96
(v) Loans	1.15	1,470.69	541.80
(c) Current Tax Assets (Net)	1.16	2,189.23	1,162.74
(d) Other Current Assets	1.17	93,290.99	75,757.01
		226,968.51	215,829.73
		288,819.94	269,300.13
TOTAL ASSETS			
EQUITY AND LIABILITIES:			
(1) Equity			
(a) Equity Share capital	1.18	2,248.59	2,248.35
(b) Other Equity	1.19	100,484.61	111,619.61
Non-Controlling Interest		(9.84)	2.59
(2) Non-current Liabilities :			
(a) Financial Liabilities			
(i) Borrowings	1.20	5,269.99	5,014.10
(b) Provisions	1.21	816.08	648.79
(c) Other non current liabilities	1.22	17,814.34	20,668.19
		23,900.41	26,331.08
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	1.23	69,711.48	52,402.15
(ii) Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	1.24	55,416.13	55,649.43
(iii) Other financial liabilities	1.25	5,517.07	3,498.33
(b) Other current liabilities	1.26	14,829.87	16,306.61
(c) Provisions	1.27	16,721.62	1,241.98
		162,196.17	129,098.50
		288,819.94	269,300.13
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: 17th June 2020

Ravi Varma
Company Secretary

Directors

S. K. Poddar

A. C. Chakrabortti

Indrajit Mookerjee

D. H. Kela

A. K. Vijay

Consolidated Statement of Profit and Loss for the year ended 31st March 2020

(₹ in Lakhs)

Sl No	Particulars	Note No.	Year Ended 31.03.2020	Year Ended 31.03.2019
I	Revenue From Operations	1.28	183,179.98	185,816.38
II	Other Income	1.29	2,072.99	1,544.08
III	Total Income		185,252.97	187,360.46
IV	EXPENSES			
	Cost of materials consumed	1.30	130,480.18	136,153.60
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	1.31	(8,501.70)	(6,444.64)
	Employee benefit expense	1.32	12,796.26	11,325.39
	Finance costs	1.33	9,658.98	7,048.27
	Depreciation and amortization expense	1.34	3,609.27	2,908.91
	Other expenses	1.35	32,417.82	27,796.58
	Total expenses		180,460.81	178,788.11
V	Profit/(Loss) before tax		4,792.16	8,572.35
VI	Exceptional items		14,991.97	-
VII	Profit/(Loss) before tax		(10,199.81)	8,572.35
VIII	Tax Expenses			
	1)Current Tax		747.00	1,794.71
	2)MAT Credit Entitlement		(257.46)	(1,794.71)
	3)Deferred Tax		(3,665.30)	1,166.88
	4)Income Tax Paid Related to Earlier Years		(109.89)	126.20
			(3,285.65)	1,293.08
IX	Profit/(Loss) for the period from continuing operations		(6,914.16)	7,279.27
X	Profit/(Loss) for the period from JV/Associates		421.72	262.00
XI	Profit/(Loss) for the period		(6,492.44)	7,541.27
XII	Other comprehensive income	1.36		
	(i) Items that will not be reclassified to profit or loss		(1,174.97)	(101.73)
	(ii) Items that will be reclassified to profit or loss		(212.38)	102.05
			(1,387.35)	0.32
XIII	Total Comprehensive Income for the period		(7,879.79)	7,541.59
XIV	Profit/(loss) for the period Attributable to:		(6,492.44)	7,541.27
	Owners of the Parent		(6,483.02)	7,543.75
	Non-Controlling Interest		(9.42)	(2.48)
XV	Other Comprehensive Income Attributable to:		(1,387.35)	0.32
	Owners of the Parent		(1,387.35)	0.32
	Non-Controlling Interest		-	-
XVI	Total Comprehensive Income Attributable to:		(7,879.79)	7,541.59
	Owners of the Parent		(7,870.37)	7,544.07
	Non-Controlling Interest		(9.42)	(2.48)
XVII	Earnings per equity share (for continuing operations)	1.38		
	1) Basic		(2.88)	3.43
	2) Diluted		(2.88)	3.35
	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: 17th June 2020

Ravi Varma
Company Secretary

Directors

S. K. Poddar

A. C. Chakrabortti

Indrajit Mookerjee

D. H. Kela

A. K. Vijay

Consolidated Statement of Cash Flow for the year ended 31st March 2020

(₹ in Lakhs)

Particulars	Year Ended 31.03.2020	Year Ended 31.03.2019
A) Cash Flows From Operating Activities:		
Net Profit before Taxation & Exceptional Items	4,792.16	8,572.35
Adjustments for:		
Depreciation	3,609.27	2,908.91
Interest Paid	9,658.98	7,048.27
Bad Debt Written off	98.44	703.17
Employee Compensation Expenses under ESOP	-	(179.06)
Provision and Excess Liabilities Written Back	(18.09)	(1.40)
Interest Received	(609.01)	(385.24)
Income From Investments	(60.89)	(29.54)
Profit on Sale Of Investments-Current(Net)	(5.29)	(176.69)
Profit on Sale Of Investments-Long Term (Net)	-	-
Gain on Fair Value of bonds/Mutual Fund	(293.52)	(410.87)
Loss/(Profit) on Sale Of Property, Plant and Equipment(Net)	(78.75)	(146.33)
	12,301.14	9,331.22
	17,093.30	17,903.57
Operating Profit before Working Capital Changes & Exceptional Items		
(Increase)/Decrease in Trade & Other Receivables	(3,811.31)	(26,960.24)
(Increase)/Decrease in Inventories	(8,706.85)	(15,931.00)
Increase/(Decrease) in Trade Payables & Other Liabilities	13,125.54	27,821.90
	607.38	(15,069.34)
Cash Generated from Operations	17,700.68	2,834.23
Direct Taxes Paid	(1,662.74)	(2,384.37)
Cash Flow before Exceptional Items	16,037.94	449.86
Exceptional Items	(14,991.97)	-
Net Cash from Operating Activities	1,045.97	449.86
B) Cash Flows From Investing Activities		
Sale/(Purchase) of Property, Plant & Equipments	(7,929.37)	(6,152.50)
(Purchase)/Sale of Investments (Net)	3,840.13	11,560.64
Consideration Paid for Acquisition	(2,324.62)	-
Bank Deposits(Includes having original maturity more than three months)	(3,585.58)	(2,370.16)
Interest Received	81.93	602.38
Dividend Received	60.89	41.44
Net Cash used in Investing Activities	(9,856.62)	3,681.80
C) Cash Flows From Financing Activities		
Receipt/(Payment) of Long Term Borrowings	255.89	1,713.82
Receipt/(Payment) of Short Term Borrowings	19,713.67	1,155.61
Increase in Share Capital	0.25	2.22
Increase in Securities Premium	9.84	88.42
Interest Paid	(9,414.73)	(7,040.84)
Dividend Paid	(785.38)	(550.12)
Dividend Tax Paid	(162.85)	(111.99)
Net Cash used in Financing Activities	9,616.69	(4,742.88)
D) Changes in Foreign Currency Translation arising from Foreign Operations		
Net Decrease in Cash and Cash Equivalents	(212.38)	102.05
Cash and Cash Equivalents at the beginning of the period	593.66	(509.17)
Cash and Cash Equivalents at the end of the period	1,112.43	1,621.60
De-recognition of of Subsidiary -Texmaco Defence Systems Private Limited	(29.80)	-
Cash and Cash Equivalents at the end of the period	1,676.29	1,112.43
Note:		
(1) Details of Cash and Equivalents as on		
Balances with banks		
Current Accounts	1,609.28	1,060.64
Cash on hand	67.01	51.79
	1,676.29	1,112.43

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 Consolidated 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: 17th June 2020

Ravi Varma
Company Secretary

Directors

S. K. Poddar

A. C. Chakrabortti

Indrajit Mookerjee

D. H. Kela

A. K. Vijay

Statement of Changes in Equity

a. Equity share capital

(₹ in Lakhs)

Particulars	Issued, Subscribed Paid up Capital	Share Capital Suspense	Total
Balance as at 01.04.2018	2,198.28	47.85	2,246.13
Add: Change in Equity Share Capital during the year	2.22	-	2.22
Balance as at 01.04.2019	2,200.50	47.85	2,248.35
Add: Change in Equity Share Capital during the year	48.09	(47.85)	0.24
Balance as at 31.03.2020	2,248.59	-	2,248.59

b. Other equity

(₹ in Lakhs)

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	Capital reserve	Securities premium account	General Reserve	Share Option Outstanding Account	Retained earnings	Equity instruments/ retained benefits/ income in Associates and Joint Ventures through other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	
Balance as at 1st April 2018	3,951.22	39,836.44	46,720.92	1,363.42	11,244.16	1,666.79	53.51	104,836.46
Income for the year	-	-	-	-	7,543.75	-	-	7,543.75
Other Comprehensive Income for the year	-	-	-	-	-	(109.87)	102.05	(7.82)
Dividend and Tax on Dividend	-	-	-	-	(662.14)	-	-	(662.14)
Transfer to/from retained earnings	-	-	500.00	-	(146.26)	146.26	-	500.00
Transfer to General Reserve	-	-	-	-	(500.00)	-	-	(500.00)
Any other change (ESOP allotment)	-	88.42	-	(179.06)	-	-	-	(90.64)
Adjustment for share purchase agreement	-	-	-	-	-	-	-	-
Balance as at 31st March 2019	3,951.22	39,924.86	47,220.92	1,184.36	17,479.51	1,703.18	155.56	111,619.61
Income for the year	-	-	-	-	(6,483.02)	-	-	(6,483.02)
Other Comprehensive Income for the year	-	-	-	-	-	(1,192.57)	(212.38)	(1,404.95)
Adjustment of Goodwill in Business Combination	(2,324.62)	-	-	-	-	-	-	(2,324.62)
Dividend and Tax on Dividend	-	-	-	-	(949.85)	-	-	(949.85)
Transfer to/from retained earnings	-	-	-	-	17.60	(17.60)	-	-
Remeasurement of the net defined benefit plan	-	-	-	-	-	17.60	-	17.60
Any other change (ESOP allotment)	-	9.84	-	-	-	-	-	9.84
Balance as at 31st March 2020	1,626.60	39,934.70	47,220.92	1,184.36	10,064.24	510.61	(56.82)	100,484.61

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: 17th June 2020

Ravi Varma
Company Secretary

Directors

S. K. Poddar

A. C. Chakrabortti

Indrajit Mookerjee

D. H. Kela

A. K. Vijay

Notes on Consolidated Financial Statement

A. CORPORATE INFORMATION

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

The Holding Company and its subsidiaries are engaged in the manufacturing, selling and providing service for Rail and Rail related products. The Company manufactures a diverse range of products.

B. SIGNIFICANT ACCOUNTING POLICIES

(i) Statement of Compliance

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

(ii) Basis of Accounting

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

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

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

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

(iii) Use of Estimates

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

Notes on Consolidated Financial Statement

(iv) Property, plant and equipment

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

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

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

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

Capital work-in-progress

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

(v) Intangible Assets

Intangible Assets are recorded at the consideration paid for acquisition less accumulated amortization and accumulated impairment, if any, Amortization is recognized at Straight Line Basis over their estimated useful life. The estimated useful life and 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.

(vi) Impairment of Non-Financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group of assets (cash-generating units).

Notes on Consolidated Financial Statement

(vii) Derivative Financial Instrument

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

Derivatives are initially 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 to statement profit or loss immediately.

(viii) Financial Instrument

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

All recognized financial assets are subsequently measured in their entirety at either 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

Notes on Consolidated Financial Statement

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.

(ix) Measurement of Fair Values

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

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

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

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

(x) Revenue Recognition

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

a. Revenue from Operations

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

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

Notes on Consolidated Financial Statement

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

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

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

c. Other Income

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

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

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

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

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

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

(xi) Employee Benefits

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

a. Short term benefits:

Short term employee benefits are 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

Notes on Consolidated Financial Statement

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.

(xii) Employee Stock Option Scheme

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

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

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

(xiv) Research and Development

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

Notes on Consolidated Financial Statement

(xv) Valuation of Inventories

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

Stores and Spares are valued on the “weighted average” basis.

(xvi) Lease

a. Where the Company is the lessee

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

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

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

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

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

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

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

b. Where the Company is the lessor

Assets subject to operating leases are included in fixed assets. Lease income is 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

Notes on Consolidated Financial Statement

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.

(xvii) Foreign Currency Transactions and Exchange Differences

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

(xviii) Provisions, Contingent Liabilities and Contingent Assets

a. Provisions & Warranties

Provisions are 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.

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

Notes on Consolidated Financial Statement

concluded, based on all available facts and circumstances, are no probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the standalone financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

d. Contingent Assets

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

(xix) Cash & Cash Equivalents

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

(xx) Borrowing Cost

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

(xxi) Segment Reporting

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

(xxii) Taxation

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred taxes are 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

Notes on Consolidated Financial Statement

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.

(xxiii) Government Grant

The Company may receive government grants that require compliance with certain conditions related to the Company's operating activities or are provided to the Company by way of financial assistance on the basis of certain qualifying criteria. Government grants are 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:

- (a) 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.
- (b) related to incurring specific expenditures are taken to the Statement of Profit and Loss on the same basis and in the same periods as the expenditures incurred.
- (c) by way of financial assistance on the basis of certain qualifying criteria are 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.

(xxiv) Earnings Per Share

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

(xxv) Cash Flow Statement

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

(xxvi) Exceptional Item

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

(xxvii) Accounting for interests in Joint Ventures

Interests in joint ventures are accounted as follows:

Notes on Consolidated Financial Statement

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	<p>(a) Integrated joint ventures:</p> <p>(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.</p> <p>(ii) Investments in integrated joint ventures are carried at cost net of Company's share recognised in profits or losses.</p> <p>(b) Incorporated jointly controlled entities:</p> <p>(i) Income on investments in incorporated jointly controlled entities is recognised when the right to receive the same is established.</p> <p>(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.</p>

(xxviii) Standards issued but not yet effective

The amendments are proposed to be effective for reporting periods beginning on or after 1st April 2020.

- A. Issue of Ind AS 117 – Insurance Contracts Ind AS 117 supersedes Ind AS 104 Insurance contracts. It establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard. Under the Ind AS 117 model, insurance contract liabilities will be calculated as the present value of future insurance cash flows with a provision for risk. Application of this standard is not expected to have any significant impact on the Company's financial statements.
- B. Amendments to existing Standards Ministry of Corporate Affairs has carried out amendments of the following accounting standards:
1. Ind AS 103 – Business Combination
 2. Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
 3. Ind AS 40 – Investment Property

The Company is in the process of evaluating the impact of the new amendments issued but not yet effective.

Notes on Consolidated Financial Statement

(₹ in Lakhs)

Description of Assets	Gross Block				Depreciation				Net Block
	As at 01.04.2019	Additions during the Year	Sales / Adjustments	As at 31.03.2020	As at 01.04.2019	During the year	Sales/ Adjustments	As at 31.03.2020	As at 31.03.2020
Note: 1.01									
Property, Plant & Equipment:									
Land	3,958.46	-	35.32	3,923.14	129.88	20.92	-	150.80	3,772.34
Buildings	13,986.12	711.27	3,611.05	11,086.34	1,451.70	416.05	482.28	1,385.47	9,700.87
Roads	177.63	5.87	(0.01)	183.51	77.77	20.74	-	98.51	85.00
Railway Sidings	217.71	-	-	217.71	38.53	9.71	-	48.24	169.47
Plant & Machinery	25,851.37	6,924.11	114.35	32,661.13	5,405.03	2,555.65	105.69	7,854.99	24,806.14
Electrical Machinery	716.31	9.16	18.94	706.53	243.94	51.17	18.37	276.74	429.79
Office Equipments	895.03	111.95	1.78	1,005.20	389.57	179.53	0.89	568.21	436.99
Furniture & Fittings	685.82	43.73	-	729.55	278.89	58.86	0.00	337.75	391.80
Vehicles	890.50	126.73	44.70	972.53	255.78	134.07	66.10	323.75	648.78
Total	47,378.95	7,932.82	3,826.13	51,485.64	8,271.09	3,446.70	673.33	11,044.46	40,441.18
Note: 1.02									
a) Right-of-use Assets	-	45.37	-	45.37	-	0.68	-	0.68	44.69
b) Capital Work in Progress (CWIP)	1,376.43	2,301.67	2,942.68	735.42	-	-	-	-	735.42
c) Investment Property	-	3,638.16	-	3,638.16	-	89.81	(474.80)	564.61	3,073.55
Total	1,376.43	5,985.20	2,942.68	4,418.95	-	90.49	(474.80)	565.29	3,853.66
Note: 1.03									
Intangible Assets:									
Software	470.62	30.74	-	501.36	325.14	72.08	-	397.22	104.14
Total	470.62	30.74	-	501.36	325.14	72.08	-	397.22	104.14
Grand Total	49,226.00	13,948.76	6,768.81	56,405.95	8,596.23	3,609.27	198.53	12,006.97	44,398.98

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

Previous Year

(₹ in Lakhs)

Description of Assets	Gross Block				Depreciation				Net Block
	As at 01.04.2018	Additions during the Year	Sales / Adjustments	As at 31.03.2019	As at 01.04.2018	During the year	Sales/ Adjustments	As at 31.04.2019	As at 31.03.2019
Note: 1.01									
Property, Plant & Equipment:									
Land	3,958.46	-	-	3,958.46	79.61	50.27	-	129.88	3,828.58
Buildings	13,146.22	870.82	30.92	13,986.12	1,026.28	440.00	14.58	1,451.70	12,534.42
Roads	116.43	61.20	-	177.63	57.29	20.48	-	77.77	99.86
Railway Sidings	215.17	2.54	-	217.71	28.84	9.69	-	38.53	179.18
Plant & Machinery	22,404.73	3,462.67	16.03	25,851.37	3,558.33	1,861.65	14.95	5,405.03	20,446.34
Electrical Machinery	705.82	14.16	3.67	716.31	191.96	54.64	2.66	243.94	472.37
Office Equipments	602.50	293.88	1.35	895.03	238.79	153.94	3.16	389.57	505.46
Furniture & Fittings	611.52	82.42	8.12	685.82	209.05	77.91	8.07	278.89	406.93
Vehicles	786.64	155.52	51.66	890.50	173.35	124.42	41.99	255.78	634.72
Total	42,547.49	4,943.21	111.75	47,378.95	5,563.50	2,793.00	85.41	8,271.09	39,107.86
Note: 1.02									
a) Right-of-use Assets	-	-	-	-	-	-	-	-	-
b) Capital Work in Progress (CWIP)	544.36	1,360.96	528.89	1,376.43	-	-	-	-	1,376.43
c) Investment Property	-	-	-	-	-	-	-	-	-
Total	544.36	1,360.96	528.89	1,376.43	-	-	-	-	1,376.43
Note: 1.03									
Intangible Assets:									
Software	454.51	19.10	2.99	470.62	209.23	115.91	-	325.14	145.48
Total	454.51	19.10	2.99	470.62	209.23	115.91	-	325.14	145.48
Grand Total	43,546.36	6,323.27	643.63	49,226.00	5,772.73	2,908.91	85.41	8,596.23	40,629.77

Notes on Consolidated Financial Statement

Note 1.04 Non Current Investments

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
OTHER THAN TRADE INVESTMENTS		
Fully paid-up		
Investments in Equity Instruments (Quoted) (At Fair Value)		
Texmaco Infrastructure & Holdings Limited 23,49,809 (2019: 23,49,809) Shares of ₹ 1 each	727.26	1,332.34
Chambal Fertilisers & Chemicals Limited 10,00,000 (2019: 10,00,000) Shares of ₹ 10 each	1,084.50	1,670.50
Investments in Equity Instruments of Associate Company (Unquoted)(At Cost)		
Texmaco Defence Systems Private Limited 41,000 (2019: NIL) Shares of ₹ 10 each	1.74	-
Investments in Equity Instruments of Joint Ventures (Unquoted)(At Cost)		
Touax Texmaco Railcar Leasing Pvt Limited 1,26,49,999 (2019: 1,26,49,999) Shares of ₹ 10 each	1,098.64	1,093.41
Wabtec Texmaco Rail Private Limited 32,81,700 (2019:32,81,700) Shares of ₹ 10 each	449.22	344.77
Investments in CCD of Joint Ventures (Unquoted)(At Cost)		
Touax Texmaco Railcar Leasing Pvt Limited 32,00,000 (2019: 27,50,000) CCD of ₹ 100 each	3,200.00	2,750.00
TOTAL NON CURRENT INVESTMENTS	6,561.36	7,191.02
(i) Aggregate amount of quoted Investments	1,811.76	3,002.84
(ii) Market value of quoted Investments	1,811.76	3,002.84
(iii) Aggregate amount of unquoted Investments	4,749.60	4,188.18

Note 1.05 Loans (Non-current)

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Unsecured-Considered Good		
(a) Security Deposits	578.30	137.17
(b) Other loans and advances	-	3.17
(c) Deferred Interest Exp (Loan given to Employees)	-	1.10
Total	578.30	141.44

Note 1.06 Bank Balance (Non-current)

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Margin Money	1,109.34	607.45

Notes on Consolidated Financial Statement

Note 1.07 Other Non-current Financial Assets

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Share Application Money	2.00	-
Term Deposit of more Than Twelve Months Maturity	62.65	45.31
Interest Accrued on Deposits & Others	38.95	26.21
Total	103.60	71.52

Company has paid a sum of ₹ 2.00 Lakhs towards initial subscription of Share Capital M/s Texmaco Rail Electrification Limited.

Note 1.08 Deferred tax assets (net)

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Deferred Income Tax Assets		
Property, Plant and equipment	-	437.03
Investment	-	169.92
Brought forward losses/unabrorbed depreciation	181.27	488.26
Provisions & others	7,586.53	3,048.03
MAT Credit	4,501.19	4,204.20
Compensated absences	158.33	128.01
Gratuity	107.90	100.14
Total Deferred Income Tax Assets	12,535.22	8,575.59
Deferred Income Tax Liabilities		
Property, Plant and equipment	(4,324.12)	(4,286.36)
Net Deferred Tax Assets	8,211.10	4,289.23

Note 1.09 Other Non-Current Asset

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Capital Advances	507.57	393.26
(b) Security Deposit	126.19	1.32
(c) Prepaid Expenses	254.99	145.10
(d) Deferred Rent Expenses (Security Deposit Rent Given)	-	0.29
Total	888.75	539.97

Note 1.10 Inventories

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Raw Material	17,113.07	17,975.78
(b) Work in Progress	27,792.32	21,869.00
(c) Finished Goods	5,095.33	1,698.09
(d) Stock in Trade	2.02	-
(d) Stores and Spares	2,014.66	1,537.59
(e) Goods in transit(Raw Material and Components)	1,689.64	1,925.46
Total	53,707.04	45,005.92

Inventories are secured against first charge on working capital facility.

Notes on Consolidated Financial Statement

Note 1.11 Current Investments

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Fully paid-up		
a) Investments in Equity Instruments (Quoted) (At Fair Value)		
Bharti Airtel Limited	-	-
Nil (2019: Nil) Shares of ₹ 5 each (On demerger of TTML)		
Tata Teleservices (Maharashtra) Limited (TTML)	-	0.69
Nil (2019: 22,666) Units of ₹ 10 each		
EIH Limited	-	20.58
Nil (2019: 10,000) Shares of ₹ 2 each		
SREI Infrastructure Finance Limited	-	0.54
Nil (2019: 1,800) Shares of ₹ 10 each		
Century Textiles & Industries Limited (CTIL)	-	4.67
Nil (2019: 500) Shares of ₹ 10 each		
Ultratech Cement Limited	-	-
Nil (2019: Nil) Shares of ₹ 10 each (On demerger of CTIL)		
NHPC Limited	-	25.06
Nil (2019: 1,01,471) Shares of ₹ 10 each		
Sub-total-(a)	-	51.54
b) Investments in Bonds (Unquoted) (At Fair Value)		
In 6.70% IRFC (Tax Free)	-	558.12
Nil (2019: 540) Units of ₹ 1,00,000 each		
In 8.10% IRFC (Tax Free)	-	252.31
Nil (2019: 21,751) Units of ₹ 1,000 each		
In 8.20% HUDCO (Tax Free)	-	569.99
Nil (2019: 50,000) Units of ₹ 1,000 each		
Sub-total-(b)	-	1,380.42
c) Investments in Mutual Funds (Unquoted) (At Fair Value)		
Axis Treasury Advantage Fund Growth	14.54	13.45
645 (2019: 645) Units of ₹ 1000 each		
Axis Treasury Advantage Fund-Growth	163.76	151.58
7260 (2018: 8427) Units of ₹ 1000 each		
IDFC Low Duration Fund Regular Plan Growth	-	200.54
Nil (2019: 7,56,810) Units of ₹ 10 each		
ICICI Prudential Fixed Maturity Plan Series 83 1108 Days Plan H	1,769.16	1,624.46
1,50,00,000 (2019: 1,50,00,000) Units of ₹ 100 each		
Reliance Strategic Debit Fund - Growth Plan - Growth Option	-	140.79
Nil (2019: 9,57,068) Units of ₹ 10 each		
Reliance Credit Risk Fund Growth Plan -Growth Option	-	1,467.74
Nil (2019: 56,93,711) Units of ₹ 10 each		
Reliance Liquid Fund Growth Plan Growth	-	126.17
Nil (2019: 2,780) Units of ₹ 100 each		
SBI Magnum Ultra SDF Direct Fund - Growth	-	500.20
Nil (2019: 11,997) Units of ₹ 10 each		
SBI Liquid Fund Regular Growth	-	17.95
Nil (2019: 616) Units of ₹ 10 each		
SBI Debt Fund Series C-16 1100 Days	1,552.16	1,428.21
1,32,24,964 (2019: 1,32,24,964) Units of ₹ 10 each		
Sub-total-(c)	3,499.62	5,671.09
TOTAL CURRENT INVESTMENTS	3,499.62	7,103.05
(i) Aggregate amount of quoted Investments	-	51.54
(ii) Market value of quoted Investments	-	51.54
(iii) Aggregate amount of unquoted Investments	3,499.62	7,051.51

Out of the above investments in the Mutual Funds ₹ 3,335.86 lakhs worth of Mutual funds are pledged with M/s HDFC Bank Limited against short term loan.

Notes on Consolidated Financial Statement

Note 1.12 Trade Receivables

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Secured , considered good	-	-
(b) Unsecured , considered good	64,450.00	81,545.82
(c) Unsecured,Credit Impaired	5,904.53	8,092.51
	70,354.53	89,638.33
Allowance for bad and doubtful debts	(5,904.53)	(8,092.51)
Total	64,450.00	81,545.82

Notes:

- The above includes ₹ 19,016.13 Lakhs as retention money (2019: ₹ 20,533.01 Lakhs) which are recoverable on completion of the project as per the relevant contract.
- Trade Receivable are secured against first charge on working capital facility
- The Company provide allowance in trade recivables based on historic credit loss expreince, current economic conditions and events and future observable data and information. The expected credit loss allowance is computed based on the ageing of the receivable.

Note 1.13 Cash and Cash Equivalentents

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Balances with banks		
- In current accounts	1,609.28	1,060.64
(b) Cash on hand	67.01	51.79
Total	1,676.29	1,112.43

Notes:

Cash and cash equivalentents include Cash on hand & Cash at Bank.

Note 1.14 Bank Balances other than above

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Unpaid Dividend Account	28.24	26.61
Term Deposit of upto Twelve Months Maturity	12.71	12.71
Margin Money	6,643.70	3561.64
Total	6,684.65	3,600.96

Notes:

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

Notes on Consolidated Financial Statement

Note 1.15 Loans (Current)

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Security Deposits to others	87.69	87.55
Loans to Related Parties:		
Loan to Associates	219.54	-
(b) Other loans		
Interest accrued on Loans	879.74	352.61
Advance to Employee	283.72	97.86
Deferred Interest Expenses(Loan given to Employees)	-	0.40
	1,470.69	538.42
(c) Unsecured,Credit Impaired		
Loan to Body Corporates	275.00	278.38
Less Provision for Advances	(275.00)	(275.00)
	-	3.38
	1,470.69	541.80

Note 1.16 Current Tax Assets (net)

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Advance Payment of Income Tax (net of provision)	2,189.23	1,162.74
	2,189.23	1,162.74

Note 1.17 Other Current Assets

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Security Deposits	514.06	15.12
(b) Advance to Parties	8,131.61	8,967.12
(c) Other Advances	2,336.32	1,809.64
(d) Prepaid Expenses	420.99	866.90
(e) Balances with Government Dept	23,820.37	21,233.78
(f) Contractually reimbursable expenses	3,965.33	1,754.94
(g) Unbilled Debtors	54,102.31	41,109.04
(h) Deferred Rent Expenses(Security Deposits Rent Given)	-	0.47
	93,290.99	75,757.01

Notes on Consolidated Financial Statement

Note 1.18 Equity Share Capital

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
Authorised Share Capital		
197,00,00,000 Equity shares at par value of ₹ 1/- each (As at 31 st March 2019: 197,00,00,000 Equity shares of ₹ 1/- each)	19,700.00	19,700.00
	19,700.00	19,700.00
Issued, Subscribed and paid up capital		
22,48,59,382 Equity shares at par value of ₹ 1/- each (As at 31 st March 2019: 22,00,49,482 Equity shares of ₹ 1/- each)	2,248.59	2,200.50
Share Capital Suspense Accounts (As at 31 st March 2019: 47,85,300 Equity shares of ₹ 1/- each)	-	47.85
	2,248.59	2,248.35

Note:

- (i) The Company has only one class of shares referred to as equity shares having a par value of ₹ 1 each holder of equity shares is entitled to one vote per shares
- (ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders
- (iii) (a) 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 (formerly Texmaco Limited) on record date without payment being received in cash for demerging its Heavy Engineering Division & Steel Foundry Division to Texmaco Rail & Engineering Limited.
- (b) 47,85,300 shares were issued during the year to the shareholders of M/s Bright Power Projects (India) Pvt. Ltd. as per scheme of merger approved by NCLT dated 29th March 2019, w.e.f. 1st April 2017 without payment being received in cash.
- (iv) During the Year the Company has allotted 24,600 Equity Shares to its employees under Employee Stock Option Scheme
- (v) Reconciliation of numbers of Issued, Subscribed and Paid-up Capital

	As at 31.03.2020	As at 31.03.2019
	No . of Shares	No . of Shares
Number of Shares at the beginning of the year	22,00,49,482	21,98,28,443
Add: Allotment under ESOP	24,600	2,21,039
Add: Transfer from Share Capital Suspense	47,85,300	-
Number of Shares at the end of the year	22,48,59,382	22,00,49,482

- (vi) After the reporting date, dividend of 0.10 paisa (2019: 0.25 Paisa) per equity share were proposed by the Board of Directors subject to the approval of the share holders at the Annual General Meeting, the dividend has not been recognised as Liabilities.

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

	As at 31.03.2020		As at 31.03.2019	
	No. of Shares	% Holding	No. of Shares	% Holding
Texmaco Infrastructure & Holdings Ltd.	5,46,00,000	24.28	5,46,00,000	24.81
Zuari Investments Ltd.	2,89,63,900	12.88	2,89,63,900	13.16
HDFC Trustee Company Ltd. A/C HDFC Hybrid Debt Fund	1,80,49,537	8.03	1,80,89,537	8.22

Notes on Consolidated Financial Statement

Note 1.19 Other Equity

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(i) Other Reserves		
Share Options Outstanding Account		
Balance as per last Account	1,184.36	1,363.42
Add: On issue of ESOP	-	(179.06)
	1,184.36	1,184.36
(ii) Capital Reserve		
Balance as per last Account	3,951.22	3,951.22
Less: Adjustment of Goodwill in Business Combination	(2,324.62)	-
	1,626.60	3,951.22
(iii) Securities Premium		
Balance as per last Account	39,924.86	39,836.44
Add: On issue of ESOP	9.84	88.42
	39,934.70	39,924.86
(iv) General Reserve		
Balance as at the beginning of the year	47,220.92	46,720.92
Add: Transferred from Statement of Profit and Loss	-	500.00
	47,220.92	47,220.92
(v) Reserves representing unrealised gains/losses		
(a) Equity Instruments through Other Comprehensive Income	1,706.32	1,784.52
Addition during the year	(1,191.09)	(78.20)
	515.23	1,706.32
(b) Remeasurements of the net defined benefit Plans	(2.38)	(116.97)
Addition during the year	17.60	(31.67)
Less : Transferred to Retained Earning	(17.60)	146.26
	(2.38)	(2.38)
(c) Share of other Comprehensive Income in Associates & Joint Ventures, to the extent not to be classified into profit or loss		
Balance at the balance of the year	(0.76)	(0.76)
Addition during the year	(1.48)	-
	(2.24)	(0.76)
(vi) Exchange differences on translating the financial statements of a foreign operation		
Balance as at the beginning of the year	155.56	53.51
Addition during the year	(212.38)	102.05
	(56.82)	155.56
(vii) Retained Earnings		
Surplus at the beginning of the year	17,479.51	11,244.16
Add : Profit for the year	(6,483.02)	7,543.75
Add : Transferred from Remeasurements of the net defined benefit Plans	17.60	(146.26)
Less : Transferred to General Reserve	-	(500.00)
Less: Dividend on Equity Shares	(787.00)	(550.15)
Less: Tax on dividend	(162.85)	(111.99)
	10,064.24	17,479.51
Total	100,484.61	111,619.61

Notes:

- (i) General Reserve: The General Reserve is used from time to time to transfer profit Retained Earnings for appropriation purpose. As the General Reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to profit & loss

Notes on Consolidated Financial Statement

Note 1.19 Other Equity (Contd..)

- (ii) Reserve for Equity Instrument through Other Comprehensive Income (OCI): This reserve represents the cumulative gain or loss arising on net revaluation of equity instruments measured at fair value through OCI, net of amounts reclassified to the Retained Earnings when those assets have been disposed off.
- (iii) Capital Reserves: The Company recognises profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to Capital Reserve.
- (iv) Security Premium: Security Premium Reserve issued to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013
- (v) Foreign currency monetary items translation difference reserve: Exchange differences arising on settlement and remeasurement of long term foreign currency monetary items are accumulated in "Foreign Currency Monetary items Translation Difference Account" and amortised over the maturity period or upto the date of settlement of such monetary items, which is earlier, and charged to the Statement of Profit and Loss.
- (vi) Retained Earnings: Retained Earnings refers to the portion of net income which is retained by the corporation to be reinvested in its core business. Similarly if the Company has a loss then that loss is retained and called retained losses or accumulated losses. Retained Earnings and Losses are cumulative from year to year with losses off setting earnings.

Note 1.20 Borrowings (Non Current)

(₹ in Lakhs)

	As at 31.03.2020	As at 31.03.2019
Secured		
From banks		
Term Loan	5,255.41	4,975.66
Car Loan	14.58	36.16
From other parties	-	2.28
	5,269.99	5,014.10

Notes:

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

Note 1.21 Provisions (Non Current)

(₹ in Lakhs)

	As at 31.03.2020	As at 31.03.2019
Provision for employee benefits (Leave)	334.25	220.15
Provision for employee benefits (Gratuity)	297.84	244.65
For Warranty and others	183.99	183.99
Total	816.08	648.79

Notes:

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

Notes on Consolidated Financial Statement

Note 1.22 Other Non Current Liabilities

(₹ in Lakhs)

	As at 31.03.2020	As at 31.03.2019
Advances from Customers	17,476.90	20,668.19
Security Deposit	337.44	-
Total	17,814.34	20,668.19

Note 1.23 Borrowings (Current)

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Secured		
(i) From Banks		
Cash Credit	47,490.64	42,452.15
Short Term Loan	7,719.89	-
(b) Unsecured		
From Banks	-	7,000.00
(c) From Other Parties		
(i) Loans from related parties	6,700.00	1,950.00
(ii) Inter-Corporate Deposits	7,800.95	1,000.00
Total	69,711.48	52,402.15

Notes:

- (i) Cash Credit facilities are secured by hypothecation of first charge on Stock, book debts and other current assets of the company
- (ii) Further, Cash Credit for Rail EPC Division is also secured by first charge on the fixed assets (both present and future)
- (iii) Cash Credit facility for Heavy Engineering and Steel Foundry Division are also secured by way of second charge on fixed assets of its divisions.
- (iv) 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.

Note 1.24 Trade Payables

(₹ in Lakhs)

	As at 31.03.2020	As at 31.03.2019
Dues of Micro Enterprises and Small Enterprises	-	-
Dues of Creditors other than Micro Enterprises and Small Enterprises	55,416.13	55,649.43
Total	55,412.12	55,643.97

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

Disclosure required under the Micro, Small and Medium Enterprises

Development Act, 2006 (the Act) are give as follows:

(a) Principal amount due Unpaid matured deposits and interest accrued thereon	-	-
(b) Interest paid during the period beyond the appointed day	-	-
(c) Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	-	-
(d) Amount of interest accrued and remaining unpaid at the end of the period	-	-
(e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act	-	-

Notes:

There are no material dues owned by the Company to Micro and Small Enterprises, which are outstanding for more than 45 days during the year and as at 31st March 2020 and 31st March 2019. This information as required under the Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the Auditors

Notes on Consolidated Financial Statement

Note 1.25 Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2020	As at 31.03.2019
(a) Current maturities of long-term debt		
Rupees/Foreign Currency Term Loan	1,049.68	90.95
Car Loan	4.94	-
(b) Current maturities of finance lease obligations	-	-
(b) Interest accrued	-	-
Interest accrued but not due on borrowings	286.66	42.46
(c) Unclaimed/Unpaid dividends	28.24	26.61
(d) Others		
Liabilities for Expenses	2,086.89	1,272.97
Amount Due to Employee	1,138.21	971.80
Others Misc. Payable	230.67	132.89
Misc. Security Deposit	2.02	-
Creditors for Capital Advance	689.76	960.65
Total	5,517.07	3,498.33

Note:

- Term Loan from Bank is secured against Property, Plant and Equipments created from such loan. The balance term loan is repayable in 4 quarterly installments.
- There is no amount due and outstanding to be credited to the Investor Education and Protection Fund against unpaid dividend as at 31st March 2020.

Note 1.26 Other Current Liabilities

(₹ in Lakhs)

	As at 31.03.2020	As at 31.03.2019
(a) Advances from Customers	10,206.68	12,648.45
(b) TDS and other taxes payable	760.08	430.14
(c) PF, ESI amount Payable	89.39	126.06
(d) Security Deposits	2,152.97	1,562.05
(e) Interest Payable	31.59	21.90
(f) Other Liabilities	1,589.16	1,518.01
Total	14,829.87	16,306.61

Note 1.27 Provisions (Current)

(₹ in Lakhs)

	As at 31.03.2020	As at 31.03.2019
(a) Provision for employee benefits (for Gratuity)	50.36	41.91
(b) Provision for employee benefits (for leave)	172.84	146.19
(c) Provision for Contract Loss Provision	55.70	109.90
(d) Provision for Expenses	1,450.75	943.98
(e) Provision for Impairment of Assets/Covid-19	14,991.97	-
Total	16,721.62	1,241.98

Notes:

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

Refer note 1.65 & 1.66 of standalone financials for details of Impairment of Assets/ COVID-19 impact.

Notes on Consolidated Financial Statement

Note 1.28 Revenue From Operations

(₹ in Lakhs)

Particulars	For the period ended 31.03.2020	For the period ended 31.03.2019
(a) Sale of products	1,18,336.57	1,04,105.94
(b) Sale of services	82,536.50	95,449.07
(c) Other operating revenues	1,154.43	962.58
Gross Revenue from operations	2,02,027.50	2,00,517.59
Less: Inter Segment Revenue	(18,847.52)	(14,701.21)
Net Revenue from operations	1,83,179.98	1,85,816.38

Note 1.29 Other Income

(₹ in Lakhs)

Particulars	For the period ended 31.03.2020	For the period ended 31.03.2019
(a) Interest Income		
From Bank	240.51	140.61
From Others	368.50	244.63
(b) Dividend Income		
Income from Non-Current Investments	60.89	29.54
(c) Other non-operating Income		
Net gain on Sale of Current Investments	5.29	176.69
Compensation Against Old Refugee Settlement Area	178.02	-
Miscellaneous Receipts and Income	455.56	123.35
Sundry Credit Balance Adjusted	7.77	81.65
Profit on sale of PPE (Net)	78.75	146.33
Rent Received	364.04	179.21
Provision & Excess Liabilities Written Back	18.09	1.40
Insurance Claim Received	2.05	9.80
Gain on fair valuation of Bonds/Mutual	293.52	410.87
Total	2,072.99	1,544.08

Note 1.30 Cost of Materials Consumed

(₹ in Lakhs)

	For the period ended 31.03.2020	For the period ended 31.03.2019
Opening Stock of Raw Materials	8,241.44	5,049.43
Add: Raw materials Purchased and Departmental Transfers etc.	84,897.67	100,334.42
	93,139.11	105,383.85
Less: Closing Stock of Raw Materials	5,888.18	8,241.44
	87,250.93	97,142.41
Consumption of Components (Including Job Processing and Contract Labour Charges ₹ 5,771.39 lakhs, Previous Year ₹ 5,298.30 lakhs)	62,076.77	53,712.40
Less Inter Segment Revenue	(18,847.52)	(14,701.21)
Total	130,480.18	136,153.60

Notes on Consolidated Financial Statement

Note 1.31 Changes In Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress (₹ in Lakhs)

	For the period ended 31.03.2020	For the period ended 31.03.2019
Opening Stock		
Finished Goods	1,698.09	2,297.64
Work-in-Progress	21,869.00	14,824.81
	23,567.09	17,122.45
Add : Stock of Finished Goods acquired during the year of Urla unit	820.88	-
Total	24,387.97	17,122.45
Less : Closing Stock		
Finished Goods	5,097.35	1,698.09
Work-in-Progress	27,792.32	21,869.00
	32,889.67	23,567.09
(Increase)/Decrease in Stock	(8,501.70)	(6,444.64)

Note 1.32 Employee Benefit Expenses (₹ in Lakhs)

Particulars	For the period ended 31.03.2020	For the period ended 31.03.2019
a) Salaries ,Wages and Bonus	11,389.26	10,008.34
b) Contribution to provident and other funds		
i) Provident Fund and Pension Fund	760.49	675.28
ii) Superannuation Fund	50.90	52.37
iii) Gratuity	2.00	73.08
c) Share based payments to employees	-	(179.06)
d) Staff Welfare Expenses	592.44	688.73
e) VRS Expenses	1.17	6.65
Total	12,796.26	11,325.39

Note 1.33 Finance Costs (₹ in Lakhs)

Particulars	For the period ended 31.03.2020	For the period ended 31.03.2019
(a) interest		
i) Banks	7,704.06	5,825.75
ii) Others	166.70	23.30
(d) other borrowing costs	1,788.22	1,199.22
Total	9,658.98	7,048.27

Note 1.34 Depreciation and Amortization Expense (₹ in Lakhs)

	For the period ended 31.03.2020	For the period ended 31.03.2019
Depreciation on Tangible Assets	3,537.19	2,793.00
Depreciation on Intangible Assets	72.08	115.91
Total	3,609.27	2,908.91

Notes on Consolidated Financial Statement

Note 1.35 Other Expenses

(₹ in Lakhs)

	For the period ended 31.03.2020		For the period ended 31.03.2019	
Consumption of stores and spares part		10,303.71		9,219.07
Power and Fuel		7,167.10		6,204.92
Rent		535.98		398.49
Repairs to buildings		524.77		623.02
Repairs to machinery		454.16		404.72
Repairs to others		131.34		95.77
Insurance		601.00		445.16
Rates and Taxes excluding taxes on Income		452.42		382.60
Freight,Packing and Transport		1,212.39		2,015.36
Erection Expenses		6,767.09		3,886.04
Drawings and Designs		2.33		4.05
Royalty & Knowhow		60.72		48.60
Research & Development		106.25		119.88
Selling Agents Commission		13.81		169.09
Selling Expenses		294.76		258.35
Director's Sitting Fees		25.40		15.50
Director's Commission		13.61		14.14
Payments to the Auditor				
As Auditor	21.20		22.37	
For Tax Audit	4.50		4.95	
For Quarterly Review	3.60		2.55	
For Fees for Other Services (incl for issuing various certificates)	8.78		6.30	
As Cost Auditor	1.85		1.64	
For Reimbursement of out of pocket expenses	4.64	44.57	3.63	41.44
Donation		200.70		1.91
CSR Expenses		62.96		52.66
Miscellaneous Expenses		3,413.57		3,088.35
Sundry Debit Balance Adjusted		1.14		25.19
Allowance for bad & doubtful debts		394.66		
Bad Debt written off	2681.07		1,829.60	
Less: Allowance for bad & doubtful debts	(2582.63)	98.44	(1,126.43)	703.17
Net (gain)/loss on foreign currency transaction		(465.06)		(420.90)
Total		32,417.82		27,796.58

Note on CSR Expense:

- i) Gross amount required to be spent by the Company during the year: ₹ 82.79 Lakhs
- ii) **Amount spent in cash during the year on:**

Particulars	In Cash	Total
i) Construction/acquisition of any asset	0.75	0.75
ii) On purposes other than (i) above	62.21	62.21
Total	62.96	62.96

Notes on Consolidated Financial Statement

Note 1.36 Other Comprehensive Income

(₹ in Lakhs)

Particulars	For the period ended 31.03.2020	For the period ended 31.03.2019
(A) Items that will not be reclassified to profit or loss		
(i) Remeasurements of the defined benefit plans	17.60	(23.53)
(ii) Equity Instruments through Other Comprehensive Income;	(1,191.09)	(78.20)
(iii) Share of Other Comprehensive Income in Associates and Joint Ventures, to the extent not to be classified into profit or loss	(1.48)	-
	(1,174.97)	(101.73)
(B) Items that will be reclassified to profit or loss		
(i) Exchange differences in translating the financial statements of a foreign operation	(212.38)	102.05
Total	(212.38)	102.05

Notes on Consolidated Financial Statement

Note 1.37 Related Party Disclosure

(a) Name of the Related Parties and Relationship

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

Relationship	Parties where Control Exist	Parties where Control Exist
	2019-2020	2018-19
A. Key Management Personnel	Mr. Saroj Kumar Poddar Executive Chairman Mr. Sandeep Fuller, Managing Director (Resigned w.e.f. 31 st March 2020) Mr. A.K. Vijay, Executive Director (Finance) & CFO Mr. D. H. Kela Executive Director & CEO (SF) Mr. G.C.Agarwal, ED & CEO (HED) (Resigned w.e.f. 31 st March 2020) Mr. Ravi Varma (Company Secretary) (Appointed w.e.f. 14 th December 2019)	Mr. Saroj Kumar Poddar Executive Chairman Mr. Sandeep Fuller, Managing Director (w.e.f. 15 th May 2018) Mr. A.K. Vijay, Executive Director (Finance) & CFO Mr. D. H. Kela Executive Director & CEO (SF) Mr. G.C.Agarwal, ED & CEO (HED) (w.e.f. 15 th May 2018) Mr. Ravi Varma (Company Secretary)
B. Relative of Key Management Personnel	Ms. Jyotsna Poddar (Wife of Mr. S.K.Poddar) Ms. Puja Poddar (Daughter in Law of Mr. S.K.Poddar) Ms. Shradha Agarwal (Daughter of Mr. S.K.Poddar) Mr. Akshay Poddar (Son of Mr. S.K.Poddar)	Ms. Jyotsna Poddar (Wife of Mr. S.K.Poddar) Ms. Puja Poddar (Daughter in Law of Mr. S.K.Poddar) Ms. Shradha Agarwal (Daughter of Mr. S.K.Poddar) Mr. Akshay Poddar (Son of Mr. S.K.Poddar)
C. Joint Ventures	Touax Texmaco Railcar Leasing Pvt. Ltd. (50% of Capital held by Company) Wabtec Texmaco Rail Pvt. Ltd. (40% of Capital held by Company) Kalindee Cobra JV Kalindee Kapoor Railcon JV Kalindee Karthik JV Kalindee VNC JV Kalindee IF&LS JV GMR TPL KRNL JV Kalindee Rahee JV Kalindee URC JV JMC – GPT – Vijaywargi – Bright Power JV JMC – Vijaywargi – Bright Power JV Bright – Vijaywargi JV Tata Projects – Kalindee JV Texmaco Rahee JV	Touax Texmaco Railcar Leasing Pvt. Ltd. (50% of Capital held by Company) Wabtec Texmaco Rail Pvt. Ltd. (40% of Capital held by Company) Kalindee Cobra JV Kalindee Kapoor Railcon JV Kalindee Karthik JV Kalindee VNC JV Kalindee IF&LS JV GMR TPL KRNL JV Kalindee Rahee JV Kalindee URC JV JMC – GPT – Vijaywargi – Bright Power JV JMC – Vijaywargi – Bright Power JV Bright – Vijaywargi JV Tata Projects – Kalindee JV -
D. Group Company where Transaction Exists.	Duke Commerce Ltd. Adventz Securities Enterprises Ltd. Zuari Global Ltd. New Eros Tradecom Ltd. Master Exchange & Finance Ltd. Adventz Investments Co. Pvt. Ltd. Adventz Finance Pvt. Ltd. (Formerly Adventz Investments & Holding Pvt. Ltd.) Eureka Traders Pvt. Ltd. Abhishek Holdings Pvt. Ltd. Greenland Trading Pvt. Ltd. Indrakshi Trading Company Pvt. Ltd. Zuari Management Services Ltd. High Quality Steels Ltd. Lionel India Ltd. Lionel Edwards Ltd. Texmaco Infrastructure & Holdings Ltd. Zuari Investments Ltd. Indian Furniture Private Ltd. Paradeep Phosphate Ltd. Magnacon Electricals India Ltd.	Duke Commerce Ltd. Adventz Securities Enterprises Ltd. Zuari Global Ltd. New Eros Tradecom Ltd. Master Exchange & Finance Ltd. Adventz Investments Co. Pvt. Ltd. Adventz Finance Pvt. Ltd. (Formerly Adventz Investments & Holding Pvt. Ltd.) Eureka Traders Pvt. Ltd. Abhishek Holdings Pvt. Ltd. Greenland Trading Pvt. Ltd. Indrakshi Trading Company Pvt. Ltd. Zuari Management Services Ltd. High Quality Steels Ltd. Lionel India Ltd. Lionel Edwards Ltd. Texmaco Infrastructure & Holdings Ltd. Zuari Investments Ltd. Indian Furniture Private 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 31.03.2020
Remuneration Paid							
- Mr. Saroj Kumar Poddar	-- (-)	-- (-)	-- (-)	-- (-)	379.26 (385.99)	379.26 (385.99)	53.85 (-)
- Mr. Sandeep Fuller* (Resigned w.e.f. 31 st March 2020)	-- (-)	-- (-)	-- (-)	-- (-)	114.01 (121.85)	114.01 (121.85)	15.41 (-)
- Mr. A.K. Vijay	-- (-)	-- (-)	-- (-)	-- (-)	67.26 (76.94)	67.26 (76.94)	5.19 (-)
- Mr. D. H. Kela	-- (-)	-- (-)	-- (-)	-- (-)	126.68 (137.03)	126.68 (137.03)	10.53 (-)
- Mr. Girish Chandra Agarwal (Resigned w.e.f. 31 st March 2020)	-- (-)	-- (-)	-- (-)	-- (-)	56.31 (59.50)	56.31 (59.50)	6.31 (-)
- Mr. Ravi Varma (Appointed w.e.f. 14 th December 2019)	-- (-)	-- (-)	-- (-)	-- (-)	12.20 (17.19)	12.20 (17.19)	0.50 (-)
Transaction with Relative of Key Management Personnel							
- Mr. Akshay Poddar (Sitting Fees & Commission)	4.85 (3.50)	-- (-)	-- (-)	-- (-)	-- (-)	4.85 (3.50)	-- (-)
Investment							
- Touax Texmaco Railcar Leasing Pvt. Ltd.	-- (-)	-- (-)	-- (-)	450.00 (300.00)	-- (-)	450.00 (300.00)	4464.99 (4014.99)
- Texmaco Infrastructure & Holdings Ltd.	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	727.27 (1332.34)
- Wabtec Texmaco Rail Pvt. Ltd.	-- (-)	-- (-)	-- (-)	-- (240.00)	-- (-)	-- (240.00)	328.17 (328.17)
Loans & Advances Given							
Bright-Vijaywargi-JV	-- (-)	-- (-)	-- (-)	234.90 (132.80)	-- (-)	234.90 (132.80)	149.40 (126.66)
Loans & Advances Received / Repaid							
- Adventz Finance Pvt. Ltd.	4100.00 (-)	-- (-)	-- (-)	-- (-)	-- (-)	4100.00 (-)	5200.00 (1100.00)
- Adventz Securities Enterprises Ltd.	-150.00 (150.00)	-- (-)	-- (-)	-- (-)	-- (-)	-150.00 (150.00)	700.00 (850.00)
- Magnacon Electricals India Ltd.	800.00 (-)	-- (-)	-- (-)	-- (-)	-- (-)	800.00 (-)	800.00 (-)
Dividend Paid							
- Mr.Saroj Kumar Poddar	-- (-)	-- (-)	-- (-)	-- (-)	12.06 (8.62)	12.06 (8.62)	-- (-)
- Ms Jyotsna Poddar	0.25 (0.18)	-- (-)	-- (-)	-- (-)	-- (-)	0.25 (0.18)	-- (-)
- Ms. Puja Poddar	0.10 (0.07)	-- (-)	-- (-)	-- (-)	-- (-)	0.10 (0.07)	-- (-)
- Mr. Akshay Poddar	0.05 (0.04)	-- (-)	-- (-)	-- (-)	-- (-)	0.05 (0.04)	-- (-)

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 31.03.2020
- Ms. Shradha Agarwal	0.05 (0.03)	-- (--)	-- (--)	-- (--)	-- (--)	0.05 (0.03)	-- (--)
- Abhishek Holdings Pvt. Ltd.	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
- Adventz Securities Enterprises Ltd.	13.33 (9.52)	-- (--)	-- (--)	-- (--)	-- (--)	13.33 (9.52)	-- (--)
- Adventz Finance Pvt. Ltd.	29.32 (20.94)	-- (--)	-- (--)	-- (--)	-- (--)	29.32 (20.94)	-- (--)
- Adventz Investments Co. Pvt. Ltd.	10.62 (7.59)	-- (--)	-- (--)	-- (--)	-- (--)	10.62 (7.59)	-- (--)
- Duke Commerce Ltd.	26.30 (18.79)	-- (--)	-- (--)	-- (--)	-- (--)	26.30 (18.79)	-- (--)
- Eureka Traders Pvt. Ltd.	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
- Greenland Trading Pvt. Ltd.	0.12 (0.09)	-- (--)	-- (--)	-- (--)	-- (--)	0.12 (0.09)	-- (--)
- Master Exchange & Finance Ltd.	0.05 (0.04)	-- (--)	-- (--)	-- (--)	-- (--)	0.05 (0.04)	-- (--)
- New Eros Tradecom Ltd.	2.58 (1.85)	-- (--)	-- (--)	-- (--)	-- (--)	2.58 (1.85)	-- (--)
- Indrakshi Trading Company Pvt. Ltd.	0.11 (0.08)	-- (--)	-- (--)	-- (--)	-- (--)	0.11 (0.08)	-- (--)
- Texmaco Infrastructure & Holdings Ltd.	191.10 (136.50)	-- (--)	-- (--)	-- (--)	-- (--)	191.10 (136.50)	-- (--)
- Zuari Investments Ltd.	101.37 (72.41)	-- (--)	-- (--)	-- (--)	-- (--)	101.37 (72.41)	-- (--)
- Zuari Global Ltd.	14.12 (10.09)	-- (--)	-- (--)	-- (--)	-- (--)	14.12 (10.09)	-- (--)
- Mr. D. H. Kela	-- (--)	-- (--)	-- (--)	-- (--)	0.11 (0.03)	0.11 (0.03)	-- (--)
- Mr. Sandeep Fuller (Resigned w.e.f. 31 st March 2020)	-- (--)	-- (--)	-- (--)	-- (--)	0.18 (0.08)	0.18 (0.08)	-- (--)
- Mr. A.K. Vijay	-- (--)	-- (--)	-- (--)	-- (--)	0.18 (0.08)	0.18 (0.08)	-- (--)
- Mr. Ravi Varma (Appointed w.e.f: 14 th December 2019)	-- (--)	-- (--)	-- (--)	-- (--)	-- (0.01)	-- (0.01)	-- (--)
Dividend Received							
- Texmaco Infrastructure & Holdings Ltd.	4.70 (4.70)	-- (--)	-- (--)	-- (--)	-- (--)	4.70 (4.70)	-- (--)

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 31.03.2020
Others							
- Adventz Finance Pvt. Ltd. (Rent Paid)	15.73 (15.73)	-- (--)	-- (--)	-- (--)	-- (--)	15.73 (15.73)	-- (--)
- Adventz Finance Pvt. Ltd. (Interest Paid)	515.23 (148.50)	-- (--)	-- (--)	-- (--)	-- (--)	515.23 (148.50)	105.10 (90.81)
- Adventz Securities Enterprises Ltd. (Interest Paid)	103.72 (94.83)	-- (--)	-- (--)	-- (--)	-- (--)	103.72 (94.83)	22.55 (71.75)
- Magnacon Electricals India Ltd. (Interest Paid)	68.11 (--)	-- (--)	-- (--)	-- (--)	-- (--)	68.11 (--)	68.11 (--)
- High Quality Steels Ltd. (Services Received)	492.43 (630.61)	-- (--)	-- (--)	-- (--)	-- (--)	492.43 (630.61)	-- (57.74)
- Lionel India Ltd. (Services Received)	151.64 (241.10)	-- (--)	-- (--)	-- (--)	-- (--)	151.64 (241.10)	60.36 (60.88)
- Lionel Edwards Ltd. (Services Received)	37.22 (5.79)	-- (--)	-- (--)	-- (--)	-- (--)	37.22 (5.79)	9.77 (0.58)
- Indian Furniture Private Ltd. (Purchase of Goods)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	2.34 (2.34)
- Zuari Management Services Ltd. (Services Received)	335.27 (235.30)	-- (--)	-- (--)	-- (--)	-- (--)	335.27 (235.30)	53.87 (54.64)
- Texmaco Infrastructure & Holdings Ltd. (Rent Received)	0.72 (0.72)	-- (--)	-- (--)	-- (--)	-- (--)	0.72 (0.72)	-- (--)
- Texmaco Infrastructure & Holdings Ltd. (Rent Paid)	68.74 (68.74)	-- (--)	-- (--)	-- (--)	-- (--)	68.74 (68.74)	114.60 (40.35)
- Texmaco Infrastructure & Holdings Ltd. (Services Received)	149.09 (--)	-- (--)	-- (--)	-- (--)	-- (--)	149.09 (--)	26.54 (--)
- Wabtec Texmaco Rail Pvt. Ltd. (Sale of Goods)	-- (--)	-- (--)	-- (--)	516.35 (225.47)	-- (--)	516.35 (225.47)	330.34 (47.28)
- Wabtec Texmaco Rail Pvt. Ltd. (Purchase of Goods)	-- (--)	-- (--)	-- (--)	1590.60 (1468.61)	-- (--)	1590.60 (1468.61)	282.81 (198.45)
- Wabtec Texmaco Rail Pvt. Ltd. (Sale of Services)	-- (--)	-- (--)	-- (--)	209.36 (253.12)	-- (--)	209.36 (253.12)	29.20 (27.08)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	4228.11 (4762.86)	-- (--)	4228.11 (4762.86)	112.45 (113.17)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Rent Received)	-- (--)	-- (--)	-- (--)	1.37 (0.05)	-- (--)	1.37 (0.05)	-- (--)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Deposit Against Order)	-- (--)	-- (--)	-- (--)	700.56 (2204.37)	-- (--)	700.56 (2204.37)	1964.72 (2204.37)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Interest receivable against CCD given)	-- (--)	-- (--)	-- (--)	301.35 (245.00)	-- (--)	301.35 (245.00)	491.71 (205.00)
- Paradeep Phosphate Ltd (Rent Received)	7.69 (8.86)	-- (--)	-- (--)	-- (--)	-- (--)	7.69 (8.86)	-- (0.82)
- JMC-Vijaywargi-Bright Power JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	-- (144.89)	-- (--)	-- (144.89)	264.39 (264.39)
- Bright-Vijaywargi JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	5536.84 (3853.34)	-- (--)	5536.84 (3853.34)	1570.70 (1075.12)
- Bright-Vijaywargi JV (Mobilization Advance Received)	-- (--)	-- (--)	-- (--)	637.82 (--)	-- (--)	637.82 (--)	196.88 (--)

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 31.03.2020
- JMC-GPT-Vijaywargi-Bright Power JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	120.52 (120.52)
- JMC-Vijaywargi-Bright Power JV (Amount paid on behalf of JV)	-- (--)	-- (--)	-- (--)	-- (0.42)	-- (--)	-- (0.42)	1.15 (1.15)
- JMC-GPT-Vijaywargi-Bright Power JV (Amount paid on behalf of JV)	-- (--)	-- (--)	-- (--)	-- (0.30)	-- (--)	-- (0.30)	2.45 (2.45)
- Kalindee Cobra JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	1244.80 (2846.77)	-- (--)	1244.80 (2846.77)	870.44 (1966.64)
- Kalindee Cobra JV (Amount paid by the company on behalf of others)	-- (--)	-- (--)	-- (--)	0.60 (15.15)	-- (--)	0.60 (15.15)	-- (--)
- Kalindee IL & FS JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	685.33 (2295.11)	-- (--)	685.33 (2295.11)	2406.91 (2569.29)
- Kalindee Kapoor Railcon JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	2282.72 (7812.73)	-- (--)	2282.72 (7812.73)	2279.31 (5700.33)
- Kalindee Kapoor Railcon JV (Amount paid on behalf of the company)	-- (--)	-- (--)	-- (--)	12.66 (0.05)	-- (--)	12.66 (0.05)	-- (--)
- Kalindee Karthik JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	(4.78) (--)	-- (--)	(4.78) (--)	401.46 (406.24)
- Kalindee Rahee JV (Amount paid by the company on behalf of others)	-- (--)	-- (--)	-- (--)	1386.49 (655.72)	-- (--)	1386.49 (655.72)	2364.64 (1845.25)
- Kalindee URC JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	363.69 (816.84)	-- (--)	363.69 (816.84)	223.35 (1173.95)
- Kalindee URC JV (Amount paid by the company on behalf of others)	-- (--)	-- (--)	-- (--)	2.81 (0.25)	-- (--)	2.81 (0.25)	-- (--)
- Kalindee VNC JV (Amount paid by the company on behalf of others)	-- (--)	-- (--)	-- (--)	178.79 (426.81)	-- (--)	178.79 (426.81)	1604.02 (1791.12)
- GMR TPL KRNL JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	170.43 (3321.01)	-- (--)	170.43 (3321.01)	1270.02 (2956.11)
- Tata Projects- Kalindee JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	529.95 (801.71)	-- (--)	529.95 (801.71)	112.88 (325.08)
- Texmaco-Rahee JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	378.25 (--)	-- (--)	378.25 (--)	67.24 (543.11)
Corporate Guarantee Given							
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Against Sale of Wagons)	-- (--)	-- (--)	-- (--)	-- (-585.37)	-- (--)	-- (-585.37)	1706.39 (941.80)
Corporate Guarantee Received							
- Texmaco Infrastructure & Holdings Ltd. (Against Cash Credit facility)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	5000.00 (5000.00)

Note: Figures in brackets are for previous financial year.

Notes on Consolidated Financial Statement

Note 1.38 Earning Per Share – The Numerator and denominator used to calculate Basic/ Diluted Earning Per Share

(₹ in Lakhs)

Particulars		2019-20	2018-19
Net Profit for the period from ordinary activities attributable to equity shareholders (Excluding Preference Share Dividend) – used as numerator.	₹ in Lakhs	(6,483.02)	7,543.75
Weighted average number of Equity share outstanding used as denominator for Basic earning per share.	Number	22,48,57,832	21,99,89,414
Weighted Average Number of Equity share on account of Employee Stock Option Scheme	Number	24,600	-
Weighted Average Number of Equity share on account of Employee Stock Option Scheme	Number	23,050	-
Weighted Average Number of Equity share on account of merger of Bright Power Projects (India) Pvt. Ltd.	Number	-	47,85,300
Weighted Average Number of Equity share used on denominator for Diluted Earning Per Share	Number	22,48,57,832	22,47,74,714
(A) Basic Earning per share (face value of ₹ 1/- each)	₹	(2.88)	3.43
(B) Diluted Earning per share (face value of ₹ 1/- each)	₹	(2.88)	3.35

Note 1.39 Principles of Consolidation

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

Name of the Company	Country of Incorporation	% Shareholding
Belur Engineering Pvt. Ltd.	India	100%
Texmaco Transtrak Pvt. Ltd.	India	51%
Texmaco Rail System Pvt. Ltd.	India	100%
Texmaco SA (PTY) Ltd.	India	N.A.

- 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.

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.

Notes on Consolidated Financial Statement

Note 1.40 Financial Instruments

A. Accounting classification and fair values

(₹ In Lakhs)

31 st March 2020	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial Assets (Long Term)								
- Investments	-	1,811.76	4,749.60	6,561.36	1,811.76	4,749.60	-	6,561.36
- Loans & Advances	-	-	578.30	578.30	-	-	578.30	578.30
- Bank Balances	-	-	1,109.34	1,109.34	-	-	1,109.34	1,109.34
- Others	-	-	103.60	103.60	-	-	103.60	103.60
Financial Assets (Short Term)								
- Investments	3,499.62	-	-	3,499.62	3,499.62	-	-	3,499.62
- Trade Receivable	-	-	64,450.00	64,450.00	-	-	64,450.00	64,450.00
- Cash and cash equivalents	-	-	1,676.29	1,676.29	-	-	1,676.29	1,676.29
- Bank Balances & Others	-	-	6,684.65	6,684.65	-	-	6,684.65	6,684.65
- Loans & Advances	-	-	1,470.69	1,470.69	-	-	1,470.69	1,470.69
Total	3,499.62	1,811.76	80,822.47	86,133.85	5,311.38	4,749.60	76,072.87	86,133.85
Financial liabilities (Long Term)								
- Borrowings	-	-	5,269.99	5,269.99	-	-	5,269.99	5,269.99
Financial liabilities (Short Term)								
- Borrowings	-	-	69,711.48	69,711.48	-	-	69,711.48	69,711.48
- Trade Payable	-	-	55,416.13	55,416.13	-	-	55,416.13	55,416.13
- Other Financial Liabilities	-	-	5,517.07	5,517.07	-	-	5,517.07	5,517.07
Total	-	-	1,35,914.67	1,35,914.67	-	-	1,35,914.67	1,35,914.67

(₹ In Lakhs)

31 st March 2019	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
Financial Assets (Long Term)								
- Investments	-	3,002.84	4,188.18	7,191.02	3,002.84	4,188.18	-	7,191.02
- Loans & Advances	-	-	141.44	141.44	-	-	141.44	141.44
- Bank Balances	-	-	607.45	607.45	-	-	607.45	607.45
- Others	-	-	71.52	71.52	-	-	71.52	71.52
Financial Assets (Short Term)								
- Investments	7,103.05	-	-	7,103.05	7,103.05	-	-	7,103.05
- Trade Receivable	-	-	81,545.82	81,545.82	-	-	81,545.82	81,545.82
- Cash and cash equivalents	-	-	1,112.43	1,112.43	-	-	1,112.43	1,112.43
- Bank Balances & Others	-	-	3,600.96	3,600.96	-	-	3,600.96	3,600.96
- Loans & Advances	-	-	541.80	541.80	-	-	541.80	541.80
Total	7,103.05	3,002.84	91,809.60	101,915.49	10,105.89	4,188.18	87,621.42	101,915.49
Financial liabilities (Long Term)								
- Borrowings	-	-	5,014.10	5,014.10	-	-	5,014.10	5,014.10
Financial liabilities (Short Term)								
- Borrowings	-	-	52,402.15	52,402.15	-	-	52,402.15	52,402.15
- Trade Payable	-	-	55,649.43	55,649.43	-	-	55,649.43	55,649.43
- Other Financial Liabilities	-	-	3,498.33	3,498.33	-	-	3,498.33	3,498.33
Total	-	-	116,564.01	116,564.01	-	-	116,564.01	116,564.01

* The carrying value and the fair value approximates.

Notes on Consolidated Financial Statement

Note 1.40 Financial Instruments (Contd..)

A. According classification and fair values (Contd..)

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.

Notes on Consolidated Financial Statement

Note 1.41 Tax Expense

(₹ in Lakhs)

Particulars	For the Year Ended	
	31.03.2020	31.03.2019
a) Tax Expense		
Current Tax		
- Current tax on profits for the year	747.00	1,794.71
- Adjustments for current tax of prior periods	(109.89)	126.20
- Total current tax expense	637.11	1,920.91
Deferred Tax		
- Decrease/(increase) in deferred tax assets	(3,702.16)	896.32
- (Decrease)/increase in deferred tax liabilities	36.86	270.56
- Total deferred tax expenses/(benefit)	(3,665.30)	1,166.88
MAT credit entitlement	(257.46)	(1,794.71)
Tax Expense	(3,285.65)	1,293.08
b) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate		
Profit before tax	(10,199.81)	8,572.35
Tax at the Indian tax rate of 34.944% (previous year - 34.944%)	(3,564.22)	2,995.52
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Corporate social responsibility expenditure	22.00	18.40
- Disallowance of estimated expenditure to earn tax exempt income	10.83	10.83
- Others	160.74	120.21
Tax effect of amounts which are deductible (non-taxable) in calculating taxable income		
- Weighted deduction on R&D expenses	(18.56)	(8.74)
- Income from Investment	(78.97)	(191.84)
- Income from rented property	(38.49)	(18.64)
- Others	(27.61)	(584.26)
Tax effect of other adjustment		
- Income tax for earlier years	(110.78)	126.20
- MAT Credit/carry forward losses adjustment & Others	359.41	(1,174.60)
Tax Expense	(3,285.65)	1,293.08

Notes on Consolidated Financial Statement

Note 1.42 Information on Segment Working is given below:

(₹ in Lakhs)

Particulars	2019-20				2018-19			
	Heavy Engg. Division	Steel Foundry	Rail EPC	Total	Heavy Engg. Division	Steel Foundry	RailEPC	Total
	1	2	3	4(1+2+3)	1	2	3	4(1+2+3)
Revenue (Net of GST)								
Gross Sales	83,642.51	34,781.42	82,449.14	200,873.07	78,093.80	26,558.66	94,902.55	199,555.01
Internal-Segment Sales	(1,810.74)	(17,036.78)	-	(18,847.52)	(1,892.21)	(12,809.00)	-	(14,701.21)
Other Operating Revenue	1,154.43	-	-	1,154.43	441.98	320.89	199.71	962.58
Total	82,986.20	17,744.64	82,449.14	183,179.98	76,643.57	14,070.55	95,102.26	185,816.38
Result								
Segment Result	3,374.43	4,026.80	4,231.55	11,632.78	2,328.95	2,949.31	8,259.54	13,537.80
Others (Net of Unallocated Expenses)				421.13				498.36
Operating Profit/(Loss)				12,053.91				14,036.16
Interest Expense				(7,870.76)				(5,849.05)
Interest Income				609.01				385.24
Total Profit/(Loss) before Tax				4,792.16				8,572.35
Provision for Current Tax				(489.54)				-
Provision for Deferred Tax				3,665.30				(1,166.88)
Income Tax for Earlier Year				109.89				(126.20)
Profit/(Loss) from ordinary activities				8,077.81				7,279.27
Extra ordinary items				(14,991.97)				-
Net Profit/(Loss)				(6,914.16)				7,279.27
Other Information								
Segment Assets	97,433.47	46,204.23	135,121.26	278,758.96	95,253.98	30,873.17	128,878.91	255,006.06
Unallocated Corporate assets				10,060.98				14,294.07
Total Assets				288,819.94				269,300.13
Segment liabilities	58,101.78	19,387.91	1,08,606.89	1,86,096.58	54,324.73	10,452.53	90,652.32	1,55,429.58
Total Liabilities				1,86,096.58				1,55,429.58
Capital expenditure				7,359.71				5,794.38
Depreciation				3,609.27				2,908.91
Non-cash expenses other than depreciation				494.24				728.36

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

Notes on Consolidated Financial Statement

Note 1.43

Information for Consolidated Financial Statements pursuant to Schedule III of the Companies Act, 2013

(₹ in Lakhs)

	Net Assets, i.e., total assets minus total liabilities		Share in Profit or (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated Net Assets	Amount (₹ in lakhs)	As % of consolidated profit or loss	Amount (₹ in lakhs)	As % of consolidated other comprehensive income	Amount (₹ in lakhs)	As % of total comprehensive income	Amount (₹ in lakhs)
Parent								
Texmaco Rail & Engineering Ltd.	100.07%	102,790.97	101.41%	(6,584.03)	99.89%	(1,385.87)	101.14%	(7,969.90)
Indian Subsidiaries								
Belur Engineering Pvt. Ltd.	0.01%	14.37	-0.06%	3.84	-	-	-0.05%	3.84
Texmaco Transtrack Pvt. Ltd.	-0.02%	(20.20)	0.26%	(16.78)	-	-	0.21%	(16.78)
Texmaco Rail Systems Pvt. Ltd.	-	0.75	0.01%	(0.74)	-	-	0.01%	(0.74)
Texmaco SA PTY	-	0.11	0.00%	0.11	-	-	-	0.11
Non Controlling Interest in all subsidiaries	-0.01%	(9.84)	0.15%	(9.42)	-	-	0.12%	(9.42)
Joint Ventures								
Touax Texmaco Railcar Leasing Pvt. Ltd.	-	-	-4.88%	316.70	-	-	-4.02%	316.70
Wabtech Texmaco Rail Pvt. Ltd.	-	-	-1.63%	105.93	0.11%	(1.48)	-1.33%	104.45
Associate Companies								
Texmaco Defence Pvt. Ltd.	-	-	0.01%	(0.91)	-	-	0.01%	(0.91)
Consolidation Adjustment and Elimination	-0.05%	(52.81)	4.73%	(307.14)	-	-	3.90%	(307.14)
Total	100.00%	102,723.36	100.00%	(6,492.44)	100.00%	(1,387.35)	100.00%	(7,879.79)

Notes on Consolidated Financial Statement

Note 1.44 Other Disclosures

Other notes and disclosures to be inserted in the consolidated financial statements are similar to those of standalone financial statements of Texamco Rail & Engineering Ltd.; and hence have not been repeated here.

The relevant note references in the standalone financial statements are given below:

Particulars	Note Reference of standalone financial statements
Commitments & Contigent Liabilities	Note 1.37
Movement of Provisions during the year as required under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.	Note 1.38
Employees Stock Option Scheme	Note 1.42
Employee Benefits Obligation	Note 1.45
Amount Remitted during the Year to Non-Resident Shareholders on Account of Dividend (As Certified by the Management)	Note 1.46
Value of Raw Materials and Stores Consumed (Including Components and Spare Parts) Services Etc.	Note 1.47
Value of Imports on C.I.F. Basis	Note 1.48
Analysis of Raw Material Consumed	Note 1.49
Expenditure in Foreign Currency	Note 1.52
Income in Foreign Exchange	Note 1.53
Details of Inventory of Work in Progress	Note 1.54
As a part of company's risk management policy, the financial risks mainly relating to changes in the exchange rates are hedged by using a combination of forward contracts, besides the natural hedges.	Note 1.55
Leases	Note 1.58
Financial Risk Management Objectives and policies	Note 1.59
Capital Management	Note 1.60
Fair Value	Note 1.61
Exceptional Items	Note 1.65
COVID-19 Impact	Note 1.66

There are no changes arising out of inclusion of the subsidiaries/associate amounts in the above disclosures.

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

1.46 - 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: 17th June 2020

Ravi Varma
Company Secretary

Directors

S. K. Poddar

A. C. Chakrabortti

Indrajit Mookerjee

D. H. Kela

A. K. Vijay



TEXMACO RAIL & ENGINEERING LTD.

The Total Rail Solution Provider
Belgharia, Kolkata 700 056

