



TEXMACO



adventz

## TEXMACO RAIL & ENGINEERING LIMITED



## TOWARDS RESILIENT GROWTH

Annual Report 2021-22

# Contents

## CORPORATE OVERVIEW

Corporate Information	01
Our Business Units	04
From the Desk of The Chairman	08
Joint Venture Companies	10
Financial Performance	12
Products	14
Rail EPC Proceeding at a Fast Pace	16
Work Life Balance	18

## STATUTORY REPORTS

Report of the Board of Directors	22
Report on Corporate Governance	44
Business Responsibility Report	61

## FINANCIAL STATEMENTS

Independent Auditor's Report	67
Balance Sheet	80
Statement of Profit and Loss	81
Statement of Cash Flow	82
Statement of Changes in Equity	83
Notes on Financial Statements	84
Consolidated Financial Statements	136
Notes on Consolidated Financial Statements	148

### Forward - looking statements

Some information in this report may contain forward - looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward - looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward - looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward - looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

# CORPORATE INFORMATION

## Directors

Mr S. K. Poddar  
Executive Chairman

Mr Indrajit Mookerjee  
Executive Director & Vice Chairman\*

Mr A. K. Gupta,  
Managing Director#

Mr D. R. Kaarthikeyan

Mr P. S. Bhattacharyya^

Mr Utsav Parekh

Ms Rusha Mitra

Mr Virendra Sinha

Mr Amitabha Guha®

Mr Akshay Poddar

Mr D. H. Kela, ED

Mr A. K. Vijay, ED & CFO

\*Re-designated w.e.f. 1st January, 2022

# Since resigned

^Appointed w.e.f. 1st January, 2022

@ Appointed w.e.f. 6th May, 2022

## Company Secretary

Mr Ravi Varma

## Auditors

Messrs L. B. Jha & Co., Kolkata

## Bankers

State Bank of India  
HDFC Bank  
Axis Bank  
SBM Bank  
ICICI Bank  
IDFC First Bank  
Doha Bank  
DBS Bank  
YES Bank  
IndusInd Bank  
Bandhan Bank  
IDBI Bank

## Registered & Corporate Office

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

## Kolkata Office

Birla Building, 9/1, R.N. Mukherjee Road  
Kolkata 700 001  
Phone: (033) 3057 3700  
Fax: (033) 2242 5833

## Regional Offices

- New Delhi • Mumbai • Jaipur
- Bengaluru

## Works

### Heavy Engineering

- Agarpara • Sodepur • Panihati
- Belgharia

### Steel Foundry

- Belgharia • Urla (Raipur)

## Subsidiaries

- Belur Engineering Private Limited
- Texmaco Rail Electrification Limited
- Texmaco Engineering Udyog Private Limited
- Texmaco Transtrak 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 Limited  
(Formerly KFin Technologies Private Limited),  
Selenium Tower B, Plot No. 31 & 32,  
Gachibowli Financial District,  
Nanakramguda, Hyderabad: 500032  
Toll Free No.: 1800 309 4001  
E-mail: einward.ris@kfintech.com.

## CIN

L29261WB1998PLC087404



# Towards resilient growth

is a way of thinking that can unlock value through looking at our Business & the World in a new way. It's the Businesses' ability to foresee, adapt to, and leverage changing conditions to its advantage.

# OUR BUSINESS UNITS

## Rolling Stock



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

## Traction & Coaching



- Loco-shells
- Loco Underframe
- Loco Components

## Rail EPC



- Railway Main Line Track
- Railway Main Line Signalling
- Railway Main Line Telecom
- Railway Main Line Overhead Electrification & General Electrification
- Railway Main Line Civil Work - Bridges & Culverts
- Metro Track – Viaduct, Underground & Depot
- Metro Automatic Fare Collection System
- Metro Overhead Electrification
- Other Power Supply Installation
- Railway Buildings, Platforms & Foot Over Bridges
- Private Siding – Civil Work, Track Work, Signalling & Overhead Electrification.

## Steel Foundry



### Steel Foundry Domestic

- High Speed Bogies
- Concor Bogies
- NLB Bogies
- LWLH Bogies
- WD 70 BD 10 Coupler Sets (U.H.T.E)
- Miner Draft Gears
- Mark 325 Draft Gear Housing
- Follower Blocks
- Draw Bars
- CMS Crossings

### Industrial Castings for

- Earth Moving Equipment
- Hydro Power Projects
- Defence
- Steel Plant

### Exports

- High Axle Load Bogie Castings up to 31.25 Ton axle load
- High Wear resistance Shroud & Pointer Castings
- Centre Plate
- AAR Yokes & Follower
- AAR Couplers & Knuckles
- End of Car Cushion Yokes
- Articulated Couplers (under Development)
- Mark -390 Locomotive Yokes (under Development)

## OUR BUSINESS UNITS (CONTD.)

### Bridges & other Steel Structures



- Industrial & various Technological Structure
- Fabrication and erection of Steel Bridges in Railways and Roadways including sub-structures, piling etc
- Steel / Concrete Flyovers
- Other types of bridges – Concrete and Steel
- Fabrication and erection of Bailey Bridges
- Ship Hull Blocks
- Railway Traverser

### Hydro-mechanical Equipment



- Gates in a wide range: Radial / Vertical / Mitre / Torispherical Flap type / Sliding Gate with Body/ Bonnet, Hinged type Penstocks / Pressure Shaft Liners
- Bifurcation, Trifurcation, Transition, Expansion Joints, Anchor Support, 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 Cranes / 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
- Complete Solution of Hydromechanical (HM) Package

# FROM THE DESK OF THE CHAIRMAN



## Dear Shareholders,

It gives me immense pleasure to present to you the annual report for FY 2021-22. Over the past two years, we have resiliently faced the challenges posed by the pandemic and despite uncertainties, your Company has demonstrated tremendous resolve to tide through tough times.

## Economic overview

Although the second wave of the Covid-19 pandemic caused severe health concerns during the first quarter of FY 2021-22, its economic impact was not as profound. The economy witnessed signs of revival, mainly on account of pent-up demand and growing capital expenditure by the government. The Indian government has also initiated reforms in the form of privatisation of various sectors, introduction of production linked incentives and efforts to reform taxes. It is anticipated to boost the government's Make in India initiative and build pathways for the growth and development of the country.

However, Russia's invasion of Ukraine had a spiralling impact on the world economy, with a steep rise in essential commodity prices including food, oil, and metals. The Federal Bank of America also hiked rates to limit inflationary pressures and stabilise the US economy. Supply chains were also disrupted due to Russia's attack on Ukraine, resulting in a significant increase in input costs and lead times. Rising inflation continues to remain a concern for the economy.

## Emerging Opportunities

With rapid development of railway infrastructure and strong government impetus for modernising the sector, your Company continues to explore myriad opportunities in this segment. In the recent Union Budget, the government proposed a record allocation of ₹1.37 lakh crore for Railways, with a capital expenditure outlay of over ₹2.45 lakh crore for the upcoming financial year. As per the National Rail Plan, the government continues to strengthen freight infrastructure to cater to the growing demand.

Indian Railways is an integral part of the Indian economy and is one of the most feasible modes for transporting bulk goods. It is also an energy-efficient mode of transportation and to further boost its development, the government launched the 'Gati Shakti' or National Master Plan for Multimodal Connectivity, a digital platform for bringing together 16 ministries, including trains and roads and to plan and deliver infrastructure connectivity projects in a coordinated manner. The Indian Railways is working towards increasing the modal share of freight transport to 45%, with an aim to reduce carbon footprint and contribute towards sustainability endeavours. Railways is pushing towards this endeavour, and we as one of their largest suppliers, are in sync and prepared to meet their plan. Taking into consideration the rapid developments in the Railway sector, your Company strives to capitalise on emerging opportunities that lay the foundation for its consistent growth and success.

## Way Forward

The uncertainties posed by the second wave of the Covid-19 pandemic impacted your Company's financial performance to a certain extent during the first quarter of the last fiscal. However, our resilient efforts and prudent decisions enabled us to overcome hurdles and capitalise on various opportunities in the sector. During the year under review, the gross turnover of your Company stood at ₹18,144.16 mn and reported a net profit of ₹182.95 mn.

During the year, your Company has successfully completed the Rights Issue with an overwhelming response across all categories and was oversubscribed in overall terms by approx. 1.35 times. The success of the Rights Issue affirms the continued confidence of stakeholders in the operations of the Company.

Your Company is consistently improving its foray in the wagon business and has received an order of 20,067 wagons from Indian Railways. Further, electrification of railway lines and infrastructural upgrades primarily in modern signalling system

and metro segment continue to play a pivotal role to improve your Company's prospects in the industry. It also provides us an opportunity to further upgrade the Rail EPC units - Kalindee and Bright Power. While government support for railways bodes well for the future, your Company remain focused on enhancing the technical and operational capabilities.

The Company's Steel Foundry Division also continues to strengthen its export operations. Your Company also looks forward to further improve operational performances to strengthen quality, cost, and delivery objectives, thereby fulfilling its goal of becoming a supplier of choice for its valued patrons.

## Our People

At Texmaco, our people have been instrumental in charting our success. We, therefore, seek to create a cordial working environment where our people feel secure, safe and motivated. We also encourage a diverse and inclusive work culture that supports their professional as well as personal development.

## Acknowledgement

I remain extremely grateful to all our stakeholders for their continued faith and support for Texmaco Rail. I would also like to appreciate our dedicated workforce, the management and the board for their consistent efforts to take our organisation to greater heights of success.

Together, we look forward towards fulfilling our collective goals and lay the foundation for a brighter future.

**S.K. Poddar**  
Chairman

# JOINT VENTURE COMPANIES

## Wabtec Texmaco Rail Pvt. Ltd.

An impetus to 'Make-in-India'



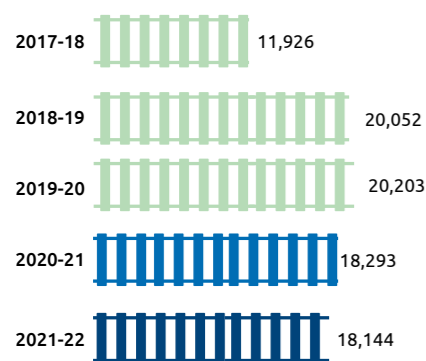
## Touax Texmaco Railcar Leasing Pvt. Ltd.



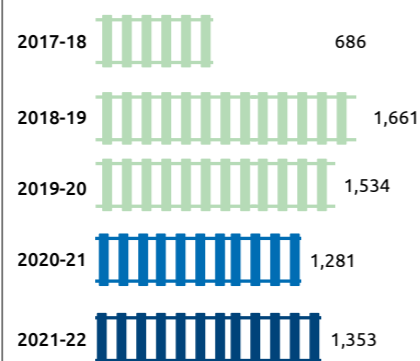
# FINANCIAL PERFORMANCE

## Main Indicators

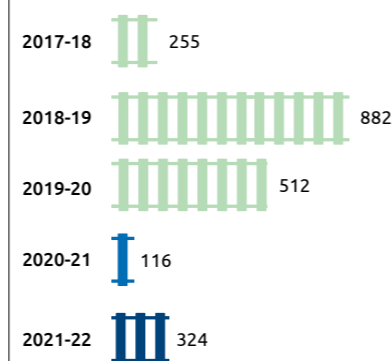
**Gross Revenue from Operation**  
(₹ in mn)



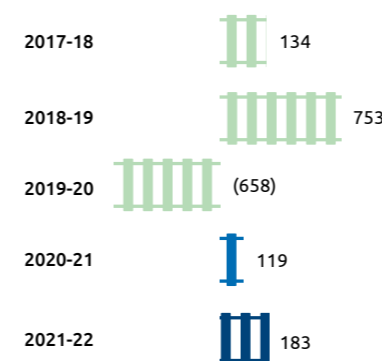
**EBIDTA**  
(₹ in mn)



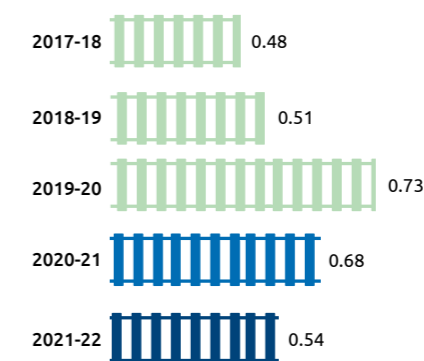
**PBT**  
(₹ in mn)



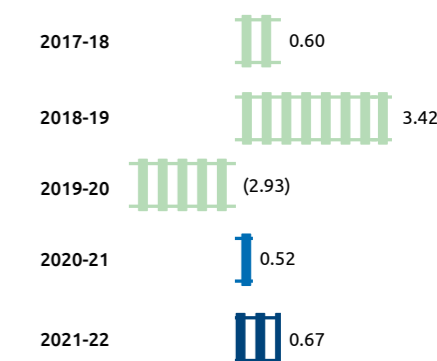
**PAT**  
(₹ in mn)



**Debt-equity ratio**



**EPS**  
(₹)



The Graph is not scaled

## FINANCIAL HIGHLIGHTS OF THE LAST TEN YEARS

Indicator	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Gross Revenue from Operation	103,596.50	51,517.43	86,808.45	126,572.68	128,413.73	1,19,260.25	2,00,517.59	2,02,027.50	1,82,930.91	1,81,441.58
Other income	3,096.69	2,289.02	3,184.43	4,492.58	4,730.61	5,064.08	2,112.96	2,725.68	3,177.53	3,148.77
Gross profit (PBDT)	14,415.85	3,049.72	3,499.17	4,869.00	5,817.36	5,036.84	11,716.72	8,711.71	4,885.14	6,822.66
Profit before tax & Exceptional Items	13,476.67	1,875.94	1,825.25	3,414.27	4,201.46	2,555.25	8,820.76	5,120.86	1,159.47	3,241.91
Exceptional Items	-	-	-	-	-	-	-	14,991.97	-	-
Profit / (loss) before tax	13,476.67	1,875.94	1,825.25	3,414.27	4,201.46	2,555.25	8,820.76	(9,871.11)	1,159.47	3,241.91
Tax for the year	4,049.76	178.72	(196.27)	693.81	844.16	1,216.62	1,292.78	(3,287.08)	(27.16)	1,412.46
Profit after tax	9,426.91	1,697.22	400.47	2,720.46	3,357.30	1,338.63	7,527.98	(6,584.03)	1,186.63	1,829.45
Equity	1,820.27	1,820.27	2,100.64	2,192.95	2,194.15	2,246.13	2,248.35	2,248.59	2,503.43	3218.70
Free reserves	55,135.23	56,300.04	97,232.94	87,476.34	91,204.94	1,01,055.93	1,07,825.68	98,915.78	1,09,836.29	127814.74
Equity share book value (₹)	31.29	31.93	42.29	40.89	42.57	43.47	51.43	44.99	44.87	40.71
Rate of dividend	100%	25%	25%	25%	25%	25%	35%	10%	10%	10%



# PRODUCTS



BLCM wagon for carrying container

Locomotive shells under finishing operation

BTAP wagon for carrying alumina and flyash

BTPN wagon for carrying petroleum



BOXNHL wagon

12 mtr. long Channel Bending



Texmaco designed and manufactured Gondola Wagon Africa, for carrying Iron Ore

BLCM wagon



# RAIL EPC PROCEEDING AT A FAST PACE

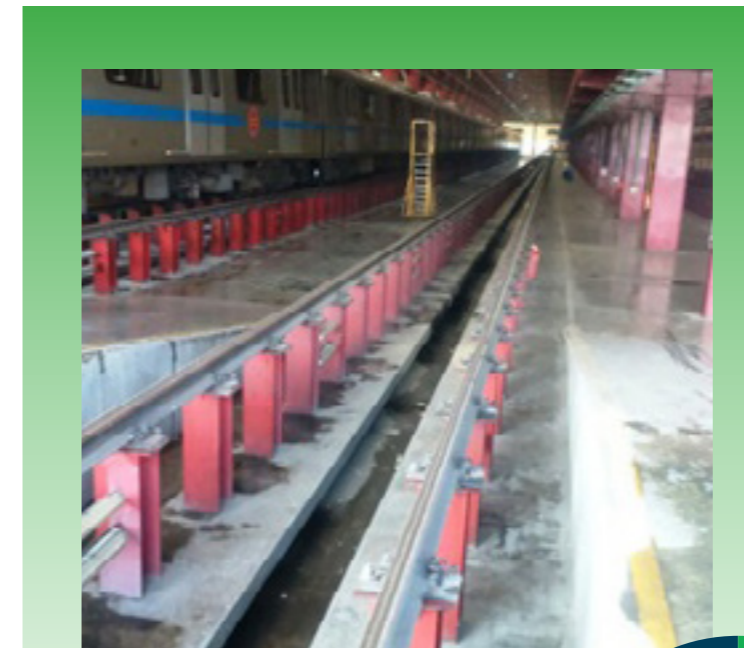


Ballastless Track inside Metro Tunnel with Zero tolerance

Y & D crossovers for simultaneous train receipt & dispatch

First High Rise OHE in Pipava for Kutch Railways

OHE Modification & replacement of Kasara & Lonavala OHR in Ghat section



Special Track Forms Track on Steel Columns

CSR inspection at South Western Railway Traction substation

25KV Traction substation at Tambaram Chennai, Southern Railways

Semi-mechanised track installation



# WORK LIFE BALANCE



Butterfly park, inside the Industry to maintain the harmony of nature.



Together at Texmaco, we are achieving great things—the work we do matters. We are proud of who we are. It's the level of commitment, drive and energy that brings everyone to the role every day. - Mr A. K. Vijay, Executive Director & CFO



Your Company believes that everyone is required to balance various aspect of life which includes work, family and personal space. Texmaco in its endeavour to maintain a healthy working atmosphere is taking all steps to make the office space lively by organising events and activities which makes its employee feel at home. - Mr Indrajit Mookerjee, Executive Director & Vice-Chairman



Women Empowerment

## WORK LIFE BALANCE (CONTD.)



The role played by the individual is as important as that of the organization in managing the turbulent ride. One of the best approaches to this is by balancing our mental and social issues and thereby balancing our emotional intelligence.

- Mr A. K. Sinha, Member (BAC)



Free vaccination camp for Covid-19



Mr Ravi Varma, Company Secretary addressing on adventz day



adventz day observance with social security and safety measures



Free vaccination camp for Covid-19



Maintaining a healthy working environment is not only important for health and relationships, but it can also improve your employee's productivity, and ultimately performance. This benefits the company in the long-run.  
- Mr D. H. Kela, Executive Director

# Report of the Board of Directors

Dear Shareholders,

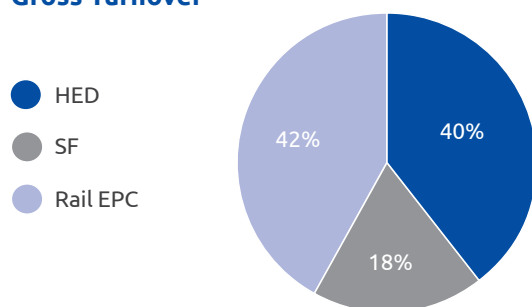
Your Directors have pleasure in presenting the 12<sup>th</sup> Operational Annual Report of the Company along with the Audited Financial Statements for the financial year ended 31<sup>st</sup> March 2022.

## FINANCIAL HIGHLIGHTS

	(₹ in Lakhs)	
	2021-22	2020-21
<b>Operating Profit (PBIDT)</b>	13,526.29	12,808.04
Less: Interest (Net)	6,703.63	7,922.90
<b>Gross Profit (PBDT)</b>	<b>6,822.66</b>	<b>4,885.14</b>
Less: Depreciation	3,580.75	3,725.67
<b>Profit before Taxation</b>	<b>3,241.91</b>	<b>1,159.47</b>
Less: Tax Expenses		
Current Tax including tax related to earlier years	75.59	(21.80)
MAT Credit entitlement	(32.00)	-
Deferred Tax Liability/(Asset)	1,368.87	(5.36)
<b>Profit after Taxation</b>	<b>1,829.45</b>	<b>1,186.63</b>
Add: Balance brought forward from previous year	10,902.36	10,117.37
	<b>12,731.81</b>	<b>11,304.00</b>
<b>Appropriations</b>		
Dividend paid (Incl.Tax)	250.34	224.83
General Reserve	200.00	200.00
Other Appropriations	(3,762.10)	(23.19)
<b>Balance Carried Forward</b>	<b>16,043.57</b>	<b>10,902.36</b>

Note: The above figures are extract of the Audited Financial Statements prepared for the financial year ended 31<sup>st</sup> March 2021 & 31<sup>st</sup> March 2022.

## Gross Turnover



## Dividend

Your Directors recommend payment of dividend of 10% i.e. INR 0.10 per equity share of face value of INR 1 each for the financial year ended 31<sup>st</sup> March 2022.

The Gross Turnover for the year stood at INR 18,144.16 mn. The Gross Profit for the year i.e. Profit before Depreciation and Tax (PBDT) and Profit before Tax (PBT) were INR 682.27 mn and INR 324.19 mn respectively. The Net Profit was INR 182.95 mn, after providing net tax liability of INR 141.25 mn for the year as per the Profit and Loss Account drawn up in accordance

with the Indian Accounting Standards as specified under the Companies Act, 2013 ('Act'). The Company has transferred INR 20 mn to Free Reserves during the year.

## MANAGEMENT DISCUSSION AND ANALYSIS

Whilst the recovery phase from the impact of COVID-19 was still in progress, the FY'22 commenced tailing severe impacts of the pandemic ever experienced. The irreparable damages as incurred on human lives on account of shortage of oxygen in the hospitals and medical centres led to diversion of Industrial oxygen. The oxygen shortage along with intermittent lockdowns and restrictions posed a major challenge for your Company's operations during Q1 & Q2 of FY'22.

As a responsible corporate, in its endeavour to provide a safe working environment, your Company conducted vaccination camps for safeguarding all its employees & their families and preventing the spread of COVID-19. While deploying the best precautionary practices and following regulatory protocols, your Company continued to put in its best efforts for streamlining the process and its operations to overcome the hindrances and achieve the desired results.

The Rolling Stock division of your Company, while continuously facing the different challenges throughout the year viz, intermittent lockdowns, shortage of oxygen, incessant seasonal rainfall, volatility in commodity prices and the shortage of wheelsets from Rail Wheel Factory ('RWF'), Bengaluru, still has been able to put up a fair performance for the year. Your Company is extremely thankful to its customers for their continuous support and patronage during these tough times.

Taking into consideration the long dues of the wagon manufacturing sector and in pursuit of developing a world class infrastructure, Indian Railways came up with one of its kind of procurement strategy and floated a tender for 90,000 wagons spread over a period of 39 months during March 2022. Your Company with its goodwill and your support is proud to announce bagging an order of 20,067 wagons valuing approx. INR 64,500 mn under the same. Meanwhile, taking COVID-19 in their stride and with able support of the Government, other business ventures in the freight movement sector also have opened up and they have started to expand their avenues under General Purpose Wagon Investment Scheme (GPWIS) and Container Train Operator (CTO). Your Company is also pleased to announce return of its footsteps in the African continent, thus corroborating its Global reach. With this, your Company shall be able to showcase its design capabilities of developing new products and cater the needs of larger market.

With the demand for wagons touching new highs, your Company is poised to strengthen its positioning in the sector by making a judicious split between its customers and the model mix to be produced while maintaining a healthy order book during FY'23.

The Rail EPC Division of your Company too had a challenging start to the year due to COVID-19 related impact. After a slow start to the year, the Division has now been more focussed towards execution of ongoing projects. The focus of Indian Railways on Rail Infrastructure augurs well for the Rail EPC business of your Company.

The Steel Foundry Division of your Company is also looking forward to a robust start with COVID-19 impacts behind and the relaxations in the lockdowns and restrictions imposed. Fortunately, both division and export market demand are firming up and with the added capacity of the Urla unit, Raipur, new products for the domestic markets, especially in hand moulding segments have been successfully developed and well received by the customers, including critical castings for the Defence sector.

While COVID-19 prevention is now becoming a part and way of life, the volatile business and geo-political environment across the world pose a challenge for your Company to operate and to maintain healthy margins. With the closure of big orders, the focus is now shifting more towards their successful execution while managing finances. The infrastructure development push under various government initiatives along with the proposed

advancement in technology is also opening up various new business streams in the mobility and traction divisions, which your Company is now well equipped to garner. With streamlining of internal operations and processes, backed by a healthy order book size, your Company looks forward to a strong business and operational performance in FY'23.

## SIGNIFICANT FINANCIAL RATIOS

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

Particulars		2021-22	2020-21	2019-20
Net Profit Margin	%	1.13	0.70	(3.59)
Operating Profit Margin	%	4.95	4.14	5.62
Debtors Turnover	Times	2.75	2.69	2.51
Inventory Turnover	Times	4.84	3.99	3.71
Debt Equity Ratio	Times	0.54	0.68	0.74
Current Ratio	Times	1.86	1.56	1.42
Interest Coverage Ratio	Times	1.48	1.15	1.65
Return on Net Worth*	%	1.38	1.04	(6.41)

\* During FY'22, there is increase in Net Profit as compared to FY'21.

## SIGNIFICANT DEVELOPMENT

### Rights Issue

During the year, your Company had successfully completed Rights Issue. The Company had issued and allotted 7,15,26,643 Equity Shares of face value of INR 1 each by way of Rights Issue for an amount aggregating INR 164,51,12,789, in the ratio of 2 Equity Shares for every 7 Equity Shares held, to the eligible equity Shareholders of the Company as on the record date at an issue price of INR 23 per Rights Equity Shares (including a premium of INR 22 per Equity Share).

The Rights Issue had received a remarkable response from the Shareholders with over-subscription of approx. 1.35 times, both in retail & institutional category. The successful completion of the Rights Issue is a reflection of the Shareholder's trust in the Company.

The funds raised by the Company through Rights Issue have been utilised for the objects stated in the Letter of Offer dated 20<sup>th</sup> October 2021, i.e. towards repayment of Inter Corporate Deposits and unsecured loans, funding working capital requirements & general corporate purposes.

Consequent to the allotment, the paid up capital of the Company has increased from 25,03,43,252 Equity Shares of INR 1 each to 32,18,69,895 Equity Shares of INR 1 each.

## HEAVY ENGINEERING DIVISION

### I. Rolling Stock Division

#### a. Freight Car & Coachings

The year began with a moderate order book position due to the ravaging pandemic severely affecting the economic outlook, more particularly the Infrastructure & Heavy Engineering organisation. The sufferings from the COVID-19 induced pandemic of previous year continued to impact this year too. The 2<sup>nd</sup> wave of COVID-19 created a dearth in Medical Oxygen availability and hence the Industrial oxygen supplies were totally choked, as saving the human life is the 1<sup>st</sup> priority for a civilised society. The manufacturing activities were further allowed to be carried out as per strict COVID-19 norms with newly imposed restrictions resulting in restrained shop activities. Your Company too was not able to ramp up the production for long periods because of restrictions imposed and severe shortages of skilled manpower due to the movement restrictions enforced by the administration. Your Company's performance was thus mainly impacted for a greater part of Q1 of FY'22. Towards the later part of the year, although there was a slight improvement in COVID-19 situation, the workings continued to be affected due to shortage of Rail Wheelsets sourced from single approved source i.e. RWF, Bengaluru.

On the global front, the tensions across Europe too have had an impact on our working. The year saw a huge volatility in the market leading to great fluctuations in the commodity prices especially steel, that touched new highs and thereby causing pressure on the margins.

From 2<sup>nd</sup> half of the FY'22, the economic activity started showing signs of recovery and demand for wagons for private sector too witnessed an upsurge. However, the availability of the wheelsets remains a challenge as the sole manufacturer in India, RWF has not been able to cater the demand of private sector. The current FY'23 started on a very promising note with Railway under their new procurement strategy issued and finalised a wagon tender for 90,000 wagons, to be supplied in 39 months. Your Company has been awarded with an order of 20,067 wagons valuing approx. INR 64,500 mn, the largest ever single order received by the Company.

This year, your Company has been facilitated with some new initiatives which were taken up at higher realms of Ministry of Railway especially the New Wagon Design policy which will lead to introduction of new designs of

your Company on the railway network. In this regard, the Company is already working on a New Taller Wagon design for auto car carrier which it expects to introduce in FY'23.

Your Company has maintained its status in meeting the requirements of Non-Indian Railways customers and during the year, have successfully cleared the prototype for 25T container carrier wagon. This will give us access to the emerging markets especially catering to customers operation on Dedicated Freight Corridor (DFC).

Your Company also made inroads in the Export market especially African continent with a privilege to be associated with customers of high repute, both in the Government and private sector.

The turnover of the Freight Car & Coachings during FY'22 was INR 5533 mn.

#### b. Locomotive Components / Assemblies

The year began with a healthy order book position. The order book was expected to be strengthened with deliveries within the year which would have enabled the Company to maintain its performance for FY'22. However, the same could not be fructified due to the pandemic in the beginning of year and the situation continued to be same till the second quarter of the year. The COVID-19 pandemic has badly affected the performance of the Division and it could supply only 28 nos. of loco shells during the year.

However, the situation is improving and your Company expects an improved performance during FY'23.

As per National Rail Plan 2030, the total requirement of Locomotives would be about 16,800 till 2026 and the average yearly procurement plan is about 2,000 locomotives per year till 2026. Banaras Locomotive Works ('BLW') plans to procure 450 nos. loco Shells for FY'23, out of this, it has already floated tender for 267 locomotive. Chittaranjan Locomotive Works ('CLW') plans CLW plan to procure 450 nos. loco Shells for FY'23 and has already floated tender for 137 locomotive. Patiala Locomotive Works ('PLW') plans to procure 300 nos. loco Shells for the FY'23 and has floated a tender for 150 locomotive.

The turnover of the Electric Loco shells and Assemblies during FY'22 was INR 248 mn.

### II. Hydro Mechanical Equipment (HME), Bridge & other Steel Structures (BSD)

The HME division and BSD has achieved a turnover of INR 550 mn and INR 601 mn respectively. The performance of 1<sup>st</sup> half of FY'22 was badly affected due to COVID-19 pandemic. The manufacturing and site activities started normalising only from 2<sup>nd</sup> half of the year.

Some of the major projects were completed during the year and now the work is going on in full swing on Subansiri Hydro Electric project and Mizoram – Assam Bridge project.

Performance of HME Division has shown signs of improvement during the FY'22 and is expected to show improved performance in coming years.

### III. Texmaco Hi-tech

The division continued to show improvement in its performance even under the challenging business conditions. The turnover of the unit during FY'22 was INR 270 mn. The unit has become a reliable source for Alstom and GE / WABTEC for their requirements of E-Loco CBS Primary Parts and Diesel Loco Platform Kit Parts.

The performance of the unit is likely to improve further with all product approvals in place, demand stabilisation and ramp up of production activities. Addition of new customers/business will provide further impetus to our continued strategy of profitable growth through higher capacity utilization.

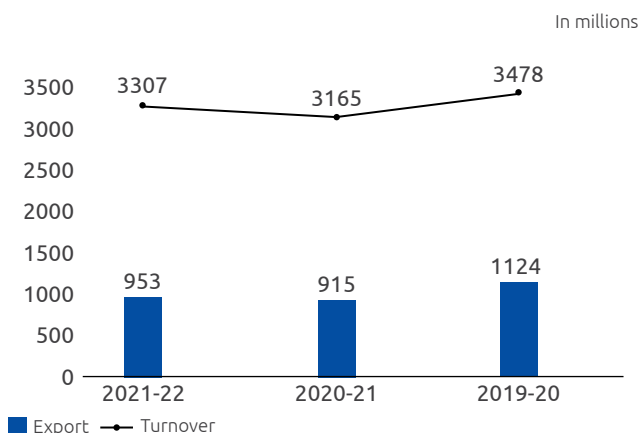
### STEEL FOUNDRY DIVISION

During the year, production & turnover of the division stood at 16,701 MT valuing total at INR 3360 mn.

Against the order received by the Company for wagons from Railways, there is a sizeable load on steel foundry division to supply bogies and couplers for the wagons to be produced by Heavy Engineering Division.

With the requirement coming, there will be a general buoyancy in the field of bogies & couplers and will be a rewarding challenge for the domestic steel casting foundries to meet it.

With the COVID-19 pandemic gradually subsidising, the demand of steel casting for Railway application, domestically & for export are showing clear signs of recovery and therefore, the foundry industry as a whole is looking forward for the better business during the coming financial years.



The real challenge is to maintain cost under leash in the background of all input prices for manufacturing of castings including that of scrap, ferro alloys, refractories and fluxes going up steadily. However, your Company is confident of better performance of the division during the FY'23.

### RAIL EPC DIVISION

The overall performance of the Division during the FY'22 was uniform as compared to previous year. However, this has to be seen in the context of challenges faced due to unprecedented increase in commodity prices putting extreme pressure on margins and growth. The repeated waves of COVID-19 pandemic which have adversely impacted sustained recovery and contributed towards disruptions in global supply chain has been a real dampener for the division. There were challenges of safety of employees as employees and construction sites needed to be maintained COVID-19 free, preventing any spread of infections by deploying adequate safety, hygiene and COVID-19 prevention protocols which although impacted the operating activities, but on a positive note were able to safeguard human resources.

Kalindee unit of the Rail EPC Division has put emphasis on completion of existing contracts in hand to improve working capital cycle of the business thus minimising the pressure on already stressed margins. This is expected to show positive results in coming years and improve cash flow from business going forward. During the year, the Company has completed certain major milestones in projects like Signaling & Telecom contract of Western Dedicated Freight Corridor ('WDFC'), Track laying work at Eastern Dedicated Freight Corridor ('EDFC'), Ballast less track work of Bengaluru Metro, etc.

The turnover of the Kalindee unit during FY'22 was INR 5669 mn.

### Rail Electrification

Bright Power unit of Rail EPC Division has been establishing their foot hold in newer areas other than main line Railway Electrification. The unit has during the year bagged order of INR 950 mn. Bright Power unit has been increasing their share of works in private sidings, refurbishment of substations and other railway installations which need specific expertise and precise experience. The unit's experience for the last three decades in the field is giving it an edge in making inroads in such areas.

Another new area of concentration is maintenance of existing network of rail electrification.

The unit has already completed maintenance works of railway assets for 300 Kmts successfully and it currently maintains 1200 track Kmts of railway assets in the State of Karnataka and Maharashtra. This is further going to increase in the coming years with Railways opening up this segment. In the conventional business, it has completed commissioning of railway safety inspection for 200 TKM and have completed their old contracts and handed over the commissioned sites to Railways.



It has now also started participating in bids for specialized projects outside India which will be an additional revenue stream in the further coming years.

The turnover of the Bright Power unit during FY'22 was INR 1913 mn.

## SUBSIDIARIES / ASSOCIATE / JOINT VENTURES

The subsidiaries / associate / joint ventures continues to contribute to the growth and overall performance of your Company.

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

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

Following subsidiaries / associate companies were formed to identify emerging opportunities in the field of Rail, heavy industry and defence business and are working on determining suitable opportunities to commence its field operations.

- i. **Belur Engineering Private Limited**
- ii. **Texmaco Transtrak Private Limited**
- iii. **Texmaco Rail Electrification Limited**
- iv. **Texmaco Engineering Udyog Private Limited**
- v. **Texmaco Rail Systems Private Limited**

The Equity Share capital of Texmaco Rail Systems Private Limited has been increased during the FY'22 from INR 1,49,000 to INR 2,00,000.

- vi. **Texmaco Defence Systems Private Limited**
- vii. **TexRail (SA Pty) Limited**

During the year, TexRail (SA Pty), a wholly-owned subsidiary of the Company had ceased its operations and subsequently got deregistered.

## JOINT VENTURES

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

The impact of the past years pandemic disruptions was indeed felt by the JV company. Though industrial production bounced back during the 2<sup>nd</sup> half of the year, it did not immediately translate into orders. The supply chains that were disrupted has re-aligned itself to normalcy.

This started to happen during the end of the year and it looks like the situation is back to normal. In fact, delayed purchase decisions are now sought to be pushed through which is a good sign for the JV company. Also, most industries are now building strategies to make up for revenues lost due to the disruptions caused by the pandemic.

The Rail Industry seems to have gained from the disruptions. The Government of India, Indian Railways and the trade in general have understood that at the time of crisis it is Railways which offers the most stable form of transport. There is also a clear emphasis to move more cargo back to the rail from road. The plan is to achieve at least 50:50 parity by 2030. This will call for the induction of hundreds and thousand of wagons. The Indian Railways has made a start with a large wagon order in the industry.

The JV company has now 17 rakes in operation and expects to sign for another few rakes in the first two quarters of FY'23. The JV company expects to stay on top of the requirement for increasing bulk rakes in future. It expects to sign up for a large number of rakes in the coming 1-3 years. This however, is subject to industry being able to overcome a major disruption to trade in the form of shortage of wheelsets. All wheel sets produced by the only domestic producer, RWF, are reserved for Indian Railways production, putting all private operators in difficult situation. This is likely to put some serious setbacks to growth prospects.

The turnover of the JV company during the FY'22 was INR 406 mn.

- ii. **Wabtec Texmaco Rail Private Limited**

Wabtec Texmaco Rail Private Limited, the JV company, achieved a turnover of INR 362 mn during the FY'22. The business and operations of the JV company got impacted during FY'22 to a great extent due to the prevalence of pandemic situation.

The JV company was able to obtain the approval from RDSO for manufacture and supply of unlimited quantity of WD-71 Draft Gears during Q4, FY'22. This will considerably strengthen the business prospects of WD-71 Draft Gears for the JV company during FY'23. The supply of more than 6,000 nos. WD-71 Draft Gears to Indian Railways & major wagon builders has been completed during FY'22 and well received by the market due to its recognised superior quality.

With the effects of the COVID-19 pandemic showing signs of reaching an end and the country's economy reviving, the JV company expects to achieve a far improved business during FY'23. The recent unveiling of the National Rail Plan-2030 by the Ministry of Railways, Government of India

where major investments have been lined up for the freight segment in the coming years with an aim to gradually increase the modal share of Indian Railways to 45% from the current 27% of the total freight market of India and the recent all time highest order against a tender of 90,000 wagons floated by IR will provide a further impetus to the JV company's business during FY'23.

## EXPORTS

Your Company continues its endeavour to explore newer arenas of opportunities to expand its business and operations in the International Market. Your Company continued its excellent performance in exports amounting INR 1120.05 mn. Further, the recent re-emergence of your Company in the African market is a sign of promising future in the export field.

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

## R & D ACTIVITIES

### A. Rolling Stock Division

Rolling Stock Division is focused on development of wagons meeting customer requirement and conforming to national/international standards. This year, new wagons have been designed for the African market, viz:

- i. The division has designed Gondola Wagon for carrying iron ore for client in Liberia. This wagon is 30t axle load standard gauge vehicle with rotary couplers. Design of wagon is done completely in-house using latest CAD/CAE tools and conforms to AAR (Association of American Railroads) specification. Weight optimisation has been done by use of high tensile strength material and FEA simulation.
- ii. The division has designed Ballast Wagon for client in Mozambique. This wagon is 20t axle load cape gauge vehicle with side and central bottom discharge. Design of wagon is done completely in-house using latest CAD/CAE tools and conforms to AAR (Association of American Railroads) specification.
- iii. The division is working on new taller autocar wagon with innovative solutions for carrying wide range of cars and other automobiles.

### B. Steel Foundry Division

The R&D Centre of the Company is registered and recognised by the Department of Scientific and Industrial Research (DSIR), Government of India. It carries out research and innovation for the development of various products & processes. It has helped

the Company to develop new products, improve product life through process innovations, develop light & efficient designs for higher and faster transportation of goods & specialised cargos. The metallurgical laboratory of our Company, an integral part of the R&D Centre, has already received ISO/IEC 17025:2017 certification from National Accreditation Board for Testing and Calibration Laboratories (NABL), which is approved by International Laboratory Accreditation Cooperation (ILAC).

### a) New Product Development:

- (1) A new design of bolster, two new designs of yoke castings, and three new designs of coupler have been developed for the North American market by unique metallurgical and process improvement.
- (2) Two new designs of high wear resistance components have been developed for ground excavating applications, through unique metallurgical process improvement, characterised by high hardness as well as high impact toughness.
- (3) Prototypes of 10 new components for above ground excavations have been developed by unique moulding process.
- (4) A new grade with high abrasion resistance and low temperature impact toughness have been developed through unique alloy design and innovative heat treatment cycles.
- (5) Prototype for weldable CMS crossing has been developed.

### b) New Process Development:

The method design of several existing components have been modified to achieve substantial improvement with respect to solidity and surface finish, resulting in considerable cost saving.

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

- (1) Root cause analysis of pin hole and crack in certain components used for ground excavating application. Subsequent corrective and preventive actions have considerably improved the quality of castings and reduced rejections.
- (2) Root cause analysis of service failure of spring used in bogies.
- (3) Microstructural analysis of Weldable CMS crossing.
- (4) Root cause analysis of crack in the mouth region of yoke castings.

## IT SERVICES

IT Department of your Company has provided a dedicated service in managing the task of business continuity despite the challenges thrown by COVID-19 pandemic with the intermittent restrictions and maintaining social distancing norms. The department worked tirelessly towards transition to the New Normal. The department focussed on digitising assets and systems to make resources efficient, workplace safer, as a result, transition in workplace from office to home to hybrid (Home-Office) was made possible. Despite working remotely, the department ensured that IT infrastructure were constantly monitored for compliance and are up to date with latest security practices. Security audits were conducted with various partners to plug gaps and loopholes which could be open to risk considering a sudden hybrid work environment. The Company is managing its business operations through Oracle ERP Applications.

In a New Normal way of life, implementation of cloud based Microsoft 365 and other virtual platforms & applications have enabled a hybrid work environment. Events such as Foundation day, Board meetings, corporate communication meets, Sales Meets, trainings, workshops etc., were successfully conducted with the help of IT Infrastructure and have enabled a new way of connecting with wide variety of stakeholders.

## HUMAN RELATIONS

The past two years have been about struggles, challenges, opportunities, and perseverance. We can breathe a collective sigh of relief that hopefully the worst of this pandemic is behind us. It was far from a normal year, but we did rise to the challenge that COVID-19 pandemic presented us. This was possible as our people exemplified Dedication, Drive, Determination, and Discipline. Hence, the Company strongly believe that our employees and workmen are what makes the Company such a special place to work.

Human Resource function is hence committed to develop a high performing and positive culture for higher engagement and productivity.

We are committed to attract the right talent and skill aligned to our business goals. Performance management, learning and development, employee centric process are key to maintain the employee experience resulting in commitment and contribution to the organisational goals with hybrid and innovative ways of working.

We operate mindful of all regulatory requirements while employing and are an equal opportunity employer.

We shall continue our focus on our key asset – our people. While working strategically to recruit, develop, and helping people to reach their full potential, digital adoption, developing leaders of the future and empowered employees shall be the key to the journey forward.

## OPPORTUNITIES & THREATS

The Government of India ('GOI') continues its focus on investments in rail infrastructure, with the objective of reducing the logistics cost from 14% GDP to 7-8% GDP, in line with the global benchmarks. With this long term objective, the Railways Industry comprising of rolling stock, EPC and allied services, will continue to see investments growing year on year. This is also captured in the National Rail Plan of the Ministry of Railways. The GOI has also undertaken targets to reduce carbon foot print, which will result in more freight on rails and also increase in urban mobility through metro, light metro etc. Also, Indian Railways' determined approach on building new DFCs will provide added business opportunity for growth & development of the business of your Company.

Considering the initiatives and emphasis by the Government, the prospects for your Company seem positive.

Railways' focus on introduction of safety & security measures across India would further add windows of opportunities for the Company in the Rail segment.

Towards the end of the FY'22, your Company participated in the mega-tender of 90,000 wagons, spread across 39 months. This is a great step taken by the GOI to offer long term visibility to the wagon industry. Your Company has managed to secure order for 20,067 wagons to be executed from FY'23 onwards, which adds approx. INR 64,500 mn to our order book, loads our capacity for the next 4 years. This, along with good visibility on the private sector and Railways continued focus on improving infrastructure and open new avenues for private sector augurs well for the Company. The rising export demand for the steel castings too is going to support the business prospects of the Company.

The sluggishness in the global economy owing to the recent geo-political events and surge in inflation and commodity prices, continues to challenge the profitability of the Company. Despite the overall challenging situation, the Company managed to provide reasonable results and your Company, with improved efficiency in operations, is constantly working on newer possibilities to overcome any substantial impact.

The challenges faced in project implementation by the infrastructure segment company, putting their finances under tremendous stress would continue to be a challenge in the growth plan envisaged by your Company. Your Company would also face the operational challenge of executing the orders in hand, as the entire eco-system and supply chain will need to gear up for this challenge. Your Company is gearing up for the challenges and is confident of de-bottlenecking its operations to achieve record breaking performance year on year.

## CORPORATE SOCIAL RESPONSIBILITY

The COVID-19 pandemic has had a devastating impact on communities across India as it disrupted the socio-economic landscape of the country. It also impacted several years of developmental gains made in the last decade with respect to the 2030 Sustainable Development Goals. The Company has also witnessed a change and is now focused on reviving the business, in contrast to the pre-pandemic strategy focused solely on growth.

Despite the ongoing unprecedented situation, the Company continues to endeavour its philanthropic objectives to ensure welfare of the communities in particular and society as a whole. Be it in education and skilling, sustainability, healthcare, or women empowerment amongst others, the Company has been leveraging its scale and resources to support employees and communities amid the devastating impact of the COVID-19 pandemic.

To make a significant difference in this regard, Texmaco Neighbourhood Welfare Society, a philanthropic arm, continues to serve the society through its Health Hub facilities which include "Texmaco Arogyam Physio Centre", surrounded by green environs at the Texmaco Estate premises. The mission is to alleviate pain, restore health and build physical fitness with the aid of a team of skilled and experienced Physiotherapists. The Centre is well-equipped with the requisite technologically advanced equipment and supported by a modern Gym and an Alternative Therapy Centre in cheerful and pleasant ambiance. The Yoga Centre adds to the utility of the Hub.

Your Company lays special emphasis on extending support for higher education and employability enhancement program for the underprivileged sections of the society.

The Company continues to undertake the drive of campaigning towards general awareness for protection of the community against COVID-19 pandemic and has taken the initiative of vaccinating all its employees and their family members including the contractual workmen and associates.

The corporate philosophy is working together for common good, and your Company's employees are encouraged to volunteer their time and resource to experience the joy of giving back to the society.

The Company has in place a policy on Corporate Social Responsibility. During the year, the Board in consultation with the Corporate Social Responsibility Committee had reviewed and approved the revised policy to make it align with the recent changes / amendments.

The salient features of key changes includes Annual Action plan in respect of CSR expenditure, set off and carry forward benefits and reporting of CSR activities by the Board.

The weblink for accessing such policy is [https://www.texmaco.in/webfiles/doc/Investors\\_Information/CSR\\_POLICY\\_TEXRAIL.pdf](https://www.texmaco.in/webfiles/doc/Investors_Information/CSR_POLICY_TEXRAIL.pdf)

The Company has spent in excess of the prescribed threshold under the Act on the CSR activities for FY'22.

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

## GREEN INITIATIVE

Your Company remains committed towards its endeavour to minimize its carbon foot prints and continues to embrace a sustainability initiative with the aim of going green and minimising the repercussion on the environment. Your Company had already adopted the green initiative by dispatching the Annual Report, Notices, other communications, etc., through e-mail to its 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 communications, etc. through e-mail. In view of the COVID-19 pandemic, the Ministry of Corporate Affairs ('MCA') and the Securities and Exchange Board of India had 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 2022.

With objective of supporting the Green Initiative and in view of the above-mentioned relaxations, your Company is dispatching the Annual Report & Notice of the AGM along with other documents required to be annexed thereto to the Shareholders through e-mail at their registered e-mail address. Such documents are also available on the website of the Company at [www.texmaco.in](http://www.texmaco.in)

Further, those Shareholders who have not yet registered their e-mail address are requested to follow the procedure as mentioned in the Note to the Notice calling AGM to receive the Annual Report & the Notice of the AGM and other documents relating thereto through electronic mode and to enable their participation in the AGM.

## PARTICULARS OF EMPLOYEES

The number of employees as at 31<sup>st</sup> March 2022 was 2114. In terms of the provisions of Section 197(12) of the Act, read with Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is enclosed as **Annexure B** and forms a part of this Report.

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

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

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

## BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Meetings of the Board

During the year under review, 6 (Six) Board Meetings were held on the following dates:

- 14<sup>th</sup> May 2021
- 15<sup>th</sup> May 2021
- 11<sup>th</sup> August 2021
- 11<sup>th</sup> November 2021
- 29<sup>th</sup> December 2021
- 7<sup>th</sup> February 2022

### Criteria for Appointment of Directors and Remuneration Policy

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

Your Company has in place a well-defined Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company. The Nomination and Remuneration Committee periodically reviews the policy to ensure that it is aligned with the requirements under the applicable laws. During the year, the Board in consultation with the Nomination and Remuneration Committee had reviewed and approved the revised policy to make it align with the recent changes / amendments and in accordance with the current business scenario of the Company.

The salient features of key changes includes Performance linked compensation and segregation of authorities viz. Board / Committees.

The policy ensures equity, fairness and consistency in rewarding the employees on the basis of performance against set of objectives. The policy is available on the Company's website. The weblink for accessing such policy is: [https://www.texmaco.in/webfiles/doc/Investors\\_Information/REMUNERATION\\_POLICY\\_TexRail.pdf](https://www.texmaco.in/webfiles/doc/Investors_Information/REMUNERATION_POLICY_TexRail.pdf)

## Change in Directors and Key Managerial Personnel

### Re-appointments:

During the year, the re-appointments of Messrs D. H. Kela and A. K. Vijay as Executive Directors of the Company, were approved at the AGM of the Company held on 24<sup>th</sup> September 2021.

### Appointment & Re-designations:

The Board of Directors ('Board') on the recommendation of the Nomination and Remuneration Committee, had appointed Mr. P. S. Bhattacharyya, as Independent Director of the Company w.e.f. 1<sup>st</sup> January 2022 and had also approved re-designations of Messrs A. K. Gupta as Managing Director and Indrajit Mookerjee as Executive Director & Vice Chairman of the Company w.e.f. 1<sup>st</sup> January 2022. All these aforesaid appointments were approved by the Shareholders by way of Postal Ballot.

### Resignations:

During the year, Messrs Sunil Mitra and A. C. Chakrabortti ceased to be Independent Directors of the Company w.e.f. close of business on 9<sup>th</sup> December 2021 and 7<sup>th</sup> February 2022 respectively in view of their resignations from the Board of the Company.

Further, the Board at its Meeting held on 12<sup>th</sup> August 2022 had approved resignation of Mr. A. K. Gupta, Managing Director (DIN: 07808012) w.e.f. close of business on 31<sup>st</sup> August 2022.

### Retire by rotation:

Messrs Akshay Poddar, Non-Executive & Non-Independent Director and A. K. Vijay, Executive Director retire by rotation and being eligible, have offered themselves for re-appointment at the ensuing AGM of the Company.

### Proposed Re-appointment:

The present tenure of Messrs A. K. Vijay and Indrajit Mookerjee expires on 31<sup>st</sup> December 2022 & 1<sup>st</sup> April 2023 respectively and in view of their visionary leadership and experience as well as valuable contribution, the Board on the recommendation of the Nomination and Remuneration Committee has approved their re-appointment for a period of 3 (three) years each, subject to the approval of the Shareholders.

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

## Board Evaluation

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

A structured questionnaire, which cover various aspects of the Board functioning such as Director's strength and contribution, specific duties, obligations, etc. evolved through discussions within the Board, has been used for this purpose. Further, on the basis of performance review by Independent Directors at their meeting held on 9<sup>th</sup> March 2022 and recommendations of the Nomination and Remuneration Committee, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors. Furthermore, the evaluation of the Independent Directors was performed by the Board. The evaluation criteria comprised assessing the various parameters including oversight and effectiveness of the Board, performance of the Directors, expertise /skills / competencies as possessed by the Directors in the context of the business of your Company, contribution to the strategic planning, etc.

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

## Declaration by Independent Directors

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

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

The Board is of the opinion that all the Independent Directors possess the requisite integrity, expertise and experience (including the proficiency) 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 19<sup>th</sup> AGM held in the year 2017 for a period of 5 (five) consecutive years hold office until the conclusion of the 24<sup>th</sup> AGM of the Company to be held in the year 2022. Messrs L. B. Jha & Co. will complete its present term on conclusion of this AGM.

The Board of Directors considering the experience and expertise and based on the recommendation of the Audit Committee, at its meeting held on 12<sup>th</sup> August 2022 has approved the re-appointment of Messrs L. B. Jha & Co., Chartered Accountants (Firm Registration No. 301088E), as the Statutory Auditors of the Company for a term of further 5 (five) consecutive years from the conclusion of the 24<sup>th</sup> AGM till the conclusion of 29<sup>th</sup> AGM to be held in the year 2027. The proposal for re-appointment of Messrs L. B. Jha & Co. as Statutory Auditors is being placed at the ensuing AGM for the approval of Shareholders.

Messrs S. S. Kothari Mehta & Co., the Branch Auditors for the Company's Rail EPC Business Unit - 'Kalindee Rail Nirman', who were appointed at the 19<sup>th</sup> Annual General Meeting ('AGM') of the Company for a term of 5 (five) consecutive years would be completing their tenure at the ensuing AGM.

Messrs L. B. Jha & Co. have consented to the appointment as Statutory Auditors and confirmed that their appointment, if made, would be within the limits mentioned under Section 141(3)(g) of the Act and the Companies (Audit and Auditors) Rules, 2014. Further, Messrs L. B. Jha & Co. has also provided confirmation that they have subjected themselves to the peer review process of the Institute of Chartered Accountants of India ('ICAI') and hold a valid certificate issued by the 'Peer Review Board' of the ICAI.

## Cost Auditors

Your Company has appointed Messrs DGM & Associates, Cost Accountants, for conducting the Cost Audit for FY'22 in terms of the provisions of the Act and the Companies (Cost Records and Audit) Rules, 2014.

The Board on the recommendation of the Audit Committee, at its Meeting held on 12<sup>th</sup> August 2022 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'23 at a remuneration of INR 2,50,000 (Rupees Two Lakh Fifty Thousand) plus applicable taxes and out-of-pocket expenses as incurred from time to time. The proposal for the ratification of the remuneration payable to Messrs DGM & Associates is being placed at the ensuing AGM for the approval of Shareholders.

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

### Secretarial Auditor

Your Company has appointed Messrs S. R. & Associates, Practicing Company Secretaries, to conduct the Secretarial Audit of the Company for FY'22 in terms of the provisions of the Act & the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and the Listing Regulations.

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

### Whistle-Blower Policy

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

During the year, the Board of Directors in consultation with the Audit Committee had reviewed and approved the revised Whistle Blower Policy of the Company to make it align with the recent changes / amendments and in accordance with the current business scenario of the Company.

## INTERNAL FINANCIAL CONTROLS AND RISK MANAGEMENT

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

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

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

During the FY'22, the Company has formed a Risk Management Committee, the details of which are provided in the Report on Corporate Governance as attached to this Report.

## DISCLOSURES

- (a) There has been no change in the nature of business of the Company during the year under review.
- (b) There are no significant and material orders passed by the Regulators / Courts / Tribunals that would impact the going concern status of the Company and its future operations.
- (c) There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of financial year and the date of this Report.
- (d) The Reports of the Auditors do not contain any qualification / modification and hence no explanation is required.

### (e) Share Capital

#### Rights Issue

During the year, the Capital Issue Committee of the Company on 2<sup>nd</sup> December 2021 has allotted 7,15,26,643 Equity Shares at a price of INR 23 per Rights Equity Shares (including a premium of INR 22 per Equity Share over face value of INR 1 per Equity Share) to the eligible equity Shareholders of the Company under the Rights Issue.

Consequent to the aforesaid allotment, the paid up capital of the Company has increased from 25,03,43,252 Equity Shares of INR 1 each to 32,18,69,895 Equity Shares of INR 1 each.

#### ESOP

The shareholders of the Company at the Annual General Meeting held on 4th September, 2018 had approved the 'Texmaco Employee Stock Option Scheme 2018'.

The Board of Directors considering the present market price of the Equity Shares of the Company & slowdown in the world-wide economy during COVID-19 pandemic had decided not to proceed with the existing ESOP scheme.

### (f) Deposits

During the FY'22, the Company has not accepted any Deposit under the provisions of the Act.

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

Your Company has in place an Internal Complaints Committee ('ICC'), formed 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 working environment and to redress complaints received regarding sexual harassment. The ICC meets at regular intervals.

Further, your Company has a Policy on prevention of Sexual Harassment in accordance with the said Act and Rules.

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

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

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

## OTHER INFORMATION

### Annual Return

The copy of the Annual Return in the prescribed format is available on the website of the Company. The weblink for accessing Annual Return is: [https://www.texmaco.in/webfiles/doc/annual\\_report/AR21-22.pdf](https://www.texmaco.in/webfiles/doc/annual_report/AR21-22.pdf)

### Dividend Distribution Policy

Your Company has in place a Dividend Distribution Policy in line with the requirements of the Listing Regulations. During the year, the Board of Directors had reviewed and approved the revised Dividend Distribution Policy of the Company to make it align with the recent changes / amendments and in accordance with the current business scenario of the Company.

The salient features of key changes includes alignment of external & internal factors for distribution of dividend in line with the business scenario of the Company.

The weblink for accessing such policy is: [https://www.texmaco.in/webfiles/doc/Investors\\_Information/Dividend\\_Distribution\\_Policy.pdf](https://www.texmaco.in/webfiles/doc/Investors_Information/Dividend_Distribution_Policy.pdf)

### Corporate Governance

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

### Business Responsibility Report

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

### Particulars of Loans, Guarantees and Investments

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

### Related Party Transactions

All related party transactions during the FY'22 were entered in the ordinary course of business and on arm's length basis.

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

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

During the year, the Board in consultation with the Audit Committee had reviewed and approved the revised policy on dealing with related party transactions of the Company to make it align with the recent changes / amendments and in accordance with the current business scenario of the Company.

### 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 for the financial year ended 31<sup>st</sup> March 2022, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) relevant 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) they 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) they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

For and on behalf of the Board

Dated: 12<sup>th</sup> August, 2022  
Place: Kolkata

**S. K. Poddar**  
Chairman

### List of Enclosures to the Report of the Board of Directors

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

## Annexure -A

# Annual Report on Corporate Social Responsibility (CSR)

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

### 1. Brief outline on CSR Policy of the Company.

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

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

### 2. Composition of CSR Committee:

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

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

The weblink for accessing the composition of CSR Committee is:

[https://www.texmaco.in/webfiles/doc/Investors\\_Information/Composition-of-Committee.pdf](https://www.texmaco.in/webfiles/doc/Investors_Information/Composition-of-Committee.pdf)

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

[https://www.texmaco.in/webfiles/doc/Investors\\_Information/CSR\\_POLICY\\_TEXRAIL.pdf](https://www.texmaco.in/webfiles/doc/Investors_Information/CSR_POLICY_TEXRAIL.pdf)

During the year, the Board in consultation with the Corporate Social Responsibility Committee had reviewed and approved the revised policy to make it align with the recent changes / amendments.

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

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

Sl. No.	Financial Year	Amount available for set-off from preceding financial years (₹ in Lakhs)	Amount required to be set-off for the financial year, if any (₹ in Lakhs)
1	2019-20	N.A.	N.A.
2	2020-21	N.A.	N.A.
3	2021-22	4.30	Nil
	<b>Total</b>	<b>4.30</b>	<b>Nil</b>

### 6. Average net profit of the company as per section 135(5) - ₹ 327.68 Lakhs

7. (a) Two percent of average net profit of the company as per section 135(5) - ₹ 6.55 Lakhs  
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.- NIL  
 (c) Amount required to be set off for the financial year, if any- ₹ 4.30 Lakhs  
 (d) Total CSR obligation for the financial year (7a+7b-7c).- ₹ 2.25 Lakhs

## 8. (a) CSR amount spent or unspent for the financial year:

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

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

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/ No).	Location of the project.		Amount spent for the project (₹ in Lakhs).	Mode of implementation - Direct (Yes/ No).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Health	I	Yes	W.B.	North 24 Parganas	3.38	Yes	N.A.	N.A.
2.	Education	II	Yes	W.B.	North 24 Parganas	4.30	Yes	N.A.	N.A.
<b>Total</b>						<b>7.68</b>			

## (d) Amount spent in Administrative Overheads- NIL

## (e) Amount spent on Impact Assessment, if applicable- N.A.

## (f) Total amount spent for the Financial Year (8b+8c+8d+8e)- ₹ 7.68 Lakhs

## (g) Excess amount for set off, if any- ₹ 1.13 Lakhs

Sl. No.	Particular	Amount (₹ in Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	6.55
(ii)	Total amount spent for the Financial Year	7.68
(iii)	Excess amount spent for the financial year [(ii)-(i)]	1.13
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	1.13

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

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lakhs)	Amount spent in the reporting Financial Year (₹ in Lakhs)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any			Amount remaining to be spent in succeeding financial years. (₹ in Lakhs)
				Name of the Fund	Amount (₹ in Lakhs)	Date of transfer.	
1.	2018-19	-	52.66	-	-	-	N.A.
2.	2019-20	-	62.96	-	-	-	
3.	2020-21	-	11.61	-	-	-	
	<b>Total</b>	-	<b>127.23</b>	-	-	-	

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

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

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

**(asset-wise details).**

- (a) Date of creation or acquisition of the capital asset(s).  
 (b) Amount of CSR spent for creation or acquisition of capital asset.  
 (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.  
 (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

N.A.

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

**S. K. Poddar**  
Chairman

**D. H. Kela**  
Chairman of CSR Committee

## Annexure -B

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

(1) Name	(2) Designation	(3) Age (Years)	(4) Remuneration (₹)	(5) Qualifications	(6) Experience (Years)	(7) Date of Commencement of Employment	(8) Previous Employment
<i>Top Ten Employees in terms of Remuneration drawn / Employed throughout the year / part of the year and in receipt of remuneration aggregating ₹ 1,02,00,000 or more per annum / ₹ 8,50,000 or more per month</i>							
1. Poddar Saroj Kumar	Executive Chairman	76	4,23,83,030	B.Com (Hons)	53	01-01-2006	M/s. Poddar Heritage Investments Limited
2. Kamath Udyavar Vittal	Chief Executive – Rail EPC Division, Unit Bright Power	57	2,11,80,804	B.E.(Electrical)	35	01-04-2017 (on Merger of Bright power into the Company)	Square Automation
3. Gupta Ashish Kumar*	Managing Director	51	1,70,24,160	B.Tech (Electrical)	29	17-11-2020	M/s. Tata Martrade International Logistics Limited
4. Kela Damodar Hazarimal	Executive Director	81	1,68,50,765	B.E. (Metallurgy)	56	14-11-2000	M/s. Hindusthan Engineering & Industries Limited
5. Vijay Ashok Kumar	Executive Director & CFO	69	89,92,142	CA, CS	45	17-10-2001	M/s. Hindusthan Engineering & Industries Limited
6. Subbanna Mohan Kumar Mysore	Chief Executive (Projects)-Rail EPC Division, Unit-Kalindee	56	85,58,436	B.E. (Electrical)	34	01-04-2014 (On Merger of Kalindee Unit into the Company)	M/s. L & T Limited
7. Mookerjee Indrajit#	Executive Director & Vice Chairman	74	80,08,000	B.Tech (Hons)	50	02-04-2020	M/s. Lorch Welding Products Private Limited
8. Kottawar Arvind Dattatraya	COO - Rail EPC Division, Unit Bright Power	55	78,74,904	MIE (Electrical), C.Eng.	35	27-06-2017	Atkins Global, UK & India
9. Kejriwal Prakash Chandra	Chief Financial Officer - Rail EPC Division, Unit Kalindee	53	69,48,186	CA	30	18-06-2011	M/s. Duncans Tea Limited
10. Bansal Nitin Kumar	Vice President – WDFC Project	47	67,90,846	B.Tech (Electrical)	25	02-05-2017	M/s Ericsson India Private Limited

\*Re-designated as Managing Director w.e.f. 1<sup>st</sup> January 2022

# Re-designated as Executive Director & Vice-Chairman w.e.f.1<sup>st</sup> January 2022

#### 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 S. K. Poddar, 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 each of the Directors and Key Managerial Personnel to the median remuneration of the employees of the Company for the financial year ended 31<sup>st</sup> March 2022 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	154:1	11%	
ii.	Mr Indrajit Mookerjee <sup>®</sup>	Executive Director & Vice Chairman	27:1	14%	
iii.	Mr A. K. Gupta <sup>+</sup>	Managing Director	31:1	17%	
iv.	Mr D. H. Kela	Executive Director	49:1	23%	
v.	Mr A. K. Vijay	Executive Director & CFO	27:1	21%	
vi.	Mr A. C. Chakrabortti <sup>*</sup>	Independent Director	52:1	N.A. (Sitting fees & Commission was paid in terms of the provisions of the Act.)	
vii.	Mr D. R. Kaarthikeyan	Independent Director	44:1		
viii.	Mr Utsav Parekh	Independent Director	43:1		
ix.	Mr Sunil Mitra <sup>#</sup>	Independent Director	27:1		
x.	Mr P. S. Bhattacharyya	Independent Director	7:1		
xi.	Mr Virendra Sinha	Independent Director	29:1		
xii.	Ms Rusha Mitra	Independent Director	29:1		
xiii.	Mr Akshay Poddar	Non-executive & Non-Independent Director	28:1		
xiv.	Mr Ravi Varma	V. P. (Corp. Affairs) & Company Secretary	5:1		20%
b.	The percentage increase in the median remuneration of employees in the financial year ended March 2022.				0.74%
c.	The number of permanent employees on the Company as at 31 <sup>st</sup> March 2022:			2114	
d.	<ul style="list-style-type: none"> <li>- Median Remuneration and Average Remuneration of all employees have increased by: 0.74% and 5.05% respectively.</li> <li>- 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 performance.</li> </ul>				
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: <a href="https://www.texmaco.in/webfiles/doc/Investors_Information/REMUNERATION_POLICY_TexRail.pdf">https://www.texmaco.in/webfiles/doc/Investors_Information/REMUNERATION_POLICY_TexRail.pdf</a>				

<sup>®</sup> Re-designated as Executive Director & Vice-Chairman w.e.f. 1<sup>st</sup> January 2022

<sup>+</sup> Re-designated as Managing Director w.e.f. 1<sup>st</sup> January 2022

<sup>\*</sup> Resigned w.e.f. the close of business on 7<sup>th</sup> February 2022

<sup>#</sup> Resigned w.e.f. the close of business on 9<sup>th</sup> December 2021

## Annexure -D

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

### (A) Conservation of energy -

- i. the steps taken or impact on conservation of energy;  
Installation and commissioning of Power Factor Improvement System continued during the year.
- ii. the steps taken by the Company for utilising alternate sources of energy;  
Your Company has commissioned 50 KW solar panel on roof top of its Corporate Office and it is functioning well.
- iii. the capital investment on energy conservation equipments;  
Two nos. 11KV / 650KVA Transformer have been installed and commissioned. All Electrical heat treatment furnaces have been put / connected with new 440V bus.

### (B) Technology absorption-

- i. the efforts made towards technology absorption and the benefits derived like product improvement, cost reduction, product development or import substitution;  
The in-house R&D Centre of the Company has been recognised by the Department of Scientific & Industrial Research, Ministry of Science & Technology and the Government of India. A number of projects on development of new products and improvement on the existing products have been successfully carried out during the year.
- ii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -  
N.A.
- iii. the expenditure incurred on Research and Development - ₹ 71.62 Lakhs

### (C) Foreign exchange earnings ₹ 14,506.79 Lakhs and outgo ₹ 8,183.41 Lakhs.

## Annexure -E

Form No. MR-3

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2022

[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 31<sup>st</sup> March 2022 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 31<sup>st</sup> March 2022 according to the provisions of the following, in so far as they are applicable to the Company:

1. The Companies Act, 2013 ('the Act') and the rules made thereunder,;
2. The Securities 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 thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;

5. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) The Securities and Exchange Board of India (Share Based Employees Benefits and Sweat Equity) Regulations, 2021;
- 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, 2021, to the extent applicable.

6. The following other laws specially applicable to the Company:-

- a) The Factories Act, 1948 read with Rules;
- b) The Industrial Dispute Act, 1947 read with Rules;
- c) The Environment (Protection) Act, 1986.

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

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



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

**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 Director. There were no changes in the composition of the Board of Directors that took place during the period under review except for resignations of Messrs Sunil Mitra & Amal Chandra Chakrabortti as Independent Directors of the Company w.e.f. 09.12.2021 & 07.02.2022 respectively and appointment of Mr. Partha Sarathi Bhattacharyya as Independent Director w.e.f. 01.01.2022. Further, on account of cessation of Mr. Amal Chandra Chakrabortti, there was requirement for the appointment of one Independent Director. The Company thereafter on 06.05.2022 appointed Mr. Amitabha Guha as an Independent Director in compliance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- during the year, Messrs Ashish Kumar Gupta, Deputy Managing Director has been re-designated as Managing Director and Indrajit Mookerjee, Managing Director has been re-designated as Executive Director & Vice Chairman w.e.f 01.01.2022.
- 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 year under review and on the basis of information provided by the management of the Company, Texrail SA(Pty) Limited, a Wholly Owned subsidiary of the Company has ceased its operations and has been subsequently deregistered.

**We further report that** during the audit period, the Company had successfully completed Rights Issue. The Rights Issue period opened on 1<sup>st</sup> November 2022 and closed on 25<sup>th</sup> November 2022. The Company has issued 7,15,26,643 (Seven crores fifteen lakhs twenty six thousand six hundred and forty three only) Right Equity Shares having face value of ₹ 1/- each at a premium of ₹ 22/- per equity share. Consequent to the allotment, the paid up capital of the Company has increased from 25,03,43,252 Equity Shares of ₹ 1/- each to 32,18,69,895 Equity Shares of ₹ 1/- each.

For **S R & Associates**

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: F007040C000299860

Place : Kolkata

Dated : 20<sup>th</sup> May 2022

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

## Annexure

To

The Members

**Texmaco Rail & Engineering Limited**

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

For **S R & Associates**

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: F007040C000299860

Place : Kolkata

Dated : 20<sup>th</sup> May 2022

## Annexure -F

# Report on Corporate Governance

### 1. Company's philosophy on Code of Governance: -

The core values of the Company's Corporate Governance are transparency, professionalism, accountability, customer focus, teamwork, quality, fairness and social responsibility.

Your Company is committed to fulfil these objectives and enhance the wealth generating capacity, keeping in mind the long-term interest of the stakeholders. The Company believes in adopting and adhering to the best Corporate Governance practices and continuously benchmarking itself against the best practices in the industry.

### 2. Board of Directors:-

The Company's Board of Directors ('Board') holds a fiduciary duty towards the stakeholders. Your Company's Board comprises 11 (eleven) Directors, representing the optimum mix of professionalism and knowledge with diverse experience and in compliance with the provisions of the Companies Act, 2013 ('Act') and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). 5 (five) Directors of the current strength of the Board are Independent Directors as on 31<sup>st</sup> March 2022. The category of Directors, number of Directorships in other companies including the name of listed entities and their category thereof and the number of Committees in which such Director is a Chairperson or Member are mentioned below:-

Name of the Directors	Category of Directorship	No. of Directorships in other Companies**	Name of other listed entities where the person is a Director and the category of directorship		No. of Chairpersonship/ Membership of Board Committees in Companies ^^	
			Name	Category	Chairperson	Member
Mr S. K. Poddar (DIN: 00008654)	Executive Chairperson - Promoter	11	Texmaco Infrastructure & Holdings Limited	Non-Executive & Non Independent Director-Chairperson	-	-
			Chambal Fertilisers and Chemicals Limited	Non-Executive & Non Independent Director-Chairperson		
			Zuari Agro Chemicals Limited	Non-Executive & Non Independent Director-Chairperson		
			Zuari Global Limited	Non-Executive & Non Independent Director-Chairperson		
Mr Indrajit Mookerjee <sup>5</sup> (DIN: 01419627)	Executive Director & Vice - Chairman	5	-	-	-	-
Mr A. K. Gupta <sup>#</sup> (DIN: 07808012)	Managing Director	3	-	-	-	1
Mr P. S. Bhattacharyya* (DIN:00329479)	Independent	9	Tide Water Oil Co India Limited	Non-Executive & Independent Director	2	4
			Deepak Fertilisers and Petrochemicals Corporation Limited	Non-Executive & Independent Director		
			Ramkrishna Forgings Limited	Non-Executive & Independent Director		
Mr D. R. Kaarthikeyan (DIN:00327907)	Independent	6	Texmaco Infrastructure & Holdings Limited	Non-Executive & Independent Director	-	3
			Taj GVK Hotels and Resorts Limited	Non-Executive & Independent Director		
			Lotus Eye Hospital and Institute Limited	Non-Executive & Independent Director		
			Star Health & Allied Insurance Company Limited	Non-Executive & Independent Director		

Name of the Directors	Category of Directorship	No. of Directorships in other Companies**	Name of other listed entities where the person is a Director and the category of directorship		No. of Chairpersonship/ Membership of Board Committees in Companies ^^	
			Name	Category	Chairperson	Member
Mr Utsav Parekh (DIN: 00027642)	Independent	12	Texmaco Infrastructure & Holdings Limited	Non-Executive & Independent Director	4	7
			SMIFS Capital Markets Limited	Non-Executive & Non Independent Director-Chairperson		
			Xpro India Limited	Non-Executive & Independent Director		
			Spencer's Retail Limited	Non-Executive & Independent Director		
			Eveready Industries India Ltd.	Non-Executive & Non Independent Director		
Mr Virendra Sihna (DIN: 03113274)	Independent	3	Electrosteel Castings Limited	Non-Executive & Independent Director	-	1
Ms. Rusha Mitra (DIN: 08402204)	Independent	8	Harrisons Malayalam Ltd	Non-Executive & Independent Director	3	7
			Lux Industries Limited	Non-Executive & Independent Director		
			GKW Ltd	Non-Executive & Independent Director		
			Naga Dhunseri Group Ltd.	Non-Executive & Independent Director		
			PCBL Limited	Non-Executive & Independent Director		
			Quest Capital Markets Limited	Non-Executive & Independent Director		
Mr Akshay Poddar+ (DIN: 00008686)	Non-Executive & Non-independent - Promoter	15	Texmaco Infrastructure & Holdings Limited	Non-Executive & Non Independent Director	1	3
			Adventz Securities Enterprises Limited	Non-Executive & Non Independent Director		
			Mangalore Chemicals & Fertilizers Limited	Non-Executive & Non Independent Director		
			Zuari Agro Chemicals Limited	Non-Executive & Non Independent Director		
			Gobind Sugar Mills Ltd.	Non-Executive & Non Independent Director		
Mr. A. C. Chakrabortti® (DIN: 00015622)	Independent	N.A.	N.A.	N.A.	N.A.	N.A.
Mr. Sunil Mitra®® (DIN: 00113473)	Independent	N.A.	N.A.	N.A.	N.A.	N.A.
Mr D. H. Kela (DIN: 01050842)	Executive	2	-	-	-	1
Mr A. K. Vijay (DIN: 01103278)	Executive	6	-	-	-	1

§Re-designated as Executive Director & Vice - Chairman w.e.f. 1<sup>st</sup> January 2022

# Re-designated as Managing Director w.e.f. 1<sup>st</sup> January 2022

\*Appointed w.e.f. 1<sup>st</sup> January 2022

@Resigned w.e.f. the close of business on 7<sup>th</sup> February 2022

®® Resigned w.e.f. the close of business on 9<sup>th</sup> December 2021

+ 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 the Public / Listed companies in which he / she was a Director as on 31<sup>st</sup> March 2022. 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 the Report.

During the year, Mr. Sunil Mitra, Independent Director, in view of his personal commitments and Mr. A.C. Chakrabortti, Independent Director, in view of his advancing age, resigned from the Board with effect from the close of business on 9<sup>th</sup> December 2021 and 7<sup>th</sup> February 2022 respectively. They have also confirmed that there is no other material reason for their resignation other than those stated above. The Company, thereafter, on 1<sup>st</sup> January 2022 & 6<sup>th</sup> May 2022 appointed Mr. P. S. Bhattacharyya & Mr. Amitabha Guha respectively as Independent Directors in compliance with the Listing Regulations.

The attendance of the Directors at the Board Meeting and at the last Annual General Meeting held during the FY'22 are given below:-

Name of the Directors	Board Meeting Dates						AGM Date
	14 <sup>th</sup> May 2021	15 <sup>th</sup> May 2021	11 <sup>th</sup> August 2021	11 <sup>th</sup> November 2021	29 <sup>th</sup> December 2021	7 <sup>th</sup> February 2022	24 <sup>th</sup> September 2021
Shri S. K. Poddar (Chairman)	✓	✓	✓	✓	✓	✓	✓
Shri A. C. Chakrabortti*	✓	✓	✓	✓	✓	✓	✓
Shri D. R. Kaarthikeyan	✓	✓	✓	✓	✓	✓	X
Shri Sunil Mitra <sup>^</sup>	✓	✓	✓	X	NA	NA	✓
Shri Utsav Parekh	✓	✓	✓	✓	✓	✓	✓
Shri Akshay Poddar	✓	✓	✓	✓	X	✓	✓
Shri D. H. Kela	✓	✓	✓	✓	✓	✓	✓
Shri A. K. Vijay	✓	✓	✓	✓	✓	✓	✓
Shri Indrajit Mookerjee <sup>@</sup>	✓	✓	✓	✓	✓	✓	✓
Shri A. K. Gupta <sup>§</sup>	✓	✓	✓	✓	✓	✓	✓
Shri Virendra Sinha	✓	✓	✓	✓	✓	✓	✓
Ms. Rusha Mitra	✓	✓	✓	✓	✓	✓	✓
Shri P. S. Bhattacharyya <sup>#</sup>	NA	NA	NA	NA	NA	✓	NA

\*Resigned w.e.f. close of business on 7<sup>th</sup> February 2022

<sup>^</sup>Resigned w.e.f. close of business on 9<sup>th</sup> December 2021

<sup>@</sup>Re-designated as the Executive Director & Vice Chairman of the Company w.e.f. 1<sup>st</sup> January 2022

<sup>§</sup> Re-designated as the Managing Director of the Company w.e.f. 1<sup>st</sup> January 2022

<sup>#</sup>Appointed w.e.f. 1<sup>st</sup> January 2022

#### 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:-

- Strategic Planning:** Your Company strives to achieve a competitive advantage in the market based on its strategic planning and research activities.
- Sales & Marketing:** Your Company's overall sales performance has remarkably improved over the last few years, except for the period affected by the pandemic COVID-19. With regular market study and emphasis on consumerism, your Company seeks to achieve long-term marketing synergies.
- Technology:** With a drive to enhance the technical base and modify the existing ones, your Company is well equipped to set new benchmarks against the advanced technology available in the market.
- Financial:** The Directors of your Company possess vast experience in handling financial management along with an understanding of accounting and financial statements to ensure that the Company can achieve proficiency in managing complex financial systems.
- Governance:** Your Company strives to adopt best business practices in the sectors it operates into and in maintaining transparency with the Shareholders. Practicing good Corporate Governance has been your Company's backbone and a marked accolade.
- 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 players to expand the reach of its product portfolio worldwide.

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

Name of the Directors	Areas of expertise					
	Strategic Planning	Sales & Marketing	Technology	Financial	Governance	Global Presence
Mr S. K. Poddar	✓	✓	✓	✓	✓	✓
Mr D. R. Kaarthikeyan	✓		✓	✓	✓	
Mr Utsav Parekh	✓	✓		✓	✓	✓
Mr Virendra Sinha	✓	✓		✓	✓	✓
Ms. Rusha Mitra	✓				✓	✓
Mr Akshay Poddar	✓	✓	✓	✓	✓	✓
Mr. Indrajit Mookerjee	✓	✓	✓		✓	✓
Mr A. K. Gupta	✓	✓	✓		✓	✓
Mr D. H. Kela	✓	✓	✓		✓	✓
Mr A. K. Vijay	✓	✓		✓	✓	✓
Mr P. S. Bhattacharyya	✓	✓		✓	✓	

### 3. Audit Committee:-

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

#### Terms of Reference and Composition

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

The Audit Committee comprises 3 (three) Directors. The Company Secretary of the Company acts as the Secretary to the Audit Committee. During the FY'22, the Committee met 5 (five) times. The details of the Meetings of the Audit Committee and the attendance of the Directors at the Meetings held during the financial year are given below:

Name & Category of the Directors	Meeting Dates				
	14 <sup>th</sup> May 2021	11 <sup>th</sup> August 2021	11 <sup>th</sup> November 2021	29 <sup>th</sup> December 2021	7 <sup>th</sup> February 2022
Mr. A. C. Chakrabortti*, <i>Chairperson, Independent</i>	✓	✓	✓	✓	✓
Mr. Utsav Parekh <sup>#</sup> , <i>Chairperson, Independent</i>	NA	✓	✓	✓	✓
Mr. D. R. Kaarthikeyan, <i>Independent</i>	✓	✓	✓	✓	✓
Mr. Indrajit Mookerjee <sup>§</sup> , <i>Executive</i>	✓	✓	✓	✓	NA
Mr. A. K. Gupta <sup>^</sup> , <i>Executive</i>	NA	NA	NA	NA	✓

\*Ceased w.e.f. close of business on 7<sup>th</sup> February 2022.

<sup>#</sup>Appointed as Member w.e.f the conclusion of Board Meeting held on 14<sup>th</sup> May 2021 and as Chairperson of the Committee w.e.f the conclusion of Board Meeting held on 7<sup>th</sup> February 2022.

<sup>§</sup>Ceased w.e.f. 1<sup>st</sup> January 2022.

<sup>^</sup>Appointed w.e.f 1<sup>st</sup> January 2022.

#### 4. Nomination and Remuneration Committee:-

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

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

##### Terms of Reference and Composition

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

The Nomination and Remuneration Committee comprises of 3 (three) Directors. During the FY'22, the Committee met 3 (three) times. The details of the Meetings of the Nomination and Remuneration Committee and the attendance of the Directors at the Meetings held during the financial year are given below:

Name & Category of the Directors	Meeting Dates		
	12 <sup>th</sup> May 2021	9 <sup>th</sup> October 2021	29 <sup>th</sup> December 2021
Mr A. C. Chakrabortti*, <i>Chairperson, Independent</i>	✓	✓	✓
Mr. Utsav Parekh#, <i>Chairperson, Independent</i>	NA	✓	✓
Mr Akshay Poddar, <i>Non-Executive &amp; Non-Independent</i>	✓	×	×
Mr Sunil Mitra <sup>§</sup> , <i>Independent</i>	✓	✓	NA
Mr. P. S. Bhattacharyya <sup>^</sup> , <i>Independent</i>	NA	NA	NA

\*Ceased w.e.f. close of business on 7<sup>th</sup> February 2022.

#Appointed as Member w.e.f the conclusion of Board Meeting held on 14<sup>th</sup> May 2021 and as Chairperson of the Committee w.e.f the conclusion of Board Meeting held on 7<sup>th</sup> February 2022.

§Ceased w.e.f. close of business on 9<sup>th</sup> December 2021.

^Appointed w.e.f 1<sup>st</sup> January 2022.

##### Remuneration of Directors

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

The Company's Remuneration Policy for Directors, Key Managerial Personnel and other employees is available on the website of the Company. The web link for accessing such policy is: [https://www.texmaco.in/webfiles/doc/Investors\\_Information/REMUNERATION\\_POLICY\\_TexRail.pdf](https://www.texmaco.in/webfiles/doc/Investors_Information/REMUNERATION_POLICY_TexRail.pdf)

During the year, the Board in consultation with the Nomination and Remuneration Committee had reviewed and approved the revised policy to make it align with the recent changes / amendments and in accordance with the current business scenario of the Company. The details of the changes are highlighted in the Report of the Board of Directors.

The details of the remuneration paid to the Directors during the FY'22 are given below:

i) **Non-executive Directors**

Name of the Directors	Sitting Fee for the year (₹)	Commission for the year (₹)	Total (₹)	No. of Equity Shares held in the Company
Mr A. C. Chakrabortti*	6,65,000	1,71,507	8,36,507	2314
Mr D. R. Kaarthikeyan	5,15,000	2,00,000	7,15,000	-
Mr Sunil Mitra <sup>§</sup>	2,95,000	1,38,630	4,33,630	-
Mr Utsav Parekh	5,00,000	2,00,000	7,00,000	-
Mr Virendra Sinha	2,65,000	2,00,000	4,65,000	-
Ms Rusha Mitra	2,65,000	2,00,000	4,65,000	-
Mr Akshay Poddar	2,50,000	2,00,000	4,50,000	14820
Mr. P.S. Bhattacharyya <sup>#</sup>	65,000	49,315	1,14,315	-

\*Resigned w.e.f. close of business on 7<sup>th</sup> February 2022

<sup>§</sup>Resigned w.e.f. close of business on 9<sup>th</sup> December 2021.

<sup>#</sup>Appointed w.e.f. 1<sup>st</sup> January 2022

ii) **Executive Directors**

Name of the Directors	Designation	Salary (₹)	Perquisites and Allowances* (₹)	Retirement Benefits (₹)
Mr S. K. Poddar	Executive Chairman	2,93,54,839	1,30,28,191	As per Company's Rules
Mr Indrajit Mookerjee <sup>@</sup>	Executive Director & Vice Chairman	51,66,451	28,41,549	
Mr A. K. Gupta <sup>§</sup>	Managing Director	58,70,968	1,11,53,192	
Mr D. H. Kela	Executive Director	93,77,110	74,73,655	
Mr A. K. Vijay	Executive Director	51,66,451	38,25,691	

<sup>@</sup>Re-designated as the Executive Director & Vice Chairman of the Company w.e.f. 1<sup>st</sup> January 2022

<sup>§</sup>Re-designated as the Managing Director of the Company w.e.f. 1<sup>st</sup> January 2022

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

## 5. Stakeholders Relationship Committee: -

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

### Terms of Reference and Composition

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

The Stakeholders Relationship Committee comprises 4 (Four) Directors. During the FY'22, the Committee met once. The detail of the Meeting of the Stakeholders Relationship Committee and the attendance of the Directors at the Meeting held during the financial year are given below:

Name & Category of the Directors	Meeting Date 25 <sup>th</sup> January 2022
Mr Akshay Poddar, <i>Chairperson, Non-Executive &amp; Non-Independent</i>	✓
Mr Sunil Mitra*, <i>Independent</i>	NA
Mr D. H. Kela, <i>Executive</i>	✓
Mr A. K. Vijay, <i>Executive</i>	✓
Ms. Rusha Mitra <sup>#</sup> , <i>Independent</i>	✓

\*ceased w.e.f. close of business on 9<sup>th</sup> December 2021.

<sup>#</sup>Appointed w.e.f. 9<sup>th</sup> December 2021.

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

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



All the grievances received from the Shareholders are redressed within the stipulated time. Shareholders are requested to maintain their updated telephone / mobile number and email address with their respective Depository Participants or the Company's Registrar & Share Transfer Agent, as the case may be, to facilitate prompt redressal. During the FY'22, 15 (fifteen) complaints were received from the Shareholders, which were resolved within the stipulated time period.

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

The Company has in place a policy on Investor Grievances. During the year, the Board in consultation with the Stakeholders Relationship Committee had reviewed and approved the revised policy to make it align with the recent changes / amendments.

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

## 6. Corporate Social Responsibility Committee:-

The role of the Corporate Social Responsibility ('CSR') Committee inter-alia includes the overall responsibility for identifying the areas of CSR activities, ascertaining and recommending the amount of CSR expenditure to be incurred on the identified CSR activities, formulating and monitoring the CSR policy from time to time and overseeing implementation of the CSR activities / programs of the Company. The Company has in place a policy on CSR. During the year, the Board in consultation with the CSR Committee had reviewed and approved the revised policy to make it align with the recent changes / amendments.

### Terms of Reference and Composition

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

The CSR Committee comprises 3 (three) Directors. During the FY'22, the Committee met once. The detail of the Meeting of the CSR Committee and the attendance of the Directors at the Meeting held during the financial year are given below:

Name & Category of the Directors	Meeting Date 25 <sup>th</sup> January 2022
Mr D. H. Kela, <i>Chairperson, Executive</i>	✓
Mr A. K. Vijay*, <i>Executive</i>	NA
Mr A. K. Gupta#, <i>Executive</i>	✓
Mr Sunil Mitra <sup>5</sup> , <i>Independent</i>	NA
Mr. Utsav Parekh <sup>^</sup> , <i>Independent</i>	✓

\*Ceased w.e.f. close of business on 1<sup>st</sup> January 2022.

#Appointed w.e.f 1<sup>st</sup> January 2022.

<sup>5</sup>Ceased w.e.f. close of business on 9<sup>th</sup> December 2021.

<sup>^</sup>Appointed w.e.f 9<sup>th</sup> December 2021.

## 7. Risk Management Committee:-

During the FY'22, the Company has formed the Risk Management Committee ('RMC') w.e.f. 14<sup>th</sup> May 2021 to review the risk management plan / process of your Company.

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

The Company has in place a Risk Management Policy. During the year, the Board in consultation with the RMC had reviewed and approved the revised policy including the Risk Management Framework to make it align with the recent changes / amendments and to also cover additional critical areas including cyber security risks along with detailed mitigation plan.

### Terms of Reference and Composition

The terms of reference of the RMC cover the matters as identified under the Act and the Listing Regulations.

During the FY'22, the RMC met twice. The details of the Meeting of RMC and the attendance of the Directors at the Meeting held during the financial year are given below:

Name & Category of the Directors	Meeting Dates	
	25 <sup>th</sup> January 2022	9 <sup>th</sup> March 2022
Mr D. R. Kaarthikeyan, <i>Chairperson, Independent</i>	✓	✓
Mr Indrajit Mookerjee, <i>Executive</i>	✓	✓
Mr A. K. Vijay, <i>Executive</i>	✓	✓

## 8. Independent Directors:-

During the FY'22, a separate Meeting of the Independent Directors of the Company was held on 9<sup>st</sup> March 2022. All the Independent Directors except Ms. Rusha Mitra attended the Meeting. The matters discussed at the Independent Directors Meeting, inter-alia, included the evaluation of the performance of Non-independent Directors including the Chairman of the Company. The Performance evaluation criteria for Independent Directors are mentioned in the Report of the Board of Directors.

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Act and the Listing Regulations. In the opinion of the Board and on due assessment, the Independent Directors fulfil the conditions of independence as specified in the Act and the Listing Regulations.

## 9. Induction & Training of Board Members:-

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

The Company has in place a mechanism to familiarize its Independent Directors about the Company, its operations, the product portfolio, the industry and business structure of the Company and its subsidiaries / associates. The programme is periodically reviewed from time to time to keep it aligned with the changes in the relevant statutory provisions.

The details of programmes aimed to provide insights into the Company for familiarisation of Independent Directors with the Company, including their duties in the Company and related matters are available on the website of the Company. The web link for accessing such policy is: [https://www.texmaco.in/webfiles/doc/Investors\\_Information/FPFID.pdf](https://www.texmaco.in/webfiles/doc/Investors_Information/FPFID.pdf)

## 10. Whistle Blower Policy:-

The Company believes in promoting ethical behaviour and accordingly, there is a mechanism for reporting unethical behaviour, actual or suspected fraud or violation against the Company's Code of Conduct. The objective of the policy is to provide adequate safeguard measures against victimization. The Company has a Whistle Blower Policy under which the employees are free to report any such grievances to Mr Ravi Varma, Company Secretary & Compliance Officer of the Company, who has been appointed as the Nodal Officer for this purpose. In appropriate cases, employees may also report to the Chairman of the Audit Committee. No personnel was denied access to the Audit Committee of the Company. During the year, the Board in consultation with the Audit Committee had reviewed and approved the revised policy to make it align with the recent changes / amendments.

The Policy is also placed on the website of the Company. The web link for accessing such policy is: [https://www.texmaco.in/webfiles/doc/Investors\\_Information/Whistle%20Blower%20Policy.pdf](https://www.texmaco.in/webfiles/doc/Investors_Information/Whistle%20Blower%20Policy.pdf)

## 11. Internal Control System:-

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

## 12. Policy on Material Subsidiary:-

The Company has a policy to determine its material subsidiary. The policy is also placed on the website of the Company. The web link for accessing such policy is: [https://www.texmaco.in/webfiles/doc/Investors\\_Information/Annexure%2010.pdf](https://www.texmaco.in/webfiles/doc/Investors_Information/Annexure%2010.pdf)

During the year, the Board in consultation with the Audit Committee had reviewed and approved the revised policy to make it align with the recent changes / amendments.

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

## 13. Related Party Transactions:-

During the year under review, all related party transactions entered into by the Company, were approved by the Audit Committee and were at arm's length and in the ordinary course of business. Prior omnibus approval was obtained for related party transactions which are of repetitive nature and entered in the ordinary course of business and on an arm's length basis.

In line with the requirements of the Act and the Listing Regulations, the Company has in place a Policy on Related Party Transactions. During the year, the Board in consultation with the Audit Committee had reviewed and approved the revised policy to make it align with the recent changes / amendments and in accordance with the current business scenario of the Company.

This Policy is also placed on the website of the Company. The web link for accessing such policy is: [https://www.texmaco.in/webfiles/doc/Investors\\_Information/RPTP.PDF](https://www.texmaco.in/webfiles/doc/Investors_Information/RPTP.PDF)

## 14. General Body Meetings:-

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

Financial Year	Date and time of the AGM	No. of Special Resolutions approved at the AGM	Venue
2020-21	24 <sup>th</sup> September 2021 at 11:00 a.m.	4	Held through Video Conferencing/ Other Audio Visual Means. The deemed venue of the Meeting was the Registered Office of the Company at Belgharia, Kolkata- 700 056 -K. K. Birla Kala Kendra, Texmaco Estate, Belgharia, Kolkata- 700 056
2019-20	30 <sup>th</sup> September 2020 at 2.00 p.m.	6	
2018-19	9 <sup>th</sup> September 2019 at 2.00 p.m.	7	

### Whether Special Resolutions-

A. Were put through postal ballot last year -Yes

During the FY'22, the Company had put the following Special Resolutions for approval by the Members Vide Postal Ballot Notice dated 7<sup>th</sup> February 2022.

- (i) Re-designation of Mr. Ashish Kumar Gupta (DIN: 07808012) as the Managing Director of the Company.
- (ii) Re-designation of Mr. Indrajit Mookerjee (DIN: 01419627) as the Executive Director & Vice Chairman of the Company.
- (iii) Appointment of Mr. Partha Sarathi Bhattacharyya (DIN: 00329479) as an Independent Director of the Company.

In terms of provisions of the Act and Listing Regulations read with the circulars issued by the Ministry of Corporate Affairs, the Company had sent the Notice to the members in electronic form only and had extended the remote e-voting facility only to its members, enabling them to cast their votes electronically instead of submitting the Postal Ballot Form.

The Board of Directors of the Company had appointed Ms Geeta Roy Chowdhury, Practicing Company Secretary (Membership No. F7040) as the Scrutinizer to conduct the process of the postal ballot in a fair and transparent manner.

The cut-off date for voting rights was 11<sup>th</sup> February 2022. The process of postal ballot through electronic mode was completed on 15<sup>th</sup> March 2022 and the Company had submitted the results of the postal ballot to the stock exchanges viz: BSE Limited and National Stock Exchange of India Ltd. on 16<sup>th</sup> March 2022.

All the above mentioned Resolutions have been duly approved by the Members of the Company with the requisite majority. The details of voting pattern of the postal ballot are as under:

Resolution Nos. as mentioned above	For / Against	Total No. of Members who voted	Total No. of Shares for which votes casted	Percentage of votes to the total no. of valid votes
(i)	Voted in favour	415	217695135	97.04
	Voted against	54	6640798	2.96
(ii)	Voted in favour	413	217695076	97.04
	Voted against	56	6640867	2.96
(iii)	Voted in favour	421	224323973	99.99
	Voted against	48	11949	0.01

- B. Are proposed to be conducted through postal ballot – Yes (for appointment of Mr. Amitabha Guha as an Independent Director of the Company w.e.f. 6<sup>th</sup> May 2022)

## 15. Disclosures:-

During the FY'22, there are no materially significant related party transactions that may have potential conflict with the interest of the Company at large. Transactions carried out with the related parties are disclosed in Note No. 1.39 to the Audited Financial Statements.

There were no strictures or penalties imposed either by the Securities and Exchange Board of India or the Stock Exchanges or any other Statutory Authorities for non-compliance of any matter related to the Capital Market during the last three years except there was delay in appointment of Independent Directors during the FY'21, due to unexpected lockdown situation triggered by COVID-19 pandemic, for which BSE & NSE have levied fine on the Company.

The Company does not classify as "Large Corporate" as on 31<sup>st</sup> March 2022 as per the criteria specified in the SEBI circular no. SEBI/ HO/ DDHS/ CIR/ P/2018/144 dated 26th November, 2018.

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

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

## 18. General Shareholder Information:-

AGM : Date, Time & Venue	<b>Friday, 30<sup>th</sup> September 2022 at 12 Noon (IST)</b> <b>The AGM will be conducted through Video Conferencing/ Other Audio Visual Means. The venue of the Meeting shall be deemed to be the Registered Office of the Company at Belgharia, Kolkata 700056.</b>
Financial Calendar (Tentative)	1 <sup>st</sup> April 2022 to 31 <sup>st</sup> March 2023 First Quarter Results – Second week of August 2022. Second Quarter Results – First week of November 2022 Third Quarter Results – First week of February 2023 Results for the year ending 31 <sup>st</sup> March 2023 - Last week of May 2023
Date of Book Closure	<b>Saturday, 24<sup>th</sup> September 2022 to Friday, 30<sup>th</sup> September 2022 (both days inclusive)</b>
Dividend Payment Date	Mid October 2022

## 16. Reconciliation of Share Capital Audit Report:-

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

## 17. Means of Communication:-

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

Listing on Stock Exchanges	<p><b>1. National Stock Exchange of India Ltd.,</b> Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051</p> <p><b>2. BSE Limited,</b> P.J.Towers, Dalal Street, Mumbai – 400 001</p> <p>The Company has paid listing fees for the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023.</p>												
CIN of the Company	L29261WB1998PLC087404												
Stock Code – National Stock Exchange of India Ltd. BSE Limited Demat ISIN No. for NSDL / CDSL	<p>TEXRAIL</p> <p>533326</p> <p>INE 621L01012</p>												
Credit Ratings obtained by the Company	<p>The Company has obtained Credit Rating from CARE Ratings Limited with respect to the additional bank facilities which are as follows:</p> <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-; Negative (Single A Minus; Outlook: Negative )</td> </tr> <tr> <td>2</td> <td>Short Term Bank Facilities</td> <td>CARE A2 (A Two)</td> </tr> <tr> <td>3</td> <td>Long Term/ Short Term Bank Facilities</td> <td>CARE A-; Negative / CARE A2 (single A Minus ; Outlook: Negative/ A Two )</td> </tr> </tbody> </table>	Sl. No.	Instrument Type	Rating/Outlook	1	Long Term Bank Facilities	CARE A-; Negative (Single A Minus; Outlook: Negative )	2	Short Term Bank Facilities	CARE A2 (A Two)	3	Long Term/ Short Term Bank Facilities	CARE A-; Negative / CARE A2 (single A Minus ; Outlook: Negative/ A Two )
Sl. No.	Instrument Type	Rating/Outlook											
1	Long Term Bank Facilities	CARE A-; Negative (Single A Minus; Outlook: Negative )											
2	Short Term Bank Facilities	CARE A2 (A Two)											
3	Long Term/ Short Term Bank Facilities	CARE A-; Negative / CARE A2 (single A Minus ; Outlook: Negative/ A Two )											

High / Low market prices of the Company's Equity Shares of ₹ 1 each traded on the National Stock Exchange of India Ltd. and BSE Limited during the period April 2021 to March 2022 are furnished below:

Period	National Stock Exchange of India Ltd.		BSE Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2021	27.85	24.10	27.85	24.05
May 2021	34.80	25.05	34.85	25.00
June 2021	39.50	31.55	39.50	31.50
July 2021	41.90	35.25	41.85	35.30
August 2021	39.45	30.50	39.50	30.35
September 2021	37.00	32.50	37.05	32.55
October 2021	41.25	31.80	41.20	31.80
November 2021	33.45	27.00	33.30	26.55
December 2021	34.00	27.40	33.95	27.35
January 2022	42.85	31.85	42.75	31.90
February 2022	49.90	29.10	49.80	29.15
March 2022	46.40	31.20	46.25	31.40

<b>Registrar &amp; Share Transfer Agent (RTA)</b>	M/s. KFin Technologies Limited (Formerly KFin Technologies Private Limited) Selenium Tower B, Plot No.31 & 32, Gachibowli Financial District, Nanakramguda, Hyderabad – 500032	<b>Toll Free No.: 1800 309 4001</b> E-mail: einward.ris@kfintech.com Website: <a href="https://www.kfintech.com/">https://www.kfintech.com/</a>
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#### Share Transfer System:-

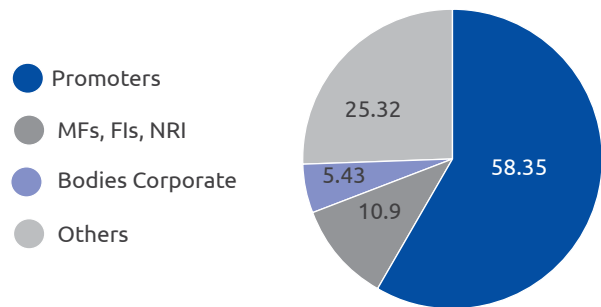
In terms of the SEBI Circular No. SEBI/LAD-NRO/GN/2018/24 dated 8th June 2018 and subsequent clarification issued related thereto, the transfer of Equity Shares of the Company is executed in demat form only w.e.f. 1st April 2019. Accordingly, requests for transfer of Equity Shares held in demat form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

#### Distribution of Shareholding as on 31<sup>st</sup> March 2022:-

No. of Equity Shares	No. of Folios	%	No. of Equity Shares	%
Upto 5000	90925	97.51	32850255	10.21
5001 to 10000	1116	1.20	8381774	2.60
10001 to 20000	554	0.59	8026647	2.49
20001 to 30000	232	0.25	5838258	1.81
30001 to 40000	84	0.09	2997393	0.93
40001 to 50000	85	0.09	4011276	1.25
50001 to 100000	125	0.13	8879710	2.76
100001 and above	122	0.13	250884582	77.95
<b>Grand Total</b>	<b>93243</b>	<b>100.00</b>	<b>321869895</b>	<b>100.00</b>

#### Shareholding Pattern as on 31<sup>st</sup> March 2022:-

Category	No. of Equity Shares	%
Promoters	187822142	58.35
Banks, Insurance Cos., and FIs	155758	0.05
Mutual Funds	26165482	8.13
NRI / OCB/FIIs	8743901	2.72
Bodies Corporate	17489636	5.43
Indian Public	80013346	24.86
Others	1479630	0.46
<b>Total</b>	<b>321869895</b>	<b>100.00</b>



During the FY'22, the Company had issued and allotted 7,15,26,643 equity shares of face value of ₹ 1 each by way of rights issue for an amount aggregating ₹ 164,51,12,789, in the ratio of 2:7 i.e. 2 (Two) equity shares for every 7 (Seven) equity shares held, to eligible equity Shareholders of the Company as on the record date at an issue price of ₹ 23/- per Rights equity share (including a premium of ₹ 22/- per equity share).

The funds raised by the Company through Rights Issue, have been utilised for the objects stated in the Letter of Offer,

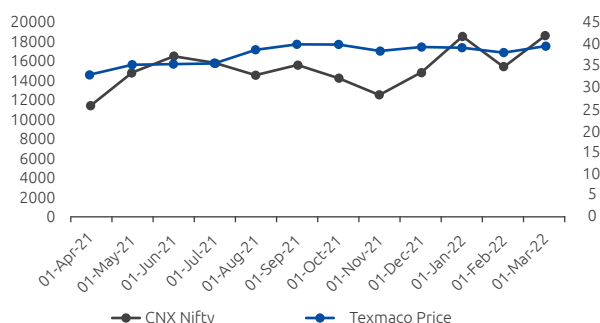
dated 20<sup>th</sup> October 2021, i.e. towards repayment of Inter Corporate Deposits and unsecured loans, funding working capital requirements & general corporate purposes. The Letter of Offer is available on the website of the Company at [www.texmaco.in](http://www.texmaco.in).

Consequent to the aforesaid allotment, the paid up capital of the Company has increased from 25,03,43,252 Equity Shares of ₹ 1/- each to 32,18,69,895 Equity Shares of ₹ 1/- each.

Further, in terms of the Listing Regulations, the details relating to the unclaimed equity shares lying in the Texmaco Rail Rights Unclaimed Suspense Demat Account with respect to the Rights Issue are provided below:

Sl. No.	Particulars	No of cases	No of equity shares
1.	aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year	168	116723
2.	number of shareholders who approached listed entity for transfer of shares from suspense account during the year	69	87341
3.	number of shareholders to whom shares were transferred from suspense account during the year	69	87341
4.	aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	99	29382
5.	that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares	Yes	

#### Texmaco Share Price vis a vis Nifty



#### Dematerialisation of Equity Shares as on 31<sup>st</sup> March 2022 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. 32,10,69,172 Equity Shares of the Company representing 99.75% of the Company's Equity Share Capital are in the dematerialised form on NSDL and CDSL as on 31<sup>st</sup> March 2022.

Further, your Company in terms of SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2021/655 dated 3<sup>rd</sup> November 2021 and subsequent clarification dated 14<sup>th</sup> December 2021 has sent communications to the physical shareholders requesting them to furnish/ update PAN, address, email address, mobile number, specimen signature, bank account details, nomination, etc. before 1st April, 2023 to avoid freezing of their folios by the RTA and restrictions thereof, as mentioned in the said circular.

#### Statutory Auditors:-

During the FY'22, the Company and its subsidiaries had paid ₹ 26.82 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 adopted a Code of Conduct and Ethics (Code) for the Board and Senior Management Personnel of the Company. The essence of the Code is to conduct the business of the Company in an honest, fair and ethical manner, in compliance with the applicable laws and in a way that excludes considerations for personal advantage.

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

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

During the year, the Board had reviewed and approved the revised Code of Conduct to make it align with the recent changes / amendments and in accordance with the current business scenario 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, V.P. (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  
 Note: Shareholders holding Equity Shares in Electronic mode should address all their correspondence concerning their respective Depository Participants directly with them.

#### 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') as specified thereunder in respect of Unclaimed Dividend, when due for transfer to the said Fund, is given below:

Financial year ended	Date of declaration of Dividend	Last date for claiming Unpaid Dividend
31.03.2021	24.09.2021	25.10.2028
31.03.2020	30.09.2020	04.11.2027
31.03.2019	09.09.2019	14.10.2026
31.03.2018	04.09.2018	10.10.2025
31.03.2017	16.09.2017	21.10.2024
31.03.2016	26.09.2016	02.11.2023
31.03.2015	28.09.2015	02.11.2022

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 unclaimed 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](http://www.texmaco.in).

#### Secretarial Compliance Report:-

Messrs. S. R. & Associates, Practicing Company Secretaries and the Secretarial Auditor of the Company has submitted the Secretarial Compliance Report for the year ended 31<sup>st</sup> March 2022 to the Company, in terms of the Listing Regulations.

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

The Company has complied with the applicable mandatory requirements specified in Regulations 17 to 27 and clauses(b) to (i) of sub - regulation (2) of Regulation 46 under the Listing Regulations and has adopted the following non-mandatory requirements:

##### (i) The Board:

The Company is headed by the Executive Chairman.

##### (ii) Shareholder Rights:

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

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

The Statutory Auditors have given their Report with unmodified opinion on the Company's Financial Statements for the year ended 31<sup>st</sup> March 2022.

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

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

##### (v) Separation of office of the Chairperson and the Managing Director:

The Company has appointed separate persons to the post of the Chairperson and the Managing Director, such that the Chairperson is not related to the Managing Director as per the definition of the term "relative" defined under the Act.

#### 20. Certificate from Practicing Company Secretary:-

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

The aforementioned certificate is attached to this Report.

#### 21. MD/EDs and CFO Certification:-

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

#### 22. Retirement of Director by rotation and re-appointment:-

Mr A. K. Vijay, Executive Director and Mr Akshay Poddar, Non-Independent & Non-Executive Director of the Company are due for retirement by rotation and are eligible for re-appointment at the ensuing Annual General Meeting ('AGM'). Further, the existing term of Mr Vijay will expire on 31<sup>st</sup> December 2022. The Board has recommended the re-appointments of Mr Vijay and Mr Poddar as the Directors of the Company subject to the approval of the shareholders of the Company.

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



## Declaration by the Managing Director

To  
The Members  
**Texmaco Rail & Engineering Limited**

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

For **Texmaco Rail & Engineering Limited**

**Ashish Kumar Gupta**  
Managing Director

Place: Kolkata  
Dated: 20<sup>th</sup> May 2022

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## MD/ EDs and CFO Certification

We certify that:

- a. we have reviewed Financial Statements and Cash Flow Statements for the year ended 31<sup>st</sup> March 2022 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**

**A. K. Gupta**  
Managing Director

**D. H. Kela**  
Executive Director

**A. K. Vijay**  
Executive Director & CFO

Place: Kolkata  
Dated: 20<sup>th</sup> May 2022

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://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 31<sup>st</sup> March 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sl. No.	Name of Director	DIN	Date of appointment in the Company
1.	Saroj Kumar Poddar	00008654	25-09-2010
2.	A. C. Chakrabortti*	00015622	25-09-2010
3.	D.R. Kaarthikeyan	00327907	02-09-2011
4.	Sunil Mitra^	00113473	05-11-2012
5.	Rusha Mitra	08402204	17-02-2021
6.	Utsav Parekh	00027642	04-09-2018
7.	Virendra Sinha	03113274	17-02-2021
8.	Indrajit Mookerjee	01419627	09-09-2019
9.	A. K. Gupta	07808012	17-11-2020
10.	Akshay Poddar	00008686	02-09-2011
11.	D. H. Kela	01050842	01-01-2010
12.	A. K. Vijay	01103278	01-01-2015
13.	P. S. Bhattacharyya#	00329479	01-01-2022

\*Ceased w.e.f. close of business on 7<sup>th</sup> February 2022

^Ceased w.e.f. close of business on 9<sup>th</sup> December 2021

#Appointed w.e.f. 1<sup>st</sup> January 2022

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**

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: F007040D000351923

Place: Kolkata

Dated: 20<sup>th</sup> May 2022

## Auditor's Certificate on Corporate Governance

To  
the Members  
**Texmaco Rail & Engineering Limited**

1. We, L. B. Jha & Co., Chartered Accountants, the Statutory Auditors of Texmaco Rail & Engineering Limited ('the Company'), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31<sup>st</sup> March 2022 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 the conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

### Auditor's Responsibility:-

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

### Opinion:-

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

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

**(D. N. Roy)**  
Partner  
(Membership number: 300389)  
UDIN: 22300389AJHFKJ2336

Place: Kolkata  
Date: 20<sup>th</sup> May 2022

## Annexure -G

# Business Responsibility Report

### SECTION A – GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L29261WB1998PLC087404
2.	Name of the Company	Texmaco Rail & Engineering Limited
3.	Registered Address	Belgharia, Kolkata - 700 056
4.	Website	<a href="http://www.texmaco.in">www.texmaco.in</a>
5.	E-mail ID	texrail_cs@texmaco.in
6.	Financial Year reported	2021-22
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 Steel Castings: NIC Code-243 Rail EPC: NIC Code-439
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 ii. Number of National Locations	Nil <b>Registered &amp; Corporate Office:</b> Belgharia, Kolkata – 700 056 <b>Regional Offices:</b> i. Delhi ii. Mumbai iii. Jaipur iv. Bengaluru <b>Plant Locations:</b> <b>Kolkata, W. B. :</b> i. Belgharia ii. Agarpara iii. Sodepur iv. Panihati <b>Raipur, Chhatisgarh :</b> Urla
10.	Markets served by the Company	National / International

### SECTION B – FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital(₹)	32,18,69,895
2.	Total Turnover (₹)	1,81,441.6 lakhs
3.	Total Profit after Taxes (₹)	1,829.45 lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	The Company during the year has incurred in excess of the prescribed threshold under the provision of the Companies Act, 2013 towards CSR.
5.	List of activities in which expenditure in point no. 4 above has been incurred:	I. Health II. Education

### SECTION C – OTHER DETAILS

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

\* Deregistered on cessation of operations.

## SECTION D – BUSINESS RESPONSIBILITY ('BR') INFORMATION

### Details of Directors Responsible for BR

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

The details of the Committee members as on 31<sup>st</sup> March 2022 are as follows:

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

Our Policies in line with the NVGs Principles are as follows:

#### Governance related to BR

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

Your Directors have pleasure in presenting the 6th Business Responsibility Report of the Company, which forms a part of the Annual Report. This report is also available on the website of the Company i.e. [www.texmaco.in](http://www.texmaco.in).

#### Principle 1: Ethics, Transparency and Accountability [P1]

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

Your Company values its integrity and commitment to the ethical standards and considers them as a foundation for all actions and decisions. The Company believes in promoting transparency, integrity and accountability, which not only improve work efficiency, but also create a work environment based on trust and helps in maximising value for all stakeholders. This philosophy of your Company is based on the transparent governance and disclosure practices and adherence to the moral and professional conduct.

In an effort to enhance transparency, fairness and accountability, your Company has put in place a robust Policy on Code of Conduct and Ethics which applies to all its employees including the Directors, Key Managerial Personnel, Senior Executives, Officers and third parties including consultants, contractors, etc.

Your Company has a structured grievance redressal mechanism in place to address all stakeholders' grievances for receiving, dealing and expeditious redressal of the complaints received from Stakeholders like Customers, Employees, Suppliers, etc. Your Company also has Whistle Blower Policy in place, to guide the conduct of employees and other stakeholders and ensure transparency and accountability within the organisation. The policy also allows the reporting of suspected fraud/act, etc. to the Nodal officer / Chairperson of the Audit Committee of the Company. Your Company has a well-defined policy on ethics, bribery and anti-corruption which covers all individuals / associates working with it at all levels and grades, and the same extends to its subsidiaries for their adherence.

As enumerated in the Corporate Governance Report, a total of 15 (Fifteen) investor complaints were received during FY'22 and all of which were resolved within the prescribed time period. No complaint was pending as on 31<sup>st</sup> March 2022.

#### Principle 2: Products Lifecycle Sustainability [P2]

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

Your Company believes that as a responsible organisation, its products should conform to the highest level of safety and sustainability standards. The Company believes that its long-term sustainable growth hinges on aligning with the need of the society and therefore, it focuses on designing its products in a manner which caters to social responsibility of creating

safe and environment friendly products. Creating sustainable products while taking cognizance of the environmental risks and concerns is a part of the Company's endeavour towards responsible product stewardship. Your Company has all the quality and inspection systems in place to ensure that all goods and services provided by the Company are safe and sustainable throughout their life cycle.

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

It is also ensured that to the extent possible, the Transporter dwells into the integrities of minimizing environmental pollution caused by its vehicles. The Company places high credence to sustainability and safety in its supply chain management.

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

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

### **Principle 3: Employees' Well-being [P3]**

#### **Businesses should promote the well-being of all employees:**

Your Company believes that employees, its core strength, are the basis of its robust foundation that is built over years of its existence. Business, for the Company, is not just about the bottom line, but also about developing and nurturing the

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

Your Company continuously strives to enhance the Quality of Life of its employees. Welfare of its employees is paramount for the Company. To ensure a proper work-life balance, the Company has created an extensive social infrastructure in its sprawling Estate, which comprises of an Air-conditioned Auditorium, Swimming Pool, Staff Club, Football Pitch, 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.

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 is committed to protect its employee's health & well-being and manage the challenges of these unprecedented times of COVID-19. In the light of ongoing pandemic since 2020, your Company has implemented effective protocols to suitably handle the situation. Proper measures and actions were taken to curb the spread of the virus amongst the employees, like regular sanitisation, temperature check at all entry points, incessant wearing of face masks, spreading awareness amongst the employees on how to minimise its spread, etc.

While the world was in the grip of the pandemic and individuals across the world racing to get inoculated, your Company stepped in to facilitate vaccine shots for its employees.

The Company believes in smooth and effective communication to ensure better flow of information and understanding amongst its employees. The Company has strengthened its vigil mechanism by adopting the Whistle Blower Policy which is applicable to its directors, employees and other stakeholders.

The said policy aims to promote good governance, instil faith and empower all stakeholders to fearlessly voice their concerns.

Further, your Company takes a rigid stand against the barbaric practices relating to child labour, forced labour, involuntary labour and discriminatory employment. The 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. The Company does not discriminate between the employees based on caste, creed,

religion, physical disability and the merit of the employees is always considered as top priority for their promotion.

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

Total number of employees	2114
Total number of employees hired on temporary / contractual / casual basis	3197
Number of permanent women employees	58
Number of permanent employees with disabilities	4
Percentage of under mentioned employees that were given safety & skill upgradation training in the last year	Permanent Employees – 48%
	Permanent Women Employees - 17%
	Casual / Temporary / Contractual Employees - 40%
	Employees with disabilities - 100%

**Principle 4: Stakeholder Engagement [P4]**

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

Your Company believes in establishing a strong relationship with its stakeholders based on trust and delivery and hence, fulfils its responsibility towards the stakeholders by giving greater emphasis on building long-term relationships with them. The stakeholders are one of the key drivers of business viability and long-term profitability.

The Company has mapped its major stakeholders through a structured approach which includes Government and regulatory authorities, Employees, Customers, Local communities, Investors & Shareholders, Suppliers, Trade unions and NGOs.

Your Company considers Stakeholders as an important and integral part of the Company and acknowledges its duty towards them, as they provide practical and financial support to the business. Internal and external stakeholder engagement and partnership is essential to the Company's growth. Your Company has a Stakeholders Relationship Committee to address the grievances of the security holders of the Company.

The Company strives to approach its Corporate Social Responsibility ('CSR') activities with the goal to identify and work across a range of social initiatives that have a long-term sustainable impact. The Company is conscious of the impact of its operations on the communities around its facilities, and is committed to contribute actively towards enhancing their living standards through interventions in water and sanitation, health & education. With an intention to improve the living of the people and communities residing in the nearby vicinity of

the plant locations, the Company always endeavours to choose projects focusing primarily on the local communities which are disadvantaged, vulnerable and marginalised.

The ongoing COVID-19 pandemic has affected the world at large. Your Company being a responsible corporate took various measures for the safety of its employees, workmen and its surroundings. These initiatives included creating awareness with regard to hygiene, social distancing and COVID-19 appropriate behaviour. The Company also distributed subsidised masks, sanitisers, medicines etc. to its employees and workmen for controlling the spread of COVID-19.

**Principle 5: Human Rights [P5]**

**Businesses should respect and promote human rights:**

Your Company believes in diversity and inclusiveness that respects and promotes human rights. The Company has in place, a Code of Conduct policy to safeguard the rights of its employees, vendors and service providers across its businesses, which abides by the laws of the country. The essence of the Company's governance practices rests upon the key factors viz. environmental management, employee welfare, employee and community relations, standardized working conditions, social equity, gender balance, human rights, good governance, and anti-corruption measures. The Company does organise training programmes and workshops for employees from time to time. The programmes for the new joiners also include on the prevention of sexual harassment and the Code of Conduct and Ethics.

The policies of your Company are in line with national standards and relevant international standards for its operations and business pursuits, taking into account the Human Rights of not only employees but also people likely to be affected by the operations of the Company. The internal policies of your Company on Code of Conduct and CSR recognizes the key aspects of human rights which lays down the acceptable behaviour of the employees and provides for stringent disciplinary actions in case of violations of these policies. There were no complaints reported relating to above during the FY'22.

**Principle 6: Environment [P6]**

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

Your Company recognizes that environmental conservation is one of the important issues of our community. The Company has always been sensitive to the environmental impact of its operations, and has proactively adopted environmentally-sustainable business practices wherever possible. Hence, the importance of maintaining a high standard of environmental care in conducting our activities is well-observed.

Your Company is committed to being responsible towards the use of available resources. It is the Company's endeavour to continually look for ways to reduce and recycle waste. As part of its endeavour of contributing towards reducing carbon footprint and ensuring sustainability across all operations, your Company

is concerned of the global climatic changes and strives to maintain the ecological balance and biodiversity. Your Company undertakes tree plantation drives and attempts to maintain abundant greenery with in its work premises and surroundings. Your Company is committed to "Maintaining the Environmental Management System to ISO 14001 Standard". To achieve our environmental commitments, your Company is involved in minimizing waste, conserving resources and continuous improvement of processes to protect the environment.

There were no pending or unresolved show cause/ legal notices from Central/ State Pollution Control Board, as at 31<sup>st</sup> March 2022.

#### **Principle 7: Policy Advocacy [P7]**

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

Your Company strives to drive a positive change in the industry through public advocacy by actively participating and collaborating with apex industrial institutions and professional bodies that are engaged in influencing sections of legislation or industrial policies. 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 representations in several business & industrial associations at the national and international levels namely, 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. and various other collective platforms, to put forth the larger interests of the industry. Your Company ensures that these platforms are effectively utilised with an intention of mutual learning and contribution in development of processes and to address key issues which affect the industry. Your Company gives attention to the Customer feedback and the same are collated for its products development, research activities and technological advancements.

#### **Principle 8: Inclusive Growth [P8]**

##### **Businesses should support inclusive growth and equitable development:**

The Company endeavours to help less privileged, and local communities primarily those in close proximity to its plant locations. Your Company's CSR initiatives are strategically aligned to improve the quality of life of local communities. In the long term, the Company is committed to preservation of the quality of air, water and food through its products and social initiatives.

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

towards a strong economy.

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

In order to curb down the negative impacts of diversity of Human Resources Management, your Company has adopted practices and policies enabling its employees to face the challenges of fast paced industrialization and globalization of business. As a part of its CSR activities, the Company has been supporting various philanthropic causes which sponsors activities in the areas of education and healthcare. Besides these, the local teams across its major offices and factories also support local initiatives to improve health, education, environment, hygiene and infrastructure for public utility.

#### **Principle 9: Customer Value [P9]**

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

Your Company believes customer focus is the key to success for any business. In the current competitive world, the Company considers customers to be one of its most important stakeholders. That is why it strives to follow high standards in customer service and product quality. Understanding the customer needs is a key step in the Company's endeavour towards developing an efficient product stewardship programme. Your Company accords paramount significance to the well-being of its customers and the society at large while conducting its business and ensures that utmost care is taken towards customer safety throughout the life cycle of the product.

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

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

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

There was no case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and /or anti-competitive behaviour during the last five years and hence, there were no pending cases as at the end of the financial year 31<sup>st</sup> March 2022.



**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's while fulfilling its responsibilities. Your Company believes in maintaining the highest standards of corporate behaviour towards people / entities we work with, the communities we have a connect with, and the environment we thrive on.

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

# Independent Auditor's Report

To

The Members of

**TEXMACO RAIL & ENGINEERING LIMITED**

## Report on the Audit of the Standalone Financial Statements

### Opinion

1. We have audited the accompanying standalone financial statements of TEXMACO RAIL & ENGINEERING LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, the Statement of Changes in Equity and notes to the financial statements for the year then ended on that date 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 (hereinafter referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit (including Other Comprehensive Income), changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

Key Audit Matter	Procedures Performed
<p><b>Investment in Subsidiaries/ Joint Ventures and Associates</b> The impairment review of unquoted equity instruments and debt, with a carrying value of ₹ 6961.79 lakhs, is considered to be a risk area due to the size of the balances as well as the judgmental nature of key assumptions, which may be subject to management override. The carrying value of such unquoted equity instruments and debt is at risk of recoverability.</p>	<p><b>Principal Audit Procedures</b> Besides obtaining an understanding of Management's processes and controls with regard to testing the impairment of the unquoted equity instruments in loss making subsidiaries and joint ventures. Our procedures included the following:</p> <ul style="list-style-type: none"> <li>• Understood the management's underlying assumptions and appropriateness of the valuation used;</li> <li>• Compared the Company's assumptions with comparable benchmarks in relation to key inputs such as long-term growth rates and discount rates;</li> </ul>

Key Audit Matter	Procedures Performed
<p><b>Contingent Liabilities</b></p> <p>The Company operates in a complex tax environment and is required to discharge direct and indirect tax obligations under various legislations such as Income Tax Act, 1961, the Finance Act, 1994, Goods and Services Tax Acts and VAT Acts of various states.</p> <p>The tax authorities under these legislations have raised certain tax demands on the Company in respect of the past periods. The Company has disputed such demands and has appealed against them at appropriate forums. As at March 31, 2022 the Company has an amount of ₹12,412.75 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><b>Principal Audit Procedures</b></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"> <li>• 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);</li> <li>• Assessed the processes and entity level controls established by the Company to ensure completeness of information with respect to tax litigations;</li> <li>• Along with our tax experts, we undertook the following procedures: <ul style="list-style-type: none"> <li>• Reading communications with relevant tax authorities including notices, demands, orders, etc., relevant to the ending litigations, as made available to us by the management;</li> <li>• Testing the accuracy of disputed amounts from the underlying communications received from tax authorities and responses filed by the Company;</li> <li>• 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;</li> <li>• 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.</li> </ul> </li> <li>• Read the disclosures included in the financial statements in accordance with Ind AS 37.</li> </ul>
<p><b>Revenue Recognition for long term projects</b></p> <p>The Company’s significant portion of business is undertaken through long term engineering, procurement and construction contracts. Revenue from these contracts is recognized over a period of time in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers. Due to the nature of the contracts, revenue recognition involves usage of percentage of completion method which is determined based on proportion of contract costs incurred to date compared to estimated total contract costs, which involves significant judgments, identification of contractual obligations and the Company’s rights to receive payments for performance completed till date, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts/ onerous obligations. Accuracy of revenues and onerous obligations, profits may deviate significantly on account of change in judgements and estimates.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We evaluated the Company’s accounting policies pertaining to revenue recognition and assessed compliance with the policies in terms of Ind AS 115 -Revenue from Contracts with Customers.</li> <li>• We identified and tested controls related to revenue recognition and our audit procedure focused on determination of progress of completion, recording of costs incurred and estimation of costs to complete the remaining contract obligations through inspection of evidence of performance of these controls.</li> <li>• We tested on a sample basis, and inspected the underlying customer contracts, performed retrospective review of costs incurred with estimated costs to identify significant variations and assessed whether those variations were considered in estimating the remaining costs to complete and consequential determination of stage of completion, which formed the basis of revenue recognition under the input method. We reviewed the management’s evaluation process to recognize revenue over a period of time, the status of completion for projects and total cost estimates. We analysed the forecast of sample contracts arising from contract modifications and current ongoing negotiations and settlements that may impair the profitability of such contracts as well as the collectability of such contracts by reference to the recent credit review assessment of the customer prepared by management.</li> </ul>

Key Audit Matter	Procedures Performed
	<ul style="list-style-type: none"> <li>We inspected contracts with exceptions including contracts with low or negative margins, loss making contracts, contracts with significant changes in planned cost estimates, probable penalties due to delay in contract execution and significant overdue net receivable positions for contracts with marginal or no movement to determine the level of provisioning required.</li> <li>We assessed that the contractual positions and revenue for the year were presented and disclosed in the financial statements.</li> </ul>

Our reporting on KAM in so far as it relates to the Kalindee unit is based on the corresponding report of the branch auditor.

### Other Information

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

### Management's Responsibility for the Standalone Financial Statements

- 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.

- 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.
- 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

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

12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
16. Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
- Other Matters**
17. We did not audit the financial statements of one unit included in the standalone Ind AS financial statements of the Company whose financial statements reflect total assets ₹ 96,529.27 lakhs as at 31st March, 2022 and total revenues of ₹57,418.71 lakhs, total loss of ₹1,790.20 lakhs, total comprehensive loss of ₹2,034.02 lakhs and cash flows (net) of ₹ 2,414.25 lakhs for the year ended on that date. The financial statements of this unit have been audited by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this unit, is based solely on the report of such branch auditor.
- Our Opinion on the Standalone financial statements and our report on Other Legal and Regulatory Requirements below is not modified in respect of the above matter.
- Report on Other Legal and Regulatory Requirements**
18. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-A**, a statement on the matters

specified in paragraphs 3 and 4 of the Order, to the extent applicable.

19. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The report on the accounts of the unit of the Company audited under section 143(8) of the Act by branch auditor has been sent to us and has been properly dealt with by us in preparing this report.
- (d) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income) and the Cash Flow Statement, Statement of Changes in Equity dealt with by this report are in agreement with the books of account and with the returns received from the unit not visited by us.
- (e) in our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) On the basis of the written representations received from the directors as on 31st March, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 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 total managerial remuneration paid as reflected in the financial statements for the year ended 31st March 2022 is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act, as applicable.

- (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 1.36 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.
  - d. (i) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (ii) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (iii) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (i) and (ii) above, contain any material misstatement.
- e. (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The Company has neither declared nor paid any interim dividend during the year.
- (c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

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

Chartered Accountants  
Firm Registration No: 301088E

**(D.N. Roy)**

Partner

Place: Kolkata  
Date: 20.05.2022

Membership No. 300389  
UDIN: 22300389AJHFRV9841

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

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

- i. (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of Property, plant and Equipment.
- (B) The Company has maintained proper records showing full particulars of intangible assets.
- (b) As explained to us, the company has a system of verifying all its major Property, Plant & Equipment over a period of three years. The Property, Plant and Equipment so scheduled for verification during this year have been physically verified. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the title deeds of the immovable properties of the Company are held in the name of the Company except the immovable properties which were owned by companies demerged/merged with the Company under the scheme of arrangements approved by the appropriate authorities which are still held in the name of the erstwhile companies. Details of these companies are given below.

Particulars	Description of item of property	Gross carrying value (₹ in Lakhs)	Year in Service	Title deeds held in the name of	Title Deed Holder	Year since Property held	Reason for not being held in the name of the company
Property, Plant & Equipment	<b>Land</b>						
	i) Belgharia & Agarpara	456.92	Since 1944	Textile Machinery Corporation Ltd., Texmaco Ltd., now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	1944	Held in the name of Pre-demerged entity.
	ii) Sodepur	56.16	1999	Texmaco Ltd., now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	1999 & 2000	Held in the name of Pre-demerged entity.
	iii) Panihati	835.13	2006	Texmaco Limited, now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	2006	Held in the name of Pre-demerged entity.
	<b>Building</b>						
	i) Flat no. 6A, Mandeville court, 1-D, Mandeville Garden, Kolkata-700019.	14.86	2000	Texmaco Ltd., now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	2000	Held in the name of Pre-demerged entity
	Area - 1333 Sq. Ft.						
Investment Property	ii) Flat no.4H,6,Hastings Park Road, Kolkata-700027.	2.10	2001	Texmaco Ltd., now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	2001	Held in the name of Pre-demerged entity
	Area -1237 Sq.Ft.						
	iii) Flat at 1st Floor,1/115, Gariahat Road, Kolkata-700068	14.59	2007	Texmaco Ltd., now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	2007	Held in the name of Pre-demerged entity
	Area -1318 Sq Ft						
	<b>Land</b>						
	i) Sodepur	35.32	2020	Texmaco Limited, now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	2020	Held in the name of Pre-demerged entity.

- (d) According to the information and explanations given to us and the records of the company examined by us, the Company has not revalued any of its Property, Plant and Equipment or Intangible assets during the year.

- (e) According to the information and explanations given to us no proceeding have been initiated during the year or are pending against the Company as at March 31,2022 for holding any benami property under

the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016 ) and rules made thereunder.

- ii. (a) 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.



(b) According to the information and explanations given to us and the records of the company examined by us, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets; the quarterly returns or statements filed by the company with such banks or financial institutions are in agreement with the books of account of the Company.

iii (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 subsidiaries and associate companies, which are parties covered in the register maintained under section 189 of the Companies Act, 2013. Details are given below.

(A)

Relationship with the Company	Aggregate amount given during the year (₹ in Lakhs) (excluding interest)	Balance outstanding at the balance sheet data (₹ in Lakhs) (excluding interest)
Subsidiaries	-	3100.40
Associate	30.95	290.69

(B) The Company has not granted any unsecured loans or provided any security or guarantees to any parties other than subsidiary companies, joint ventures and its associates. Hence Reporting under this clause is not applicable

(b) As the Company is charging interest against these loans; the terms and conditions of these loans in our opinion are not prima-facie prejudicial to the interests of the Company. However, since two of the subsidiary companies are yet to start their operation, interest from these companies against the outstanding loan are not yet received.

(c) There is no stipulation regarding recovery of loans as these loans are repayable on demand.

(d) 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.

(e) Since all the above loans are repayable on demand , reporting under this clause is not applicable.

(f) According to information and explanation given to us and records of the Company examined by us, details of loans repayable on demands are as per below given

Particulars	(₹ in lakhs)		
	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans			
- Repayable on demand (A)			3391.09
- Agreement does not specify any terms or period of repayment (B)			
<b>Total (A+B)</b>			<b>3391.09</b>
Percentage of loans/ advances in nature of loans to the total loans			100%

iv. 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.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under. Further, no orders have been passed by Company

Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal which could impact the Company.

vi. 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.

- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of customs, goods and services tax, cess and any other statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Customs, Central Excise, Service Tax, Entry Tax, Income Tax and Value Added Tax as at 31st March 2022 which have not been deposited on account of a dispute are as follows:

Name of the statute	Nature	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Customs Act, 1962	Custom	111.67	01/12/1998 to 30/06/2000	Commissioner CE.
The Central Excise Act, 1944	Excise	686.19	1986-87 to 2014-15	Appeal filed before the CESTAT
The Central Excise Act, 1944	Excise	162.35	2015-16 to 2017-18	The Assistant Commissioner of Central GST & CX Supreme Court Commissioner (Appeal), KOL
The Central Excise Act, 1944 Finance (Service Tax) Act, 1994	Excise Service Tax	1,008.91 25.69	1995-96 to 2007-08 2012-13 to 2013-14	Commissioner Appeal Commissioner Appeal
Entry Tax Act Income Tax Act, 1961	Entry Tax Income Tax	41.81 166.02	2011-12 to 2016-17 AY 2009-10 to 2018-19	Commissioner Appeal Commissioner Appeal
Value Added Tax Act Value Added Tax Act	Vat Vat	204.71 4,578.23	2003-04 to 2005-06 2008-09 to 2009-10	Addl. Commissioner Appellate and Revisional Board.
Value Added Tax Act	Vat	2,236.81	2012-13 to 2015-16	West Bengal Taxation Tribunal.
Central Sales Tax Act Central Sales Tax Act	CST CST	245.02 1,312.44	2003-04 to 2005-06 2006-07 to 2009-10	Addl. Commissioner Appellate and Revisional Board.
Maharashtra Value Added Tax Act 2002	Sales Tax	317.51	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, Bhubaneshwar-III Circle Senior Joint Commissioner, Commercial Taxes, Kolkata South Circle Deputy Commissioner, Commercial Taxes, Ballygunge Charge, Kolkata
West Bengal Value Added Tax Act, 2003	Sales Tax	75.25	2012-13	High Court, Bombay Appellate Authorities, West Bengal Appellate Authorities, Bhopal Appellate Authorities, Bhopal Second Appellate Authorities, Bhopal West Bengal Taxation Tribunal
West Bengal Value Added Tax Act, 2003	Sales Tax	15.75	2014-15	ETO, Gurgaon North Section 11 of U P Trade Tax Act DCCT, Singhbhum, Circle, Jamshedpur
Income Tax Act, 1961 The West Bengal VAT Act, 2003	Income Tax Vat	30.57 12.63	AY 2009-10 AY 2012-13	
MP VAT Act, 2002	Entry Tax	2.53	AY 2009-10	
Value Added Tax Act	Vat	33.03	AY 2009-10 and AY 2015-16	
Value Added Tax Act	Vat	3.13	AY 2009-10	
Value Added Tax Act	Vat	442.74	AY 2016-17 and 2017-18	
Value Added Tax Act Value Added Tax Act	Vat Vat	- 95.78	AY 2018-19 2021-22	
Central Sales Tax Act	Sales Tax	(0.45)	AY 2011-12	

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	166.63	2021-22	Deputy Commissioner OF Commercial Taxes (Audit)-5.7, DGSTO -5, Bengaluru
Tamil Nadu VAT Act,2006	Sales Tax	175.39	AY 2010-11 to 2012-13	Commercial Tax officer (Enforcement) Group-1, Office of the Asst. Commissioner (CT) (Enforcement) Cuddalore
Goods and Services Tax Act	Service Tax	11.10	Oct 16 to June 17	Deputy Commissioner, East – II, Division CGST, Gurugram
Central Sales Tax Act	Sales Tax	79.92	2017-18	Assistant Commissioner Sales Tax
The Chhattisgarh Value Added Tax Act, 2005	VAT	81.78	2015-2016	Assistant Commissioner Raipur
Finance (Service Tax) Act, 1994	Service Tax	7.11	FY 2014-18 (Oct.2014 Onwards to June 17)	Assistant Commissioner Raipur
The Customs Act,1986	Custom	75.99	2002-03 to 2006-07	Commissioner of Customs (Appeals)
	<b>Total</b>	<b>12,412.75</b>		

- viii. There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).
- ix. (a) According to the information and explanations given to us and the records of the Company examined by us, the Company has not defaulted in repayment of loans or in the payment of interest to lenders during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) According to the information and explanations given to us the Company has applied the term loans for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) According to the information and explanations given to us the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures, hence reporting under this clause is not applicable.
- (f) According to the information and explanations given to us the Company has not raised loans during the year on the pledge of securities held in its any subsidiaries, associates or joint ventures, hence reporting under this clause is not applicable.
- x. (a) The Company has raised moneys by way of rights issue of shares during the year and the amount raised were applied for the purposes for which those are raised.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under this clause is not applicable.
- xi. (a) 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.

- (b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the Company has not received any complaints from any whistle-blower during the year (and up to the date of this report) and hence reporting under this clause is not applicable.
- xii. The Company is not a Nidhi Company and hence reporting under this clause is not applicable.
- xiii. 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 1.40 of the standalone financial statements for the year under audit.
- xiv. (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered the internal audit reports for the year under audit, issued to the Company during the year and till date, in determining the nature, timing and extent of our audit procedures.
- xv. In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
- xvi. (a)&(b) In our opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clauses 3(xvi) (a) & (b) is not applicable.
- (c) In our opinion, there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and hence reporting under this clause is not applicable.
- xvii. The Company has not incurred cash losses during the current and the immediately preceding financial year.
- xviii. There has been no resignation of the statutory auditors of the Company during the year.
- xix. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- xx. (a) &(b) According to information and explanation given to us and records of the Company examined by us, there is no fund lying unspent, hence reporting under clause 3(XX) (a) & (b) is not applicable.
- xxi. According to information and explanation given to us, and based on reports of components auditors there has been no qualification or adverse report in CARO 2020 in any of the subsidiary, associate and joint venture.

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

Chartered Accountants  
Firm Registration No: 301088E

**(D.N. Roy)**

Partner

Place: Kolkata  
Date: 20.05.2022

Membership No. 300389  
UDIN: 22300389AJHFRV9841

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

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

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

1. We have audited the internal financial controls over financial reporting of **Texmaco Rail & Engineering Ltd.** ("the Company") as of 31st March, 2022 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 2022, 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: 20.05.2022

Membership No. 300389  
UDIN: 22300389AJHFRV9841

# Balance Sheet as at 31<sup>st</sup> March, 2022

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
<b>I ASSETS :</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant & Equipment	1.01	33,148.11	34,743.02
(b) Right-of-Use Assets	1.02a	43.34	44.01
(c) Capital work-in-progress	1.02b	249.44	396.44
(d) Investment Property	1.02c	2,893.93	2,983.74
(e) Other Intangible Assets	1.03	49.68	57.57
(f) Financial Assets			
(i) Investments	1.04	7,118.39	9,213.96
(ii) Bank Balance	1.05	1,411.07	1,025.16
(iii) Others	1.06	902.36	746.64
(g) Deferred Tax Assets (Net)	1.07	6,880.80	8,217.66
(h) Other Non current Assets	1.08	424.23	503.26
		<b>53,121.35</b>	<b>57,931.46</b>
<b>(2) Current Assets</b>			
(a) Inventories	1.09	36,103.90	30,928.30
(b) Financial Assets			
(i) Investments	1.10	16.70	3,546.91
(ii) Trade Receivables	1.11	56,994.22	61,135.21
(iii) Cash & cash equivalents	1.12	5,561.71	2,239.28
(iv) Bank balances other than (iii) above	1.13	11,659.04	8,270.02
(v) Loans	1.14	5,485.71	4,964.12
(c) Current Tax Assets (Net)	1.15	5,215.37	3,136.17
(d) Other Current Assets	1.16	92,032.63	92,006.45
		<b>213,069.28</b>	<b>206,226.46</b>
		<b>266,190.63</b>	<b>264,157.92</b>
<b>TOTAL ASSETS</b>			
<b>II EQUITY AND LIABILITIES:</b>			
<b>1 Equity</b>			
(a) Equity Share capital	1.17	3,218.70	2,503.43
(b) Other Equity	1.18	129,441.34	111,462.89
<b>2 Non-Current Liabilities :</b>			
(a) Financial Liabilities			
(i) Borrowings	1.19	6,424.55	5,273.50
(b) Provisions	1.20	855.42	936.66
(c) Other non current liabilities	1.21	11,524.08	11,946.21
		<b>18,804.05</b>	<b>18,156.37</b>
<b>3 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	1.22	64,555.30	72,651.93
(ii) Trade Payables	1.23		
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		31,138.89	42,996.55
(iii) Other financial liabilities	1.24	3,338.39	4,366.85
(b) Other current liabilities	1.25	13,137.27	8,846.33
(c) Provisions	1.26	2,556.69	3,173.57
		<b>114,726.54</b>	<b>132,035.23</b>
		<b>266,190.63</b>	<b>264,157.92</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			
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: 20th May, 2022

**Ravi Varma**  
Company Secretary

**Directors**  
S. K. Poddar  
Utsav Parekh  
A. K. Gupta  
Indrajit Mookerjee  
D. H. Kela  
A. K. Vijay

# Statement of Profit and Loss

for the Year Ended 31<sup>st</sup> March, 2022

Particulars	Note No.	(₹ in Lakhs)	
		Year ended 31.03.2022	Year ended 31.03.2021
I Revenue From operations	1.27	162,173.59	168,873.80
II Other Income	1.28	3,148.77	3,177.53
<b>III Total Income (I +II)</b>		<b>165,322.36</b>	<b>172,051.33</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	1.29	111,724.67	101,320.04
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	1.30	(2,301.91)	16,844.13
Employee benefits expense	1.31	12,603.35	11,613.50
Finance costs	1.32	10,024.12	10,296.93
Depreciation and amortization expenses	1.33	3,580.75	3,725.67
Other expenses	1.34	26,449.47	27,091.59
<b>Total Expenses</b>		<b>162,080.45</b>	<b>170,891.86</b>
V Profit/ (loss) before tax		3,241.91	1,159.47
VI Exceptional items		-	-
<b>VII Profit/(loss) before tax</b>		<b>3,241.91</b>	<b>1,159.47</b>
<b>VIII Tax Expenses</b>			
1) Current Tax		32.00	-
2) MAT Credit Entitlement		(32.00)	-
3) Deferred Tax		1,368.87	(5.36)
4) Income Tax Paid Related to Earlier Years		43.59	(21.80)
		<b>1,412.46</b>	<b>(27.16)</b>
<b>IX Profit/(loss) for the period</b>		<b>1,829.45</b>	<b>1,186.63</b>
<b>X Other comprehensive income</b>	1.35		
A (i) Items that will not be reclassified to profit or loss		1,212.25	2,146.79
B (i) Items that will be reclassified to profit or loss		(210.65)	166.76
		<b>1,001.60</b>	<b>2,313.55</b>
<b>XI Total Comprehensive Income for the period</b>		<b>2,831.05</b>	<b>3,500.18</b>
<b>XII Earnings per equity share (for continuing operations)</b>	1.41		
1) Basic		0.67	0.52
2) Diluted		0.67	0.52
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: 20th May, 2022

**Ravi Varma**

Company Secretary

**Directors**

S. K. Poddar

Utsav Parekh

A. K. Gupta

Indrajit Mookerjee

D. H. Kela

A. K. Vijay



# Statement of Cash Flow

for the Year Ended 31<sup>st</sup> March, 2022

(₹ in Lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
<b>A) Cash Flows From Operating Activities:</b>		
Net Profit before Taxation & Exceptional Items	3,241.91	1,159.47
Adjustments for:		
Depreciation	3,580.75	3,725.67
Interest Paid	10,024.12	10,296.93
Bad Debt Written off	231.45	51.18
Provision and Excess Liabilities Written Back / Off (Net)	(1.46)	0.94
Interest Received	(1,237.66)	(1,084.09)
Income From Investments	(158.50)	(32.10)
Profit on Sale of Investments-Current (Net)	(22.30)	-
Gain on Fair Value of bonds / Mutual Fund	(0.69)	(211.05)
Loss / (Profit) on Sale Of Property, Plant and Equipment (Net)	(10.30)	7.57
	<b>12,405.41</b>	<b>12,755.05</b>
	<b>15,647.32</b>	<b>13,914.52</b>
<b>Operating Profit before Working Capital Changes &amp; Exceptional Items</b>		
(Increase) / Decrease in Trade & Other Receivables	3,703.33	4,822.97
(Increase) / Decrease in Inventories	(5,175.60)	22,776.69
Increase / (Decrease) in Trade Payables & Other Liabilities	(9,625.48)	(36,498.62)
	<b>(11,097.75)</b>	<b>(8,898.96)</b>
<b>Cash Generated from Operations</b>	<b>4,549.57</b>	<b>5,015.56</b>
Direct Taxes Paid	(2,154.79)	(992.60)
Cash Flow before Exceptional Items	<b>2,394.78</b>	<b>4,022.96</b>
Exceptional Items	-	-
<b>Net Cash Generated from Operating Activities</b>	<b>2,394.78</b>	<b>4,022.96</b>
<b>B) Cash Flows From Investing Activities</b>		
Sale / (Purchase) of Property, Plant & Equipments	(1,575.93)	(1,208.29)
(Purchase) / Sale of Investments (Net)	6,886.70	(469.83)
Bank Deposits (Includes having original maturity more than three months)	(3,774.93)	(1,501.19)
Interest Received	674.85	638.26
Dividend Received	158.50	32.10
<b>Net Cash Generated from/(used in) Investing Activities</b>	<b>2,369.19</b>	<b>(2,508.95)</b>
<b>C) Cash Flows From Financing Activities</b>		
Receipt / (Payment) of Long Term Borrowings	1,151.05	(1,694.78)
Receipt / (Payment) of Short Term Borrowings	(8,096.63)	2,979.51
Increase in Share Capital	715.27	254.84
Increase in Securities Premium	15,397.74	7,645.15
Interest Paid	(10,147.79)	(10,048.04)
Dividend Paid	(250.53)	(236.58)
<b>Net Cash used in Financing Activities</b>	<b>(1,230.89)</b>	<b>(1,099.90)</b>
<b>D) Changes in Foreign Currency Translation arising from Foreign Operations</b>		
Net increase in Cash and Cash Equivalents	(210.65)	166.76
Cash and Cash Equivalents at the beginning of the period	3,322.43	580.87
Cash and Cash Equivalents at the end of the period	2,239.28	1,658.41
	5,561.71	2,239.28
<b>Note:</b>		
(1) Details of Cash and Cash Equivalents as on		
Balances with banks		
Current Accounts	5,520.57	2,112.48
Cheques on hand	-	51.04
Cash in hand	41.14	75.76
	<b>5,561.71</b>	<b>2,239.28</b>

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: 20th May, 2022

**Ravi Varma**  
Company Secretary

**Directors**  
S. K. Poddar  
Utsav Parekh  
A. K. Gupta  
Indrajit Mookerjee  
D. H. Kela  
A. K. Vijay

# Statement of Changes in Equity

For the Year Ended 31<sup>st</sup> March, 2022

## a. Equity share capital

(₹ in Lakhs)

Particulars	Issued, Subscribed and Paid up Capital
Balance as at 01.04.2020	2,248.59
Add: Change in Equity Share Capital during the year	254.84
<b>Balance as at 31.03.2021</b>	<b>2,503.43</b>
Add: Change in Equity Share Capital during the year	715.27
<b>Balance as at 31.03.2022</b>	<b>3,218.70</b>

## 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	
<b>Balance as at 1st April, 2020</b>	<b>1,626.60</b>	<b>39,934.70</b>	<b>47,220.92</b>	<b>1,184.38</b>	<b>10,117.37</b>	<b>515.23</b>	<b>(56.82)</b>	<b>100,542.38</b>
Income for the year	-	-	-	-	1,186.63	-	-	1,186.63
Other Comprehensive Income for the year	-	-	-	-	-	2,123.60	166.76	2,290.36
Issue of Equity Shares by conversion of loan (promotor's contribution)	-	7,645.16	-	-	-	-	-	7,645.16
Dividend on Equity Shares	-	-	-	-	(224.83)	-	-	(224.83)
Remeasurement of the net defined benefit plan	-	-	-	-	-	23.19	-	23.19
Transfer to / from retained earnings	-	-	-	-	23.19	(23.19)	-	-
Transfer to / from General Reserve	-	-	200.00	-	(200.00)	-	-	-
<b>Balance as at 31st March, 2021</b>	<b>1,626.60</b>	<b>47,579.86</b>	<b>47,420.92</b>	<b>1,184.38</b>	<b>10,902.36</b>	<b>2,638.83</b>	<b>109.94</b>	<b>111,462.89</b>
Income for the year	-	-	-	-	1,829.45	-	-	1,829.45
Other Comprehensive Income for the year	-	-	-	-	-	1,237.93	(210.65)	1,027.28
Issue of Equity Shares under Rights Issue	-	15,735.86	-	-	-	-	-	15,735.86
Adjustments for Rights Issue expenses	-	(338.12)	-	-	-	-	-	(338.12)
Dividend on Equity Shares	-	-	-	-	(250.34)	-	-	(250.34)
Remeasurement of the net defined benefit plan	-	-	-	-	-	(25.68)	-	(25.68)
Realised Profit on sale of equity shares transferred from equity instrument through other comprehensive income	-	-	-	-	3,787.78	(3,787.78)	-	-
Transfer to / from Retained Earnings	-	-	-	-	(25.68)	25.68	-	-
Transfer to / from General Reserve	-	-	200.00	-	(200.00)	-	-	-
<b>Balance as at 31st March, 2022</b>	<b>1,626.60</b>	<b>62,977.60</b>	<b>47,620.92</b>	<b>1,184.38</b>	<b>16,043.57</b>	<b>88.98</b>	<b>(100.71)</b>	<b>129,441.34</b>

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: 20th May, 2022**Ravi Varma**  
Company Secretary**Directors**S. K. Poddar  
Utsav Parekh  
A. K. Gupta  
Indrajit Mookerjee  
D. H. Kela  
A. K. Vijay

# Notes on Financial Statement

## A. CORPORATE INFORMATION

Texmaco Rail & Engineering Ltd., ("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 Ltd., Bombay Stock Exchange Ltd..

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

## B. SIGNIFICANT ACCOUNTING POLICIES

### (i) Statement of Compliance

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

### (ii) Basis of Accounting

These financial statements have been prepared on the historical cost basis, except for certain financial instruments and defined benefit 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 is in Indian Rupees. These Financial Information are presented in Indian Rupees. All amounts have been rounded off to the nearest Lakhs and rounded off to two decimals except for Earnings Per Share and where mentioned otherwise.

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

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

### (iii) Use of Estimates

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

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

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

#### Useful lives of property, plant and equipment

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

#### Valuation of deferred tax assets

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

# Notes on Financial Statement

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 (Software)	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.

## Investment Properties

Properties that are held for - long term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable

borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

## (v) Intangible Assets

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

## (vi) Impairment of Non-Financial Assets

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

## (vii) Derivative Financial Instrument

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

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end

## Notes on Financial Statement

of each reporting period. The resulting gain or loss is recognized to statement profit or loss immediately.

### (viii) Financial Instrument

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

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

#### (a) Financial assets carried at amortized cost

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

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

Equity investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'.

#### c) Financial assets at fair value through profit or loss

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

#### d) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts

approximate fair value due to the short maturity of these instruments.

#### e) Investment in Subsidiaries and Joint Ventures

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

#### f) Impairment

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

#### g) Offsetting Financial Instruments

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

### (ix) Measurement of Fair Values

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

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

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

# Notes on Financial Statement

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

## (x) Revenue Recognition

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

### a. Revenue from Operations

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

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

### b. Revenue from construction contracts

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

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

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

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

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

### c. Other Income

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

## Notes on Financial Statement

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

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

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

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

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

### (xi) Employee Benefits

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

#### a. Short term benefits:

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

#### b. Defined contribution retirement benefits:

Payments to defined contribution retirement benefits are recognized as an expense when employees have rendered services entitling them to the contributions. Defined contribution plans are those plans where the Company pays fixed contributions to funds/ schemes managed by independent trusts or authority. Contributions are paid in return for services rendered by the employees during the year. The Company has no legal or constructive obligation to pay further contributions if the fund/scheme does not hold sufficient assets to pay/extend employee benefits. The Company provides Provident Fund facility to all

employees. The contributions are expensed as they are incurred in line with the treatment of wages and salaries. The Company's Provident Fund is exempted under section 17 of Employees' Provident Fund and Miscellaneous Provision Act, 1952. Conditions for exemption stipulate that the Company shall make good deficiency, if any, in the interest rate declared by the trust vis-à-vis interest rate declared by the Employees' Provident Fund Organisation.

#### c. Defined benefit retirement benefits:

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

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

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

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

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

# Notes on Financial Statement

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

## d. Voluntary Retirement Scheme Benefits

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

## (xii) Employee Stock Option Scheme

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

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

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

## (xiv) Research and Development

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

## (xv) Valuation of Inventories

Raw materials, work-in-progress and finished products are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes purchase price and all other costs incurred in bringing the inventories to their present location and condition. Cost are assigned to individual items of inventory on weighted average basis.

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

## (xvi) Lease

### a. Where the Company is the lessee

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

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



## Notes on Financial Statement

### b. Where the Company is the lessor

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

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

### (xvii) Foreign Currency Transactions and Exchange Differences

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

### (xviii) Provisions, Contingent Liabilities and Contingent Assets

#### a. Provisions & Warranties

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

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

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

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

#### b. Onerous contracts

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

#### c. Contingent liabilities

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

# Notes on Financial Statement

## d. Contingent Assets

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

## (xix) Cash & Cash Equivalents

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

## (xx) Borrowing Cost

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

## (xxi) Segment Reporting

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

## (xxii) Taxation

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

## a. Current income taxes

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

## b. Deferred income taxes

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

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

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

# Notes on Financial Statement

measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

## (xxiii) Government Grant

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

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

## (xxiv) Earnings Per Share

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

## (xxv) Cash Flow Statement

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

## (xxvi) Exceptional Item

When items of income and expenses within statement of profit and loss from ordinary activities are of as such size,

nature and or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

## (xxvii) Accounting for interests in Joint Ventures

Interests in joint ventures are accounted as follows:

Type of joint venture	Accounting treatment
Jointly controlled operations	Company's share of revenues, common expenses, assets and liabilities are included in revenues, expenses, assets and liabilities respectively on line by line basis.
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><b>(a) Integrated joint ventures:</b></p> <ul style="list-style-type: none"> <li>(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.</li> <li>(ii) Investments in integrated joint ventures are carried at cost net of Company's share recognized in profits or losses.</li> </ul> <p><b>(b) Incorporated jointly controlled entities:</b></p> <ul style="list-style-type: none"> <li>(i) Income on investments in incorporated jointly controlled entities is recognized when the right to receive the same is established.</li> <li>(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.</li> </ul>

## (xxviii) Standards notified but not yet effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company's financial

# Notes on Financial Statement

## Note 1.01 Property, Plant and Equipment

(₹ in Lakhs)

Description of Assets	Gross Block				Depreciation				Net Block
	As at 01.04.2021	Additions during the year	Sales / Adjustments	As at 31.03.2022	As at 01.04.2021	During the year	Sales / Adjustments	As at 31.03.2022	As at 31.03.2022
<b>Property, Plant &amp; Equipment:</b>									
Land	1,508.01	-	42.39	1,465.62	150.82	0.02	39.77	111.07	1,354.55
Buildings	10,608.63	43.11	-	10,651.74	1,523.60	363.07	-	1,886.67	8,765.07
Roads	196.49	-	-	196.49	113.61	16.85	-	130.46	66.03
Railway Sidings	219.12	85.86	-	304.98	58.01	11.12	-	69.13	235.85
Plant & Machinery	32,273.90	1,704.11	441.17	33,536.84	9,854.54	2,694.52	273.16	12,275.90	21,260.94
Electrical Machinery	666.21	0.45	-	666.66	269.50	52.31	-	321.81	344.85
Office Equipments	972.55	60.71	32.51	1,000.75	657.01	138.81	28.00	767.82	232.93
Furniture & Fittings	717.48	10.67	86.59	641.56	384.24	54.12	75.89	362.47	279.09
Vehicles	918.07	174.43	104.68	987.82	326.11	126.81	73.90	379.02	608.80
<b>Total</b>	<b>48,080.46</b>	<b>2,079.34</b>	<b>707.34</b>	<b>49,452.46</b>	<b>13,337.44</b>	<b>3,457.63</b>	<b>490.72</b>	<b>16,304.35</b>	<b>33,148.11</b>
<b>Note: 1.02</b>									
a) Right of Use Assets	45.37	-	-	45.37	1.36	0.67	-	2.03	43.34
b) Capital Work in Progress (CWIP)	396.44	1,446.35	1,593.35	249.44	-	-	-	-	249.44
c) Investment Property	3,638.16	-	-	3,638.16	654.42	89.81	-	744.23	2,893.93
<b>Total</b>	<b>4,079.97</b>	<b>1,446.35</b>	<b>1,593.35</b>	<b>3,932.97</b>	<b>655.78</b>	<b>90.48</b>	<b>-</b>	<b>746.26</b>	<b>3,186.71</b>
<b>Note: 1.03</b>									
<b>Intangible Assets:</b>									
Software	512.69	24.75	-	537.44	455.12	32.64	-	487.76	49.68
<b>Total</b>	<b>512.69</b>	<b>24.75</b>	<b>-</b>	<b>537.44</b>	<b>455.12</b>	<b>32.64</b>	<b>-</b>	<b>487.76</b>	<b>49.68</b>
<b>Grand Total</b>	<b>52,673.12</b>	<b>3,550.44</b>	<b>2,300.69</b>	<b>53,922.87</b>	<b>14,448.34</b>	<b>3,580.75</b>	<b>490.72</b>	<b>17,538.37</b>	<b>36,384.50</b>

## Previous Year

(₹ in Lakhs)

Description of Assets	Gross Block				Depreciation				Net Block
	As at 01.04.2020	Additions during the year	Sales / Adjustments	As at 31.03.2021	As at 01.04.2020	During the year	Sales / Adjustments	As at 31.03.2021	As at 31.03.2021
<b>Property, Plant &amp; Equipment:</b>									
Land	1,508.01	-	-	1,508.01	150.80	0.02	-	150.82	1,357.19
Buildings	10,464.21	144.42	-	10,608.63	1,118.80	404.80	-	1,523.60	9,085.03
Roads	183.51	12.98	-	196.49	98.51	15.10	-	113.61	82.88
Railway Sidings	217.71	1.41	-	219.12	48.24	9.77	-	58.01	161.11
Plant & Machinery	32,139.76	1,078.57	944.43	32,273.90	7,333.62	2,738.23	217.31	9,854.54	22,419.36
Electrical Machinery	656.70	28.56	19.05	666.21	232.68	50.52	13.70	269.50	396.71
Office Equipments	934.21	51.26	12.92	972.55	510.13	158.28	11.40	657.01	315.54
Furniture & Fittings	694.21	14.87	(8.40)	717.48	320.30	58.79	(5.15)	384.24	333.24
Vehicles	971.76	127.20	180.89	918.07	322.98	134.56	131.43	326.11	591.96
<b>Total</b>	<b>47,770.08</b>	<b>1,459.27</b>	<b>1,148.89</b>	<b>48,080.46</b>	<b>10,136.06</b>	<b>3,570.07</b>	<b>368.69</b>	<b>13,337.44</b>	<b>34,743.02</b>
<b>Note: 1.02</b>									
a) Right of Use Assets	45.37	-	-	45.37	0.68	0.68	-	1.36	44.01
b) Capital Work in Progress (CWIP)	360.46	500.98	465.00	396.44	-	-	-	-	396.44
c) Investment Property	3,638.16	-	-	3,638.16	564.61	89.81	-	654.42	2,983.74
<b>Total</b>	<b>4,043.99</b>	<b>500.98</b>	<b>465.00</b>	<b>4,079.97</b>	<b>565.29</b>	<b>90.49</b>	<b>-</b>	<b>655.78</b>	<b>3,424.19</b>
<b>Note: 1.03</b>									
<b>Intangible Assets:</b>									
Software	494.15	18.54	-	512.69	390.01	65.11	-	455.12	57.57
<b>Total</b>	<b>494.15</b>	<b>18.54</b>	<b>-</b>	<b>512.69</b>	<b>390.01</b>	<b>65.11</b>	<b>-</b>	<b>455.12</b>	<b>57.57</b>
<b>Grand Total</b>	<b>52,308.22</b>	<b>1,978.79</b>	<b>1,613.89</b>	<b>52,673.12</b>	<b>11,091.36</b>	<b>3,725.67</b>	<b>368.69</b>	<b>14,448.34</b>	<b>38,224.78</b>

## Notes on Financial Statement

### Ageing of Capital-Work-in Progress (CWIP)

(₹ in Lakhs)

Description of Assets	As on 31st March 2022					As on 31st March 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	11.66	31.04	139.53	67.21	249.44	112.44	216.79	-	67.21	396.44
Project temporarily suspended	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>11.66</b>	<b>31.04</b>	<b>139.53</b>	<b>67.21</b>	<b>249.44</b>	<b>112.44</b>	<b>216.79</b>	<b>-</b>	<b>67.21</b>	<b>396.44</b>

### Title deeds of Immovable Properties not held in name of the Company

Particulars	Description of item of property	Gross carrying value (₹ in Lakhs)	Year in Service	Title deeds held in the name of	Title Deed Holder	Year since Property held	Reason for not being held in the name of the company
Property, Plant & Equipment	<b>Land</b>						
	i) Belgharia & Agarpara	456.92	Since 1944	Textile Machinery Corporation Ltd.,Texmaco Limited, now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	1944	Held in the name of Pre-demerged entity.
	ii) Sodepur	56.16	1999	Texmaco Limited, now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	1999 & 2000	Held in the name of Pre-demerged entity.
	iii) Panihati	835.13	2006	Texmaco Limited, now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	2006	Held in the name of Pre-demerged entity.
	<b>Building</b>						
	i) Flat no. 6A, Mandeville court, 1-D, Mandeville Garden, Kolkata-700019. Area - 1333 Sq. Ft.	14.86	2000	Texmaco Ltd., now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	2000	Held in the name of Pre-demerged entity
ii) Flat no.4H,6,Hastings Park Road, Kolkata-700027. Area -1237 Sq.Ft.	2.10	2001	Texmaco Ltd., now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	2001	Held in the name of Pre-demerged entity	
iii) Flat at 1st Floor,1/115, Gariahat Road, Kolkata-700068 Area -1318 Sq Ft	14.59	2007	Texmaco Ltd., now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	2007	Held in the name of Pre-demerged entity	
Investment Property	<b>Land</b>						
i) Sodepur	35.32	2020	Texmaco Limited, now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	2020	Held in the name of Pre-demerged entity.	

# Notes on Financial Statement

## Note 1.04 Non Current Investments

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>OTHER THAN TRADE INVESTMENTS</b>		
<b>Fully Paid-up</b>		
<b>Investments in Equity Instruments (Quoted) (At Fair Value)</b>		
Texmaco Infrastructure & Holdings Ltd. 1,99,809 (2021: 23,49,809) Shares of Re 1 each	114.39	1,644.86
Chambal Fertilisers & Chemicals Ltd. 10,000 (2021: 10,00,000) Shares of ₹ 10 each	42.21	2,290.50
<b>Investments in Equity Instruments of Subsidiary Company (Unquoted)(At Cost)</b>		
Belur Engineering Pvt. Ltd. 1,00,000 (2021: 1,00,000) Shares of ₹ 10 each	10.00	10.00
Texmaco Transtrak Pvt. Ltd. 5,101 (2021: 5,101) Shares of ₹ 10 each	0.51	0.51
Texmaco Rail Systems Pvt. Ltd. 10,200 (2021: 10,000) Shares of ₹ 10 each	1.02	1.00
Texmaco Rail Electrification Ltd. 20,000 (2021: 20,000) Shares of ₹ 10 each	2.00	2.00
Texmaco Engineering Udyog Pvt. Ltd. 10,000 (2021: 10,000) Shares of ₹ 10 each	1.00	1.00
<b>Investments in Equity Instruments of Associate Company (Unquoted)(At Cost)</b>		
Texmaco Defence Systems Pvt. Ltd. 41,000 (2021: 41,000) Shares of ₹ 10 each	4.10	4.10
<b>Investments in Equity Instruments of Joint Ventures (Unquoted)(At Cost)</b>		
Touax Texmaco Railcar Leasing Pvt Ltd. 1,26,49,999 (2021: 1,26,49,999) Shares of ₹ 10 each	1,264.99	1,264.99
Wabtec Texmaco Rail Pvt. Ltd. 32,81,700 (2021: 32,81,700) Shares of Rs ₹ each	328.17	328.17
<b>Investments in CCD of Joint Ventures (Unquoted)(At Cost)</b>		
Touax Texmaco Railcar Leasing Pvt Ltd. 53,50,000 (2021: 36,66,825) CCD of ₹ 100 each	5,350.00	3,666.83
<b>TOTAL NON CURRENT INVESTMENTS</b>	<b>7,118.39</b>	<b>9,213.96</b>
i) Aggregate amount of quoted investments	156.60	3,935.36
ii) Market Value of quoted investments	156.60	3,935.36
iii) Aggregate amount of unquoted investments	6,961.79	5,278.60

## Note 1.05 Bank Balance (Non-Current)

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Margin Money	1,411.07	1,025.16

## Note 1.06 Other Non-Current Financial Assets

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Security Deposits	631.50	568.11
(b) Term Deposit of more Than Twelve Months Maturity	217.81	134.48
(c) Interest Accrued on Deposits & Others	53.05	44.05
<b>Total</b>	<b>902.36</b>	<b>746.64</b>

## Notes on Financial Statement

### Note 1.07 Deferred Tax Assets (net)

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Deferred Tax Assets</b>		
(a) Carried Forward Losses	3,693.47	2,752.69
(b) Provisions & others	2,718.63	5,085.21
(c) MAT Credit	4,938.92	4,906.92
(d) Compensated absences	169.43	175.74
(e) Gratuity	133.60	139.45
<b>Total Deferred Tax Assets</b>	<b>11,654.05</b>	<b>13,060.01</b>
<b>Deferred Tax Liabilities</b>		
(a) Property, Plant and equipment	(4,773.25)	(4,842.35)
<b>Total Deferred Tax Liabilities</b>	<b>(4,773.25)</b>	<b>(4,842.35)</b>
<b>Net deferred tax assets</b>	<b>6,880.80</b>	<b>8,217.66</b>

### Note 1.08 Other Non-Current Asset

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Capital Advances	155.76	300.32
(b) Prepaid Expenses	268.47	202.94
<b>Total</b>	<b>424.23</b>	<b>503.26</b>

### Note 1.09 Inventories

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Raw Material and Components	13,234.19	11,376.75
(b) Work in Progress	16,845.09	14,581.23
(c) Finished Goods	1,500.34	1,462.29
(d) Stores and Spares	2,304.43	1,615.32
(e) Goods in transit(Raw Materials and Component)	2,219.85	1,892.71
<b>Total</b>	<b>36,103.90</b>	<b>30,928.30</b>

Inventories are secured against first charge on working capital facility.

### Note 1.10 Current Investments

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>Investments in Mutual Funds (Unquoted) (At Fair Value)</b>		
Axis Treasury Advantage Fund Growth 645 (2021: 645) Units of ₹ 1000 each	16.70	16.00
ICICI Prudential Fixed Maturity Plan Series 83 1108 Days Plan H Nil (2021: 1,50,00,000) Units of ₹ 100 each	-	1,882.78
SBI Debt Fund Series C-16 1100 Days Nil (2021: 1,32,24,964) Units of ₹ 10 each	-	1,648.13
<b>TOTAL CURRENT INVESTMENTS</b>	<b>16.70</b>	<b>3,546.91</b>
i) Aggregate amount of quoted investments	-	-
ii) Market Value of quoted investments	-	-
iii) Aggregate amount of unquoted investments	<b>16.70</b>	<b>3,546.91</b>

# Notes on Financial Statement

## Note 1.11 Trade Receivables

(₹ in Lakhs)

Particulars	As at	As at
	31.03.2022	31.03.2021
(a) Secured , considered good	-	-
(b) Unsecured , considered good	56,994.22	61,135.21
(c) Unsecured, Credit Impaired	4,875.35	9,949.34
	<b>61,869.57</b>	<b>71,084.55</b>
Allowance for bad and doubtful debts	(4,875.35)	(9,949.34)
<b>Total</b>	<b>56,994.22</b>	<b>61,135.21</b>

- (i) The above includes ₹ 15,862.45 Lakhs as retention money (2021: ₹ 17,246.,95 Lakhs) which are recoverable on completion of the project as per the relevant contract.
- (ii) Trade Receivables are secured against first charge on working capital facility.
- (iii) The Company provide allowance in trade recivables based on historic credit loss experience, current economic conditions and events and future observable data and information. The expected credit loss allowance is computed based on the ageing of the receivables.

(₹ in Lakhs)

Ageing of Trade Receivable	As on 31st March, 2022						
	Outstanding for following periods from due date of payment						Total
Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivable</b>							
(i) Undisputed Trade Receivables – considered good	14,062.43	21,876.43	4,488.22	3,466.56	3,079.15	10,021.43	56,994.22
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	21.69	21.34	4,832.32	4,875.35
<b>Disputed Trade Receivable</b>							
(i) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(ii) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total Debtors</b>	<b>14,062.43</b>	<b>21,876.43</b>	<b>4,488.22</b>	<b>3488.25</b>	<b>3,100.49</b>	<b>14,853.75</b>	<b>61,869.57</b>
Less: Allowance for bad and doubtful debts	-	-	-	(21.69)	(21.34)	(4,832.32)	(4,875.35)
<b>Net Debtors</b>	<b>14,062.43</b>	<b>21,876.43</b>	<b>4,488.22</b>	<b>3466.56</b>	<b>3,079.15</b>	<b>10,021.43</b>	<b>56,994.22</b>

(₹ in Lakhs)

Ageing of Trade Receivable	As on 31st March, 2021						
	Outstanding for following periods from due date of payment						Total
Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivable</b>							
(i) Undisputed Trade Receivables – considered good	11,687.10	31,452.58	1,388.12	4,484.48	3,657.80	8,465.13	61,135.21
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	9,949.34	9,949.34
<b>Disputed Trade Receivable</b>							
(i) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(ii) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total Debtors</b>	<b>11,687.10</b>	<b>31,452.58</b>	<b>1,388.12</b>	<b>4,484.48</b>	<b>3,657.80</b>	<b>18,414.47</b>	<b>71,084.55</b>
Less: Allowance for bad and doubtful debts	-	-	-	-	-	(9,949.34)	(9,949.34)
<b>Net Debtors</b>	<b>11,687.10</b>	<b>31,452.58</b>	<b>1,388.12</b>	<b>4,484.48</b>	<b>3,657.80</b>	<b>8,465.13</b>	<b>61,135.21</b>



# Notes on Financial Statement

## Note 1.12 Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Balances with banks		
(a) In current accounts	5,520.57	2,112.48
(b) Cheques/ Pay order on hand	-	51.04
(c) Cash in hand	41.14	75.76
<b>Total</b>	<b>5,561.71</b>	<b>2,239.28</b>

Cash and cash equivalents include Cash in hand, Cheques/Draft on hand & Cash at Bank

## Note 1.13 Bank balances other than above

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Unpaid Dividend Account	16.32	16.51
(b) Term Deposit of upto Twelve Months Maturity	12.71	12.71
(c) Margin Money	11,630.01	8,240.80
<b>Total</b>	<b>11,659.04</b>	<b>8,270.02</b>

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

## Note 1.14 Loans(Current)

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>I Unsecured Considered Good</b>		
(a) Loan to Subsidiaries & Associates	3,391.09	3,360.14
(b) Interest accrued on Loans	1,909.79	1,355.98
(c) Advance to Employee	184.83	248.00
	<b>5,485.71</b>	<b>4,964.12</b>
<b>II Unsecured, Credit Impaired</b>		
(a) Loan to Body Corporates	275.00	275.00
(b) Less :Allowance for Loan to Body Corporate	(275.00)	(275.00)
<b>Total</b>	<b>5,485.71</b>	<b>4,964.12</b>

## Note 1.15 Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Advance Payment of Income Tax (net of provision)	5,215.37	3,136.17
<b>Total</b>	<b>5,215.37</b>	<b>3,136.17</b>

# Notes on Financial Statement

## Note 1.16 Other Current Assets

Particulars	(₹ in Lakhs)	
	As at 31.03.2022	As at 31.03.2021
(a) Security Deposits	1,082.35	132.19
(b) Advance to Parties	6,270.66	5,576.47
(c) Other Advances	1,855.77	2,878.63
(d) Prepaid Expenses	1,024.48	401.90
(e) Balances with Government Dept	18,316.47	20,342.30
(f) Contractually reimbursable expenses	1,908.83	2,575.21
(g) Unbilled Debtors	61,574.07	60,099.75
<b>Total</b>	<b>92,032.63</b>	<b>92,006.45</b>

## Note 1.17 Equity Share Capital

Particulars	(₹ in Lakhs)	
	As at 31.03.2022	As at 31.03.2021
<b>Authorised Share Capital</b>		
197,00,00,000 Equity shares at par value of Re. 1/- each (As at 31st March 2021: 197,00,00,000 equity share of Re 1/- each)	19,700.00	19,700.00
<b>Total</b>	<b>19,700.00</b>	<b>19,700.00</b>
<b>Issued, Subscribed and paid up capital</b>		
32,18,69,895 Equity Share of Re 1/- each (As at 31st March 2021: 25,03,43,252 equity share of Re 1/- each)	3,218.70	2,503.43
<b>Total</b>	<b>3,218.70</b>	<b>2,503.43</b>

- (i) The Company has only one class of shares referred to as equity shares having a par value of Re. 1. Each holder of equity shares is entitled to one vote per share.
- (ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders
- (iii) During pervious financial year, the Company has allotted 1,61,29,031 and 93,54,839 Equity Shares of Re. 1 each to Shri Saroj Kumar Poddar and M/s Adventz Finance Pvt. Ltd. respectively under preferential allotment as approved by the shareholders in accordance with Chapter V of the Securities and Exchange Board of India (issue of Capital and Disclosure Requirements) Regulations, 2018. The Equity Shares were issued @ ₹ 31/- per Equity Share (including a premium of ₹ 30/- per share)

## Notes on Financial Statement

(iv) During the year, the Company had issued and allotted 7,15,26,643 equity shares of face value of ₹ 1 each by way of Rights Issue for an amount aggregating up to ₹ 164,51,12,789, in the ratio of 2 equity shares for every 7 equity shares held, to eligible equity shareholders of the Company as on the record date at an issue price of ₹ 23/- per equity share (including a premium of ₹ 22/- per equity share).

The proceeds from Rights Issue have been utilised towards the objects stated in the Letter of Offer in the following manner:

Original Object	Modified Object, if any	Original Allocation (₹ In Lakhs)	Modified allocation, if any	Funds Utilised (₹ In Lakhs)	Amount of Deviation/ Variation for the quarter according to applicable object	Remarks if any
Part Repayment or prepayment of ICDs and unsecured loans	N.A	11,500.00	10,402.16	10,402.16	NIL	Refer Note
Funding Working Capital requirements of the company	N.A	3,000.00	N.A	3,000.00	NIL	NIL
General Corporate Purpose	N.A	1,629.18	2,727.02	2,712.77	NIL	Refer Note

Note: The Right Issue was over-subscribed by 1.35 times (approx.) and accordingly, the shares to the promoters/promoter group was limited due to pro-rata basis of allotment to public and promoter category. Therefore, the amount could not be fully utilized for repayment of loan (ICD) on account of allotment of shares to the promoters/promoter group to the extent of ₹ 10,402.16 Lakh. The balance amount of ₹ 1097.84 Lakhs from 'ICD head' has been adjusted in the General Corporate Purpose. Accordingly, the allocation has been modified. Deviation or variation could mean:

- Deviation in the objects or purposes for which the funds have been raised or
- Deviation in the amount of funds actually utilized as against what was originally disclosed or
- Change in terms of a contract referred to in the fund raising document i.e prospectus, letter of offer, etc.

### (v) Reconciliation of numbers of Issued, Subscribed and Paid-up Capital

Particulars	As at 31.03.2022	As at 31.03.2021
	No . Of Shares	No . Of Shares
Number of Shares at the beginning of the year	25,03,43,252	22,48,59,382
Add: Conversion of Loan into Equity Share through Preferential Allotment	-	25,483,870
Add: Allotment under Right Issue	71,526,643	-
Number of Shares at the end of the year	32,18,69,895	25,03,43,252

(vi) After the reporting date, dividend of 10 paise (2021: 10 Paise) 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.

# Notes on Financial Statement

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

Name of Shareholders	As at 31.03.2022		As at 31.03.2021	
	No . Of Shares	% Holding	No . Of Shares	% Holding
Texmaco Infrastructure & Holdings Ltd.	5,85,00,000	18.17	5,85,00,000	23.37
Zuari Investments Ltd.	6,37,68,926	19.81	2,50,63,900	10.01
Saroj Kumar Poddar*	2,75,51,367	8.56	2,01,86,771	8.06
Adventz Finance Pvt. Ltd.	2,43,76,949	7.57	1,79,82,239	7.18
HDFC Trustee Company Ltd. A/C HDFC Balanced Advantage Fund	1,74,67,565	5.43	14,190,615	5.67

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

(viii) Details of shareholdings by Promoter / Promoter Group

Sl. No.	Name of the Promoter & Promoter Group	As at 31.03.2022		As at 31.03.2021		% Change during the year*
		No . Of Shares	% of Shareholding	No . Of Shares	% of Shareholding	
1	Saroj Kumar Poddar (As A Karta)	10710	0.00	10710	0.00	-
2	Saroj Kumar Poddar (As A Trustee - Saroj And Jyoti Poddar Holdings Private Trust)	3792857	1.18	2950000	1.18	28.57
3	Shradha Agarwala	20693	0.01	14280	0.01	44.91
4	Jyotsna Poddar (As An Individual)	104032	0.03	71790	0.03	44.91
5	Saroj Kumar Poddar (As An Individual)	23747800	7.38	17226061	6.88	37.86
6	Kumari Anisha Agarwala	46574	0.01	32140	0.01	44.91
7	Aashti Agarwala	20693	0.01	14280	0.01	44.91
8	Eureka Traders Private Limited	530	0.00	530	0.00	-
9	Indrakshi Trading Company Private Limited	30000	0.01	30000	0.01	-
10	Master Exchange & Finance Limited	15760	0.00	15760	0.01	-
11	Premium Exchange And Finance Limited	188090	0.06	188090	0.08	-
12	Zuari Investments Limited	63768926	19.81	25063900	10.01	154.43
13	Zuari Global Limited	765988	0.24	4035000	1.61	-81.02
14	Jeewan Jyoti Medical Society	160500	0.05	160500	0.06	-
15	Adventz Finance Private Limited	24376949	7.57	17982239	7.18	35.56
16	Duke Commerce Limited	7514000	2.33	7514000	3.00	-
17	Greenland Trading Private Limited	35000	0.01	35000	0.01	-
18	Texmaco Infrastructure & Holdings Limited	58500000	18.18	58500000	23.37	-
19	Abhishek Holdings Private Limited	280	0.00	280	0.00	-
20	Adventz Securities Enterprises Limited	3809140	1.18	3809140	1.52	-
21	Adventz Investment Company Private Limited	0	-	3035710	1.21	-100.00
22	New Eros Tradecom Limited	738800	0.23	738800	0.30	-
23	Akshay Poddar	14820	0.00	14820	0.01	-
24	Puja Poddar	160000	0.05	117850	0.05	35.77
		187822142	58.34	141560880	56.55	32.68

\* % change during the year has been computed on the basis of the number of shares at the beginning of the year

# Notes on Financial Statement

## Note 1.18 Other Equity

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>(i) Other Reserves</b>		
<b>Share Options Outstanding Account</b>		
Balance as per last Account	1,184.38	1,184.38
	<b>1,184.38</b>	<b>1,184.38</b>
<b>(ii) Capital Reserve</b>		
Balance as per last Account	1,626.60	1,626.60
	<b>1,626.60</b>	<b>1,626.60</b>
<b>(iii) Securities Premium</b>		
Balance as per last Account	47,579.86	39,934.70
Add: Issue of Equity Share Under Preferential allotment	-	7,645.16
Add: Rights Issue of Equity Shares (including conversion of Loan (Promoters Contribution)	15,735.86	-
Less: Adjustment for Rights Issue Expenses	(338.12)	-
	<b>62,977.60</b>	<b>47,579.86</b>
<b>(iv) General reserve</b>		
Balance as at the beginning of the year	47,420.92	47,220.92
Add: Transferred from Statement of Profit and Loss	200.00	200.00
	<b>47,620.92</b>	<b>47,420.92</b>
<b>(v) Reserves representing unrealised gains/losses</b>		
(a) Equity Instruments through Other Comprehensive Income	2,638.83	515.23
Addition during the year	1,237.93	2,123.60
Less: Realised Profit on Sale of Equity Shares Transferred to Retained Earnings	(3,787.78)	-
	<b>88.98</b>	<b>2,638.83</b>
(b) Remeasurements of the net defined benefit Plans		
Balance as at the beginning of the year	-	-
Addition during the year	(25.68)	23.19
Less: Transferred to Retained Earning	25.68	(23.19)
	<b>-</b>	<b>-</b>
<b>(vi) Exchange differences on translating the financial statements of a foreign operation</b>		
Balance as at the beginning of the year	109.94	(56.82)
Addition during the year	(210.65)	166.76
	<b>(100.71)</b>	<b>109.94</b>
<b>(vii) Retained Earnings</b>		
Surplus at the beginning of the year	10,902.36	10,117.37
Add: Profit for the year	1,829.45	1,186.63
Add: Transferred from Remeasurements of the net defined benefit Plans	(25.68)	23.19
Add: Realised Profit on Sale of Equity Shares Transferred from Equity Instrument Through Other Comprehensive Income	3,787.78	-
Less: Transferred to General Reserve	(200.00)	(200.00)
Less: Dividend on Equity Shares	(250.34)	(224.83)
	<b>16,043.57</b>	<b>10,902.36</b>
<b>Total</b>	<b>129,441.34</b>	<b>111,462.89</b>

# Notes on Financial Statement

## Note 1.18 Other Equity (Contd.)

- (i) **General Reserve:** The General Reserve is used from time to time to transfer of profit from Retained Earnings for appropriation purpose. As the General Reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items includes 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.
- (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 used 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 1.19 Borrowings (Non Current)

Particulars	(₹ in Lakhs)	
	As at 31.03.2022	As at 31.03.2021
<b>Secured</b>		
<b>From banks</b>		
(a) Term Loan/Foreign Currency Term Loan (TL/FCTL)	6,378.41	5,213.74
(b) Car Loan	46.14	59.76
<b>Total</b>	<b>6,424.55</b>	<b>5,273.50</b>

- i) Term Loan from Banks are secure against the Property, Plant and Equipments created from such Loan, remaining Term Loan from Banks are repayable as per the timeline mentioned in sanctioned letter.
- ii) Term Loans includes loan of ₹ 4150 lakhs secured primarily by an exclusive charge over rent receivables from the lessee and has collateral security by way of an exclusive charge over immovable property against which the rent is receivable.
- iii) Some of the vehicles are acquired through Auto Loan facility and such vehicles are exclusively hypothecated in favour of respective lenders, repayable in monthly equated instalments till Jan 2025.

## Note 1.20 Provisions (Non Current)

Particulars	(₹ in Lakhs)	
	As at 31.03.2022	As at 31.03.2021
(a) Provision for Leave	365.96	399.17
(b) Provision for Gratuity	305.47	353.50
(c) For Warranty and others	183.99	183.99
<b>Total</b>	<b>855.42</b>	<b>936.66</b>

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

## Notes on Financial Statement

### Note 1.21 Other Non Current Liabilities

Particulars	(₹ in Lakhs)	
	As at 31.03.2022	As at 31.03.2021
Advances from Customers	11,249.61	11,638.87
Security Deposit(Prepaid - Rent Liability)	274.47	307.34
<b>Total</b>	<b>11,524.08</b>	<b>11,946.21</b>

### Note 1.22 Borrowings(Current)

Particulars	(₹ in Lakhs)	
	As at 31.03.2022	As at 31.03.2021
<b>i Secured</b>		
<b>(a) From Banks</b>		
Cash Credit	49,976.38	42,154.74
Short Term Loan	4,000.00	6,932.19
<b>(b) From Other Parties</b>		
(i) Loans from related parties	4,878.92	19,465.00
(ii) Inter-Corporate Deposits	5,700.00	4,100.00
<b>Total</b>	<b>64,555.30</b>	<b>72,651.93</b>

- (i) Cash Credit facilities of respective divisions are secured by hypothecation of first charge on stock, book debts and other current assets of that particular division (both present and future).
- (ii) Cash Credit facility for Rail EPC Divisions is further secured by first charge on the movable fixed assets of their respective divisions (both present and future).
- (iii) Cash Credit facility for Rail EPC- Kalindee Division are further secured by way of first Pari-Passu charge on fixed deposit of ₹ 14.49 Crores along with flats at Jaipur & Gurgaon to the working capital consortium lenders.
- (iv) Cash Credit Facility of HED/SF (Kolkata) Division are secured by exclusive charge on land and buildings of Agarpara and Belgharia along with second charge on the movable fixed assets of this division.
- (v) Cash Credit facility for Steel Foundry Divisions (Raipur) is further secured by first charge on the fixed assets of that division.
- (vi) Current maturities of long term borrowings amounts to ₹ 1658.74 Lakhs (Previous year ₹ 1054.61 Lakhs)

# Notes on Financial Statement

## Note 1.23 Trade payables

(₹ in Lakhs)

Particulars	As at	As at
	31.03.2022	31.03.2021
Dues to Micro Enterprise and Small Enterprises	-	-
Dues of Creditors other than Micro Enterprise and Small Enterprises	31,138.89	42,996.55
	<b>31,138.89</b>	<b>42,996.55</b>
Information in terms of Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006 is as follows		
Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are give as follows:		
(a) Principal amount due Unpaid matured deposits and interest accrued thereon	-	-
(b) Interest paid during the period beyond the appointed day	-	-
(c) Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	-	-
(d) Amount of interest accrued and remaining unpaid at the end of the period	-	-
(e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act	-	-

There are no 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, 2022 and 31st March, 2021. 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

(₹ in Lakhs)

Ageing of Trade Payable	As on 31st March, 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Other Creditors	24,063.42	3,456.03	1,237.07	2,382.37	31,138.89
(iii) Disputed dues –MSME	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-

(₹ in Lakhs)

Ageing of Trade Payable	As on 31st March, 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Other Creditors	35,556.94	4,251.57	1,289.96	1,898.08	42,996.55
(iii) Disputed dues –MSME	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-



# Notes on Financial Statement

## Note 1.24 Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Interest accrued but not due on borrowings	411.88	535.55
(b) Unclaimed / Unpaid dividends	16.32	16.51
(c) Others		
Liabilities for Expenses	1,191.12	2,281.58
Amount Due to Employee	1,464.81	1,324.25
Others Misc. Payable	229.19	193.58
Creditors for Capital Advance	25.07	15.38
<b>Total</b>	<b>3,338.39</b>	<b>4,366.85</b>

There is no amount due and outstanding to be credited to the Investor Education and Protection Fund against unpaid dividend as at 31st March, 2022

## Note 1.25 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Advances from Customers	7,803.26	4,765.89
(b) TDS and other taxes payable	637.89	325.91
(c) PF, ESI amount Payable	124.60	120.24
(d) Security Deposits	2,454.68	2,178.50
(e) Other Liabilities	2,116.84	1,455.79
<b>Total</b>	<b>13,137.27</b>	<b>8,846.33</b>

## Note 1.26 Provisions (Current)

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Provision for Gratuity	76.86	45.58
(b) Provision for leave	118.89	103.77
(c) Provision for Contract Loss Provision	35.63	600.40
(d) Provision for Expenses	2,325.31	2,423.82
<b>Total</b>	<b>2,556.69</b>	<b>3,173.57</b>

The Company accounts for leave and gratuity based on Actuary Valuation

## Note 1.27 Revenue From Operations

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
(a) Sale of products	104,508.34	104,493.10
(b) Sale of services	74,913.37	77,631.44
(c) Other operating revenues	2,019.87	806.37
<b>Gross Revenue from Operations</b>	<b>181,441.58</b>	<b>182,930.91</b>
Less: Inter Segment Revenue	19,267.99	14,057.11
<b>Net Revenue from Operations</b>	<b>162,173.59</b>	<b>168,873.80</b>

# Notes on Financial Statement

## Note 1.28 Other Income

Particulars	(₹ in Lakhs)	
	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>(a) Interest Income</b>		
From Bank	335.33	265.14
From Others	902.33	818.95
<b>(b) Dividend Income</b>		
Income from Non-Current Investments	158.50	32.10
<b>(c) Other non-operating Income</b>		
Net gain on Sale of Current Investments	22.30	-
Compensation Against Old Refugee Settlement Area	-	589.74
Miscellaneous Receipts and Income	570.99	221.80
Sundry Credit Balance Adjusted	29.82	0.45
Profit on sale of PPE (Net)	10.30	-
Rent Received	932.08	971.43
Provision & Excess Liabilities Written Back	1.46	-
Insurance Claim Received	184.97	66.87
Gain on fair valuation of Bonds/Mutual fund	0.69	211.05
<b>Total</b>	<b>3,148.77</b>	<b>3,177.53</b>

## Note 1.29 Cost of Materials Consumed

Particulars	(₹ in Lakhs)	
	Year Ended 31.03.2022	Year Ended 31.03.2021
Opening Stock of Raw Materials	3,764.67	5,888.15
Add: Raw materials Purchased and Departmental Transfers etc.	82,470.78	68,782.35
	<b>86,235.45</b>	<b>74,670.50</b>
Less: Closing Stock of Raw Materials	5,380.71	3,764.67
	<b>80,854.74</b>	<b>70,905.83</b>
Consumption of Components	50,137.92	44,471.32
Less Inter Segment Revenue	(19,267.99)	(14,057.11)
<b>Total</b>	<b>111,724.67</b>	<b>101,320.04</b>

## Notes on Financial Statement

### Note 1.30 Changes In Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>Opening Stock</b>		
Finished Goods	1,462.29	5,095.33
Work-in-Progress	14,581.23	27,792.32
	<b>16,043.52</b>	<b>32,887.65</b>
<b>Less : Closing Stock</b>		
Finished Goods	1,500.34	1,462.29
Work-in-Progress	16,845.09	14,581.23
	<b>18,345.43</b>	<b>16,043.52</b>
(Increase) / Decrease in Stock	(2,301.91)	16,844.13

### Note 1.31 Employee benefits expense

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
(a) Salaries ,Wages and Bonus	11,220.19	10,259.45
(b) Contribution to provident and other funds		
i) Provident Fund and Pension Fund	735.33	660.62
ii) Superannuation Fund	28.90	25.11
iii) Gratuity	61.62	267.67
(c) Staff Welfare Expenses	490.76	400.06
(d) VRS Expenses	66.55	0.59
<b>Total</b>	<b>12,603.35</b>	<b>11,613.50</b>

### Note 1.32 Finance Costs

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
(a) Interest		
i) Banks	4,994.86	5,891.30
ii) Others	2,946.43	3,115.69
(b) Other Borrowing costs	2,082.83	1,289.94
<b>Total</b>	<b>10,024.12</b>	<b>10,296.93</b>

### Note 1.33 Depreciation and Amortization Expenses

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
(a) Depreciation on Tangible Assets	3,548.11	3,660.56
(b) Depreciation on Intangible Assets	32.64	65.11
<b>Total</b>	<b>3,580.75</b>	<b>3,725.67</b>

# Notes on Financial Statement

## Note 1.34 Other Expenses

Particulars	Year Ended		Year Ended	
	31.03.2022		31.03.2021	
			(₹ in Lakhs)	
Consumption of stores and spare parts		7,999.95		8,815.25
Power and Fuel		5,544.63		5,515.00
Rent		762.75		889.80
Repairs to buildings		574.95		497.86
Repairs to machinery		485.55		364.26
Repairs to others		110.43		111.56
Insurance		371.85		491.89
Rates and Taxes excluding taxes on Income		385.87		409.00
Freight, Packing and Transport		859.38		1,284.00
Erection Expenses		4,815.19		5,687.60
Drawings and Designs		4.40		1.01
Royalty & Knowhow		0.68		24.01
Research & Development		71.62		129.54
Selling Agents Commission		24.08		62.32
Selling Expenses		284.04		134.61
Director's Sitting Fees		28.20		23.35
Director's Commission		13.59		12.41
Payments to the Auditor		43.60		41.57
As Auditor	19.60		19.15	
For Tax Audit	4.75		4.75	
For Quarterly Review	5.70		5.70	
For Fees for Other Services	11.17		5.11	
To Cost Auditor	1.95		1.85	
For Reimbursement of out of pocket expenses	0.43		5.01	
Donation		2.07		1.04
CSR Expenses*		7.68		11.61
Miscellaneous Expenses		3,312.13		2,549.91
Sundry Debit Balance Adjusted		4.50		37.54
Allowance for bad & doubtful debts		597.34		330.91
Bad Debt/Impairment /Loss of unbilled Revenue	5,561.37	-	8,817.50	-
Less: Allowance for bad & doubtful debts	(5,329.92)	231.45	(8,766.32)	51.18
Capital Advance Inventories written off		42.48		-
Net (gain)/loss on foreign currency transaction		(128.94)		(394.15)
Unbilled revenue/ Contractually reimbursable expenses written off	1,281.42		-	
Less: Credit Impaired	(1,281.42)		-	
Loss/(Profit) on sale of PPE (Net)		-		7.57
Provision & Excess Liabilities Written Back		-		0.94
<b>Total</b>		<b>26,449.47</b>		<b>27,091.59</b>

### \*Note on CSR Expense:

Particulars	Year ended	
	March 31, 2022	March 31, 2021
(i) Amount required to be spent by the company during the year	6.55	7.31
(ii) Amount of expenditure incurred	7.68	11.61
(iii) Shortfall at the end of the year	NA	NA
(iv) Total of previous years shortfall	NA	NA
(v) Reason for shortfall	NA	NA
(vi) Nature of CSR activities	Health & Education	Health & Education
(vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Nil	Nil
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	Nil	Nil

# Notes on Financial Statement

## Note 1.35 Other Comprehensive Income

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>A. Items that will not be reclassified to profit or loss</b>		
(i) Remeasurements of the defined benefit plans	(25.68)	23.19
(ii) Equity Instruments through Other Comprehensive Income;	1,237.93	2,123.60
<b>Total</b>	<b>1,212.25</b>	<b>2,146.79</b>
<b>B. Items that will be reclassified to profit or loss</b>		
(i) Exchange differences in translating the financial statements of a foreign operation	(210.65)	166.76
<b>Total</b>	<b>(210.65)</b>	<b>166.76</b>

## Note 1.36 Commitments and Contingent Liabilities

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>(A) Commitments</b>		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advance)	441.90	1976.30
<b>(B) Contingent Liabilities (not provided for) in respect of:</b>		
(a) Bank / Corporate Guarantees given in the normal course of Business.	83,870.21	93,931.43
(b) Bonds issued to Custom Department	92.20	92.20
(c) Claims under dispute (Excise, Service Tax, Income Tax and others)	12,603.84	20,071.19
(d) Claims not acknowledged as debts (Amount unascertainable)	-	-
(e) Income Tax assessment under appeal (Amount unascertainable)	-	-

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

(₹ in Lakhs)

Particulars	Opening Provision as on 1.4.2021	Utilized during the year	Reversed during the year	Provision during the year	Closing provision as on 31.03.2022
(a) Site warranty period maintenance	183.99	--	--	--	183.99
(b) Others	2,423.82	976.04	--	877.53	2,325.31
<b>Total</b>	<b>2,607.81</b>	<b>976.04</b>	<b>--</b>	<b>877.53</b>	<b>2,509.30</b>
Previous Year	1,634.74	--	657.77	1,630.84	2,607.81

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 ₹ 877.53 lakhs (Previous Year ₹ 1630.84 lakhs).

**Site warranty period maintenance:** - The Company gives warranties and maintenance on certain products and services, undertaking to repair, replace and maintain the items for satisfactory working during the warranty period. Provision as at March 31, 2022 represents the amount of the expected cost of meeting such obligations of rectification/ replacement/maintenance. The timing of the outflow is expected to be within a period of two years.

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

# Notes on Financial Statement

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

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

## Note 1.40 Related Party Disclosure

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

Relationship	Parties where control Exist	Parties where control Exist
	2021-2022	2020-21
A. Key Management Personnel	Mr. Saroj Kumar Poddar Executive Chairman Mr. Indrajit Mookherjee, Executive Director & Vice Chairman (w.e.f: 1st January,2022) Mr. Ashish Kr. Gupta, Managing Director (w.e.f: 1st January,2022) Mr. A. C. Chakrabortti, Independent Director (Resigned w.e.f 7th February 2022) Mr. D. R. Kaarthikeyan, Independent Director - Mr. Sunil Mitra, Independent Director (Resigned w.e.f 9th December 2021) Mr. Utsav Parekh, Independent Director Mr. Virendra Sinha, Independent Director Ms. Rusha Mitra, Independent Director Mr. Partha Sarathi Bhattacharyya, Independent Director (Appointed w.e.f: 1st Jan,2022) Mr. Ashok Kr. Vijay, Executive Director (Finance) & CFO Mr. Damodar Hazarimal Kela Executive Director & CEO (SF) Mr. Akshay Poddar, Non – Executive Director Mr. Ravi Varma Company Secretary	Mr. Saroj Kumar Poddar Executive Chairman Mr. Indrajit Mookherjee, Managing Director (Redesignated w.e.f: 02ndApril, 2020) Mr. Ashish Kr. Gupta, Deputy Managing Director (Appointed w.e.f: 17th November,2020) Mr. A. C. Chakrabortti, Independent Director Mr. D. R. Kaarthikeyan, Independent Director Ms. Mridula Jhunjhunwala, Independent Director (Resigned w.e.f 19th March, 2021) Mr. Sunil Mitra, Independent Director Mr. Utsav Parekh, Independent Director Mr. Virendra Sinha, Independent Director (Appointed w.e.f: 17th Feb,2021) Ms. Rusha Mitra, Independent Director (Appointed w.e.f: 17th Feb,2021) - Mr. Ashok Kr. Vijay, Executive Director (Finance) & CFO Mr. Damodar Hazarimal Kela Executive Director & CEO (SF) Mr. Akshay Poddar, Non – Executive Director Mr. Ravi Varma Company Secretary

## Notes on Financial Statement

Relationship	Parties where control Exist	Parties where control Exist
	2021-2022	2020-21
B. Relative of Key Management Personnel	Ms. Jyotsna Poddar (Wife of Mr. S.K.Poddar) Ms. Puja Poddar (Daughter in Law of Mr. S.K.Poddar) Ms. Shradha Agarwal (Daughter of Mr. S.K.Poddar) Ms. Anisha Kumari Agarwal (GrandDaughter of Mr. S.K.Poddar) Ms. Aashti Agarwal (GrandDaughter 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) Ms. Anisha Kumari Agarwal (GrandDaughter of Mr. S.K.Poddar) Ms. Aashti Agarwal (GrandDaughter of Mr. S.K.Poddar)
C. Subsidiary Company	Belur Engineering Pvt. Ltd. (100% of Capital held by Company) Texmaco Transtrak Pvt. Ltd. (51.01% of Capital held by Company) - Texmaco Rail Systems Pvt. Ltd (51% of Capital held by Company) Texmaco Rail Electrification Ltd. (100% of Capital held by Company) Texmaco Engineering Udyog Pvt. Ltd. (100% of Capital held by Company)	Belur Engineering Pvt. Ltd. (100% of Capital held by Company) Texmaco Transtrak Pvt. Ltd. (51.01% of Capital held by Company) Texrail SA (Pty) Ltd. (Subsidiary by way of Control) Texmaco Rail Systems Pvt. Ltd (67.11% of Capital held by Company) Texmaco Rail Electrification Ltd. (100% of Capital held by Company) Texmaco Engineering Udyog Pvt. Ltd. (100% of Capital held by Company)
D. Associate	Texmaco Defence Systems Pvt. Ltd. (41% of Capital held by Company)	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 Bright – Kalindee JV Bright – Texmaco JV ISC Projects- Texmaco JV Kalindee ASIS JV Tata Projects – Kalindee JV TexmacoRahee 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 Bright – Kalindee JV Bright – Texmaco JV ISC Projects- Texmaco JV Kalindee ASIS JV Tata Projects – Kalindee JV TexmacoRahee JV

# Notes on Financial Statement

Relationship	Parties where control Exist	Parties where control Exist
	2021-2022	2020-21
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. Eureka Traders Pvt. Ltd. Abhishek Holdings Pvt. Ltd. Greenland Trading Pvt. Ltd. Indrakshi Trading Company Pvt. Ltd. Zuari Management Services Ltd. High Quality Steels Ltd. Lionel India Ltd. Lionel Edwards Ltd. Texmaco Infrastructure & Holdings Ltd. Zuari Investments Ltd. Zuari Sugar and Power Ltd. Paradeep Phosphate Ltd. Magnacon Electricals India Ltd. The Pench Valley Coal Company Ltd. Premium Exchange And Finance Ltd. Jeewan Jyoti Medical Society	Duke Commerce Ltd. Adventz Securities Enterprises Ltd. Zuari Global Ltd. New Eros Tradecom Ltd. Master Exchange & Finance Ltd. Adventz Investments Co. Pvt. Ltd. Adventz Finance Pvt. Ltd. Eureka Traders Pvt. Ltd. Abhishek Holdings Pvt. Ltd. Greenland Trading Pvt. Ltd. Indrakshi Trading Company Pvt. Ltd. Zuari Management Services Ltd. High Quality Steels Ltd. Lionel India Ltd. Lionel Edwards Ltd. Texmaco Infrastructure & Holdings Ltd. Zuari Investments Ltd. Zuari Sugar and Power Ltd. Paradeep Phosphate Ltd. Magnacon Electricals India Ltd. The Pench Valley Coal Company Ltd. Premium Exchange And Finance Ltd. Jeewan Jyoti Medical Society

## (b) Related Party Transactions

(₹ in Lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2022
<b>Remuneration Paid</b>							
- Mr. Saroj Kumar Poddar	--	--	--	--	423.83	423.83	--
	(--)	(--)	(--)	(--)	(274.37)	(274.37)	(--)
- Mr. Indrajit Mookherjee	--	--	--	--	80.08	80.08	--
	(--)	(--)	(--)	(--)	(58.90)	(58.90)	(--)
- Mr. A.K. Vijay	--	--	--	--	89.92	89.92	--
	(--)	(--)	(--)	(--)	(54.80)	(54.80)	(--)
- Mr. D. H. Kela	--	--	--	--	168.51	168.51	--
	(--)	(--)	(--)	(--)	(95.38)	(95.38)	(--)
- Mr. Ashish Kr. Gupta	--	--	--	--	170.24	170.24	--
	(--)	(--)	(--)	(--)	(52.08)	(52.08)	(--)
- Mr. Ravi Varma	--	--	--	--	29.40	29.40	--
	(--)	(--)	(--)	(--)	(22.03)	(22.03)	(--)
- Mr. A. C. Chakrabortti (Sitting Fees & Commission)	--	--	--	--	8.37	8.37	--
	(--)	(--)	(--)	(--)	(6.85)	(6.85)	(--)
- Mr. D.R. Kaarthikeyan (Sitting Fees & Commission)	--	--	--	--	7.15	7.15	--
	(--)	(--)	(--)	(--)	(5.85)	(5.85)	(--)
- Mr. Sunil Mitra (Sitting Fees & Commission)	--	--	--	--	4.34	4.34	--
	(--)	(--)	(--)	(--)	(5.75)	(5.75)	(--)



# Notes on Financial Statement

(₹ in Lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2022
- Mr. Utsav Parekh (Sitting Fees & Commission)	-- (--)	-- (--)	-- (--)	-- (--)	7.00 (4.00)	7.00 (4.00)	-- (--)
- Mr. Akshay Poddar (Sitting Fees & Commission)	-- (--)	-- (--)	-- (--)	-- (--)	4.50 (5.00)	4.50 (5.00)	-- (--)
- Ms. Rusha Mitra (Sitting Fees & Commission)	-- (--)	-- (--)	-- (--)	-- (--)	4.65 (0.89)	4.65 (0.89)	-- (--)
- Mr. Partha Sarathi Bhattacharyya (Sitting Fees & Commission)	-- (--)	-- (--)	-- (--)	-- (--)	1.14 (--)	1.14 (--)	-- (--)
- Mr. Virendra Sinha (Sitting Fees & Commission)	-- (--)	-- (--)	-- (--)	-- (--)	4.65 (0.89)	4.65 (0.89)	-- (--)
- Ms. Mridula Jhunjunwala (Sitting Fees & Commission)	-- (--)	-- (--)	-- (--)	-- (--)	-- (6.53)	-- (6.53)	-- (--)
- Mr. Indrajit Mookherjee (Appointed w.e.f: 02nd April, 2020)	-- (--)	-- (--)	-- (--)	-- (--)	-- (0.01)	-- (0.01)	-- (--)
<b>Investment</b>							
- Touax Texmaco Railcar Leasing Pvt. Ltd.	-- (--)	-- (--)	-- (--)	1,683.17 (466.83)	-- (--)	1,683.17 (466.83)	6,614.99 (4,931.82)
- Texmaco Infrastructure & Holdings Ltd.	(1,530.48) (--)	-- (--)	-- (--)	-- (--)	-- (--)	(1,530.48) (--)	114.39 (1,644.87)
- Wabtec Texmaco Rail Pvt. Ltd	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	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.	0.02 (--)	-- (--)	-- (--)	-- (--)	-- (--)	0.02 (--)	1.02 (1.00)
- Texmaco Rail Electrification Ltd.	-- (--)	-- (2.00)	-- (--)	-- (--)	-- (--)	-- (2.00)	2.00 (2.00)
- Texmaco Engineering Udyog Pvt. Ltd.	-- (--)	-- (1.00)	-- (--)	-- (--)	-- (--)	-- (1.00)	1.00 (1.00)
- Texmaco Defence Systems Pvt. Ltd.	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	4.10 (4.10)
<b>Loans &amp; Advances Given</b>							
- Belur Engineering Pvt. Ltd.	-- (--)	-- (-250.00)	-- (--)	-- (--)	-- (--)	-- (-250.00)	2,740.00 (2,740.00)
- Texmaco Transtrak Pvt. Ltd.	-- (--)	-- (0.10)	-- (--)	-- (--)	-- (--)	-- (0.10)	360.40 (360.40)
- Texmaco Defence Systems Pvt. Ltd.	-- (--)	-- (--)	30.95 (40.20)	-- (--)	-- (--)	30.95 (40.20)	290.70 (259.75)
- Bright-Vijaywargi-JV	-- (--)	-- (--)	-- (--)	-39.71 (48.41)	-- (--)	-39.71 (48.41)	66.39 (106.10)
- Bright- Kalindee-JV	-- (--)	-- (--)	-- (--)	-23.67 (44.97)	-- (--)	-23.67 (44.97)	-47.32 (-23.65)

# Notes on Financial Statement

(₹ in Lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2022
- Bright- Texmaco-JV	-- (-)	-- (-)	-- (-)	-52.90 (124.48)	-- (-)	-52.90 (124.48)	-193.50 (-140.60)
<b>Loans &amp; Advances Received/ Repaid</b>							
- Adventz Finance Pvt. Ltd.	-2,802.00 (-2,080.00)	-- (-)	-- (-)	-- (-)	-- (-)	-2,802.00 (-2,080.00)	318.00 (3,120.00)
- Adventz Securities Enterprises Ltd.	-1,044.00 (375.00)	-- (-)	-- (-)	-- (-)	-- (-)	-1,044.00 (375.00)	31.00 (1,075.00)
- Magnacon Electricals India Ltd.	-- (-800.00)	-- (-)	-- (-)	-- (-)	-- (-)	-- (-800.00)	-- (-)
- Zuari Management Services Ltd.	-- (3,600.00)	-- (-)	-- (-)	-- (-)	-- (-)	-- (3,600.00)	3,600.00 (3,600.00)
- Zuari Investments Ltd.	-8,070.00 (9,000.00)	-- (-)	-- (-)	-- (-)	-- (-)	-8,070.00 (9,000.00)	930.00 (9,000.00)
- Zuari Sugar and Power Ltd.	-1150.00 (1,150.00)	-- (-)	-- (-)	-- (-)	-- (-)	-1,150.00 (1,150.00)	-- (1,150.00)
- Mr. Saroj Kumar Poddar	-- (-)	-- (-)	-- (-)	-- (-)	-1,500.00 (1,500.00)	-1,500.00 (1,500.00)	-- (1,500.00)
- Pench Valley Coal Company Ltd.	-20.00 (20.00)	-- (-)	-- (-)	-- (-)	-- (-)	-20.00 (20.00)	-- (20.00)
<b>Dividend Paid</b>							
- Mr.Saroj Kumar Poddar	-- (-)	-- (-)	-- (-)	-- (-)	20.19 (4.15)	20.19 (4.15)	-- (-)
- Ms Jyotsna Poddar	0.07 (0.07)	-- (-)	-- (-)	-- (-)	-- (-)	0.07 (0.07)	-- (-)
- Ms. Puja Poddar	0.12 (0.03)	-- (-)	-- (-)	-- (-)	-- (-)	0.12 (0.03)	-- (-)
- Mr. Akshay Poddar	-- (-)	-- (-)	-- (-)	-- (-)	0.01 (0.01)	0.01 (0.01)	-- (-)
- Ms. Shradha Agarwal	0.01 (0.01)	-- (-)	-- (-)	-- (-)	-- (-)	0.01 (0.01)	-- (-)
- Ms. Aashti Agarwal	0.01 (0.01)	-- (-)	-- (-)	-- (-)	-- (-)	0.01 (0.01)	-- (-)
- Ms. Anisha Kumari Agarwal	0.03 (0.03)	-- (-)	-- (-)	-- (-)	-- (-)	0.03 (0.03)	-- (-)
- Premium Exchange and Finance Ltd.	0.19 (0.19)	-- (-)	-- (-)	-- (-)	-- (-)	0.19 (0.19)	-- (-)
- Jeewan Jyoti Medical Society	0.16 (0.16)	-- (-)	-- (-)	-- (-)	-- (-)	0.16 (0.16)	-- (-)
- Adventz Securities Enterprises Ltd.	3.81 (3.81)	-- (-)	-- (-)	-- (-)	-- (-)	3.81 (3.81)	-- (-)
- Adventz Finance Pvt. Ltd.	17.98 (8.48)	-- (-)	-- (-)	-- (-)	-- (-)	17.98 (8.48)	-- (-)
- Adventz Investments Co. Pvt. Ltd.	3.04 (3.04)	-- (-)	-- (-)	-- (-)	-- (-)	3.04 (3.04)	-- (-)

## Notes on Financial Statement

(₹ in Lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2022
- Duke Commerce Ltd.	7.51 (7.51)	-- (--)	-- (--)	-- (--)	-- (--)	7.51 (7.51)	-- (--)
- Greenland Trading Pvt. Ltd.	0.04 (0.04)	-- (--)	-- (--)	-- (--)	-- (--)	0.04 (0.04)	-- (--)
- Master Exchange & Finance Ltd.	0.02 (0.02)	-- (--)	-- (--)	-- (--)	-- (--)	0.02 (0.02)	-- (--)
- New Eros Tradecom Ltd.	0.74 (0.74)	-- (--)	-- (--)	-- (--)	-- (--)	0.74 (0.74)	-- (--)
- Indrakshi Trading Company Pvt. Ltd.	0.03 (0.03)	-- (--)	-- (--)	-- (--)	-- (--)	0.03 (0.03)	-- (--)
- Texmaco Infrastructure & Holdings Ltd.	58.50 (58.50)	-- (--)	-- (--)	-- (--)	-- (--)	58.50 (58.50)	-- (--)
- Zuari Investments Ltd.	25.06 (25.06)	-- (--)	-- (--)	-- (--)	-- (--)	25.06 (25.06)	-- (--)
- Zuari Global Ltd.	4.04 (4.04)	-- (--)	-- (--)	-- (--)	-- (--)	4.04 (4.04)	-- (--)
- Mr. D. H. Kela	-- (--)	-- (--)	-- (--)	-- (--)	-- (0.03)	-- (0.03)	-- (--)
- Mr. A.K. Vijay	-- (--)	-- (--)	-- (--)	-- (--)	0.05 (0.05)	0.05 (0.05)	-- (--)
- Mr. Ravi Varma	-- (--)	-- (--)	-- (--)	-- (--)	0.01 (--)	0.01 (--)	-- (--)
<b>Dividend Received</b>							
- Texmaco Infrastructure & Holdings Ltd.	4.70 (4.70)	-- (--)	-- (--)	-- (--)	-- (--)	4.70 (4.70)	-- (--)
- Wabtec Texmaco Rail Pvt. Ltd.	98.45 (--)	-- (--)	-- (--)	-- (--)	-- (--)	98.45 (--)	-- (--)
<b>Others</b>							
- Adventz Finance Pvt. Ltd. (Rent Paid)	15.73 (15.79)	-- (--)	-- (--)	-- (--)	-- (--)	15.73 (15.79)	-- (--)
- Adventz Finance Pvt. Ltd. (Interest Paid)	491.14 (710.74)	-- (--)	-- (--)	-- (--)	-- (--)	491.14 (710.74)	4.07 (127.90)
- Adventz Securities Enterprises Ltd. (Interest Paid)	117.70 (106.97)	-- (--)	-- (--)	-- (--)	-- (--)	117.70 (106.97)	40.37 (27.12)
- Magnacon Electricals India Ltd. (Interest Paid)	-- (90.73)	-- (--)	-- (--)	-- (--)	-- (--)	-- (90.73)	-- (--)
- Zuari Management Services Ltd. (Interest Paid)	486.00 (438.06)	-- (--)	-- (--)	-- (--)	-- (--)	486.00 (438.06)	328.35 (405.21)
- Zuari Sugar and Power Ltd. (Interest Paid)	87.77 (58.68)	-- (--)	-- (--)	-- (--)	-- (--)	87.77 (58.68)	0.82 (54.28)
- Zuari Investment Ltd. (Interest Paid)	1,080.09 (29.25)	-- (--)	-- (--)	-- (--)	-- (--)	1,080.09 (29.25)	57.74 (27.06)
- Pench Valley Coal Company Ltd (Interest Paid)	1.98 (0.37)	-- (--)	-- (--)	-- (--)	-- (--)	1.98 (0.37)	-- (0.34)

# Notes on Financial Statement

(₹ in Lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2022
- Mr. Saroj Kumar Poddar (Interest Paid)	-- (--)	-- (--)	-- (--)	-- (--)	120.82 (349.81)	120.82 (349.81)	-- (326.44)
- High Quality Steels Ltd. (Services Received)	563.48 (530.97)	-- (--)	-- (--)	-- (--)	-- (--)	563.48 (530.97)	51.01 (59.14)
- Lionel India Ltd. (Services Received)	131.42 (24.17)	-- (--)	-- (--)	-- (--)	-- (--)	131.42 (24.17)	25.25 (14.44)
- Lionel India Ltd. (Rent Received)	7.37 (21.01)	-- (--)	-- (--)	-- (--)	-- (--)	7.37 (21.01)	4.68 (21.01)
- Lionel Edwards Ltd. (Services Received)	17.58 (--)	-- (--)	-- (--)	-- (--)	-- (--)	17.58 (--)	-- (--)
- Zuari Management Services Ltd. (Services Received)	164.49 (37.06)	-- (--)	-- (--)	-- (--)	-- (--)	164.49 (37.06)	16.29 (9.71)
- Texmaco Infrastructure & Holdings Ltd. (Rent Received)	0.72 (0.72)	-- (--)	-- (--)	-- (--)	-- (--)	0.72 (0.72)	-- (--)
- Texmaco Infrastructure & Holdings Ltd. (Rent Paid)	45.83 (68.74)	-- (--)	-- (--)	-- (--)	-- (--)	45.83 (68.74)	36.40 (73.03)
- Wabtec Texmaco Rail Pvt. Ltd. (Sale of Goods)	-- (--)	-- (--)	-- (--)	466.64 (412.40)	-- (--)	466.64 (412.40)	-- (156.22)
- Wabtec Texmaco Rail Pvt. Ltd. (Purchase of Goods)	-- (--)	-- (--)	-- (--)	1095.31 (431.95)	-- (--)	1095.31 (431.95)	73.91 (--)
- Wabtec Texmaco Rail Pvt. Ltd. (Sale of Services/Rent)	-- (--)	-- (--)	-- (--)	146.16 (169.43)	-- (--)	146.16 (169.43)	0.23 (43.29)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	119.61 (2,181.17)	-- (--)	119.61 (2181.17)	69.43 (2,550.19)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Rent Received)	-- (--)	-- (--)	-- (--)	4.84 (3.23)	-- (--)	4.84 (3.23)	0.44 (0.48)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Deposit Against Order)	-- (--)	-- (--)	-- (--)	-24.56 (--)	-- (--)	-24.56 (--)	-- (24.56)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Interest Receivable against CCD given)	-- (--)	-- (--)	-- (--)	528.54 (298.04)	-- (--)	528.54 (298.04)	1337.94 (862.25)
- Paradeep Phosphate Ltd (Rent Received)	-- (3.59)	-- (--)	-- (--)	-- (--)	-- (--)	-- (3.59)	-- (--)
- Belur Engineering Pvt. Ltd (Rent Received)	-- (--)	0.05 (0.05)	-- (--)	-- (--)	-- (--)	0.05 (0.05)	-- (--)
- Belur Engineering Pvt. Ltd (Rent Paid)	-- (--)	330.56 (330.55)	-- (--)	-- (--)	-- (--)	330.56 (330.55)	-- (--)
- Belur Engineering Pvt. Ltd (Interest Received against ICD given)	-- (--)	294.55 (303.92)	-- (--)	-- (--)	-- (--)	294.55 (303.92)	-- (--)

# Notes on Financial Statement

(₹ in Lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2022
- Texmaco Defence Systems Pvt. Ltd. (Rent Received)	--	--	0.05	--	--	0.05	--
	(--)	(--)	(0.05)	(--)	(--)	(0.05)	(--)
- Texmaco Defence Systems Pvt. Ltd. (Interest Received)	--	--	33.92	--	--	33.92	86.92
	(--)	(--)	(27.13)	(--)	(--)	(27.13)	(56.39)
- Texmaco Transtrak Pvt. Ltd. (Rent Received)	--	4.68	--	--	--	4.68	17.08
	(--)	(6.09)	(--)	(--)	(--)	(6.09)	(12.83)
- Texmaco Transtrak Pvt. Ltd. (Interest Received)	--	39.64	--	--	--	39.64	101.05
	(--)	(39.64)	(--)	(--)	(--)	(39.64)	(65.37)
- Texmaco Rail Systems Pvt. Ltd. (Rent Received)	--	0.06	--	--	--	0.06	--
	(--)	(0.06)	(--)	(--)	(--)	(0.06)	(--)
- Texmaco Rail Electrification Ltd. (Rent Received)	--	0.05	--	--	--	0.05	--
	(--)	(0.05)	(--)	(--)	(--)	(0.05)	(--)
- Bright-Vijaywargi JV (Sale of Goods & Services)	--	--	--	2,369.11	--	2,369.11	459.91
	(--)	(--)	(--)	(2,796.59)	(--)	(2,796.59)	(528.30)
- JMC-GPT-Vijaywargi-Bright Power JV (Sale of Goods & Services)	--	--	--	-28.39	--	-28.39	93.82
	(--)	(--)	(--)	(123.85)	(--)	(123.85)	(122.21)
- JMC-Vijaywargi-Bright Power JV (Sale of Goods & Services)	--	--	--	-46.16	--	-46.16	262.24
	(--)	(--)	(--)	(49.74)	(--)	(49.74)	(308.40)
- Bright-Kalindee JV (Sale of Goods & Services)	--	--	--	320.79	--	320.79	385.31
	(--)	(--)	(--)	(744.47)	(--)	(744.47)	(239.38)
- Bright-Texmaco JV (Sale of Goods & Services)	--	--	--	6,012.02	--	6,012.02	532.75
	(--)	(--)	(--)	(3,518.28)	(--)	(3,518.28)	(750.14)
- ISC Projects -Texmaco JV (Sale of Goods & Services)	--	--	--	1,396.93	--	1,396.93	441.79
	(--)	(--)	(--)	(1,948.70)	(--)	(1,948.70)	(356.46)
- JMC-Vijaywargi-Bright Power JV (Amount paid on behalf of Company)	--	--	--	--	--	--	1.15
	(--)	(--)	(--)	(--)	(--)	(--)	(1.15)
- JMC-GPT-Vijaywargi-Bright Power JV (Amount paid on behalf of Company)	--	--	--	--	--	--	2.45
	(--)	(--)	(--)	(--)	(--)	(--)	(2.45)
- Kalindee Cobra JV (Sale of Goods)	--	--	--	899.04	--	899.04	569.35
	(--)	(--)	(--)	(1,431.00)	(--)	(1,431.00)	(573.41)
- Kalindee Cobra JV (Amount paid by the company on behalf of others)	--	--	--	15.77	--	15.77	--
	(--)	(--)	(--)	(1.44)	(--)	(1.44)	(--)
- Kalindee IL & FS JV (Sale of Goods)	--	--	--	--	--	--	1,346.48
	(--)	(--)	(--)	(19.64)	(--)	(19.64)	(1346.48)
- Kalindee IL & FS JV (Amount paid on behalf of the company)	--	--	--	1.17	--	1.17	1.17
	(--)	(--)	(--)	(--)	(--)	(--)	(--)
- Kalindee Kapoor Railcon JV (Sale of Goods)	--	--	--	804.19	--	804.19	773.05
	(--)	(--)	(--)	(90.47)	(--)	(90.47)	(316.04)

# Notes on Financial Statement

(₹ in Lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2022
- Kalindee Kapoor Railcon JV (Amount paid on behalf of the company)	-- (-)	-- (-)	-- (-)	2.32 (1.71)	-- (-)	2.32 (1.71)	-- (-)
- Kalindee Karthik JV (Sale of Goods)	-- (-)	-- (-)	-- (-)	10.48 (112.64)	-- (-)	10.48 (112.64)	363.91 (529.31)
- Kalindee Karthik JV (Amount paid on behalf of the company)	-- (-)	-- (-)	-- (-)	0.23 (-)	-- (-)	0.23 (-)	-- (-)
- Kalindee Rahee JV (Amount paid by the company on behalf of others)	-- (-)	-- (-)	-- (-)	12.29 (28.02)	-- (-)	12.29 (28.02)	677.29 (905.79)
- Kalindee URC JV (Sale of Goods)	-- (-)	-- (-)	-- (-)	49.11 (212.25)	-- (-)	49.11 (212.25)	167.91 (181.43)
- Kalindee VNC JV (Amount paid by the company on behalf of others)	-- (-)	-- (-)	-- (-)	14.24 (32.89)	-- (-)	14.24 (32.89)	1638.78 (1681.28)
- GMR TPL KRNL JV (Sale of Goods)	-- (-)	-- (-)	-- (-)	325.12 (849.28)	-- (-)	325.12 (849.28)	777.00 (878.34)
- Tata Projects- Kalindee JV (Sale of Goods)	-- (-)	-- (-)	-- (-)	521.21 (553.49)	-- (-)	521.21 (553.49)	49.10 (465.30)
- Texmaco SA (Pty) Ltd. (Services Received)	-- (-)	-- (0.36)	-- (-)	-- (-)	-- (-)	-- (0.36)	-- (-)
- Texmaco-Rahee JV (Sale of Goods)	-- (-)	-- (-)	-- (-)	1,475.92 (691.05)	-- (-)	1,475.92 (691.05)	-- (67.24)
- Texmaco-Asis JV (Sale of Goods)	-- (-)	-- (-)	-- (-)	153.88 (12.05)	-- (-)	153.88 (12.05)	-- (-)
<b>Corporate Guarantee Given</b>							
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Against Sale of Wagons)	-- (-)	-- (-)	-- (-)	-1,144.21 (958.48)	-- (-)	-1,144.21 (958.48)	1520.66 (2,664.87)
<b>Corporate Guarantee Received</b>							
- Belur Engineering Pvt. Ltd. (Against Term Loan Facility)	-- (-)	-800.00 (-)	-- (-)	-- (-)	-- (-)	-800.00 (-)	4,000.00 (4,800.00)

Note: Figures in brackets are for previous financial year.

## Notes on Financial Statement

### Note 1.41 Earning Per Share – The Numerator And Denominator Used To Calculate Basic/ Diluted Earning Per Share

Particulars		(₹ in Lakhs)	
		2021-22	2020-21
Net Profit for the period from ordinary activities attributable to equity shareholders (Excluding Preference Share Dividend) – used as numerator.	₹ in Lakhs	1,829.45	1,186.63
Weighted average number of Equity share outstanding used as denominator for Basic earning per share.	Number	27,38,58,861	22,74,42,678
Weighted Average Number of Equity share used on denominator for Diluted Earning Per Share	Number	27,38,58,861	22,74,42,678
(A) Basic Earning per share ( face value of Re 1/- each)	Re	0.67	0.52
(B) Diluted Earning per share ( face value of Re 1/- each)	Re	0.67	0.52

### Note 1.42 Interest In Joint Venture (JV)

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

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

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

The company's share in assets, liabilities, income and expense in the above jointly controlled entities as at and for the year ended March 31, 2022 is as follows:

Name of Joint Venture	Company's share in				
	Assets	Liabilities	Income	Expenses	Profit/ (Loss) after Tax
Touax Texmaco Railcar Leasing Pvt. Ltd	15,461.36	8,166.09	2,058.97	1,161.49	711.29
	(13,926.39)	(8,897.05)	(1,484.42)	(964.32)	(673.01)
Wabtec Texmaco Rail Pvt. Ltd	1,329.85	687.57	1,470.66	1,324.59	119.56
	(1,642.34)	(1,020.92)	(1,608.65)	(1,438.67)	(169.98)

Note: Figures in bracket are of previous year figure

# Notes on Financial Statement

## Note 1.43 Employee Benefits Obligation:

The Company accounts for Gratuity, Leave and Provident Fund Liability at actuarial valuation at the end of the year i.e., March 31. Accordingly, these Liabilities have been computed by the actuary as at March 31, 2022.

### Defined benefits Plans – As per Actuarial valuation as on March 31, 2022

(₹ in Lakhs)					
Sl No	Particulars	Funded Gratuity 2021-22	Funded Gratuity 2020-21	Unfunded Leave 2021-22	Unfunded Leave 2020-21
<b>A</b>	<b>Amount Recognised in Balance Sheet</b>				
	Present Value of defined benefit obligations	2,449.41	2,793.15	484.84	499.72
	Fair Value of Plan Assets	2,362.96	2,552.04	-	-
	Net asset / (liability) recognized in Balance Sheet	<b>(86.45)</b>	<b>(241.11)</b>	<b>(484.84)</b>	<b>(499.72)</b>
<b>B</b>	<b>Change in Present Value of Obligations</b>				
	Present Value of Obligation as at the beginning of the year	2,793.15	2,617.23	499.72	499.46
	Current Service Cost	197.66	206.97	67.22	93.70
	Interest (Income) / Cost	179.22	170.37	31.87	32.39
	Re- measurement ( or Actuarial) (Gain)/Loss arising from :-				
	change in demographic assumptions	(3.58)	1.59	-	6.04
	change in financial assumptions	(59.81)	1.60	(14.86)	(0.20)
	experience variance (i.e. Actual experience vs. assumptions)	(108.95)	183.57	(2.68)	(13.46)
	Past Service Cost	-	-	-	-
	Benefits Paid	(548.28)	(388.18)	(96.43)	(118.21)
	Acquisition Adjustment	-	-	-	-
	Present Value of Obligation as at the end of the year	2,449.41	2,793.15	484.84	499.72
<b>C</b>	<b>Changes in the Fair Value of Plan Assets</b>				
	Fair Value of Plan Assets as at the beginning of the year	2,552.04	2,477.06	-	-
	Investment Income	165.23	161.97	-	-
	Employer's Contribution	89.52	283.80	-	41.01
	Employee's Contribution	-	-	-	-
	Benefits paid	(460.20)	(372.94)	-	(41.01)
	Return on plan assets , excluding amount recognised in net interest expense	16.37	2.15	-	-
	Fair Value of Plan Assets at the end of the year	2,362.96	2,552.04	-	-
<b>D</b>	<b>Expenses Recognised in the Income Statement</b>				
	Current Service Cost	197.66	206.97	67.22	93.70
	Past Service Cost	-	-	-	-
	Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	13.99	8.42	31.87	32.39
	change in demographic assumptions	-	-	-	6.04
	change in financial assumptions	-	-	(14.86)	(0.20)
	experience variance (i.e. Actual experience vs assumptions)	-	-	(2.68)	(13.46)
	Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-	-	-
	Expenses Recognised in the Income Statement	211.65	215.39	81.55	118.47



## Notes on Financial Statement

### Note 1.43 Employee Benefits Obligation :(Contd.)

(₹ in Lakhs)

Sl No	Particulars	Funded Gratuity 2021-22	Funded Gratuity 2020-21	Unfunded Leave 2021-22	Unfunded Leave 2020-21
<b>E</b>	<b>Other Comprehensive Income</b>				
	Actuarial (gains) / losses arising from change in demographic assumptions	(3.58)	1.59	-	-
	change in financial assumptions	(59.81)	1.60	-	-
	experience variance (i.e. Actual experience vs assumptions)	(108.95)	183.57	-	-
	Return on plan assets, excluding amount recognised in net interest expense	(16.38)	(2.15)	-	-
	Components of defined benefit costs recognised in other comprehensive income	(188.72)	184.61	-	-
<b>F</b>	<b>Major categories of Plan Assets (as percentage of Total Plan Assets)</b>				
	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	-	-	-	-
	<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>-</b>

### G Assumptions

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

The significant actuarial assumptions were as follows:

Financial Assumptions	Gratuity		Leave	
	2022	2021	2022	2021
Discount rate (per annum)	6.40%	6.40%	6.40%	6.40%
Salary growth rate (per annum)	5.00%	5.00%	5.00%	5.00%

Demographic Assumptions	Gratuity		Leave	
	2022	2021	2022	2021
Mortality Rate (% of IALM 12-14)	100%	100%	100%	100%
Withdrawal rates, based on age: (per annum)				
Up to 30 years	3.00%	3.00%	3.00%	3.00%
31 - 44 years	2.00%	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%	1.00%
Rate of Leave Availment (per annum)	NA	NA	0.00%	0.00%
Rate of Leave Encashment during employment (P.A.)	NA	NA	0.00%	0.00%

# Notes on Financial Statement

## Note 1.43 EMPLOYEE BENEFITS OBLIGATION :(Contd.)

### H Sensitivity

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

Particulars		Discount Rate (- / + 1%)	Salary Growth Rate (- / + 1%)	Attrition Rate (- / + 50% of attrition rates)	Mortality Rate(-/+10% of mortality rate)
<b>Gratuity</b>		--	--	--	--
Increase/ (Decrease) in Liability	31.03.2022	(346.55)	(165.86)	(257.74)	(515.80)
Increase/ (Decrease) in Liability	31.03.2022	(165.88)	(347.29)	(278.23)	(519.51)
Increase/ (Decrease) in Liability	31.03.2021	(391.48)	(190.37)	(297.45)	(520.92)
Increase/ (Decrease) in Liability	31.03.2021	(191.15)	(393.45)	(314.52)	(523.97)
<b>Leave</b>					
Increase/ (Decrease) in Liability	31.03.2022	(146.18)	(112.01)	(130.33)	(234.19)
Increase/ (Decrease) in Liability	31.03.2022	(113.84)	(147.24)	(134.46)	(234.92)
Increase/ (Decrease) in Liability	31.03.2021	(147.55)	(109.62)	(131.53)	(237.91)
Increase/ (Decrease) in Liability	31.03.2021	(111.44)	(148.70)	(133.74)	(238.48)

### I 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):

(₹ in Lakhs)

Particulars	Gratuity		Leave	
	2022	2021	2022	2021
1 Year	808.29	974.52	118.33	110.08
2 to 5 years	894.11	974.31	161.89	175.15
6 to 10 years	879.60	953.53	191.50	192.11
More than 10 years	988.76	994.71	315.07	314.60

### 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.

## Note 1.44 Amount Remitted During The Year on Account of Dividend (As Certified By The Management)

Particulars	2021-22	2020-21
Number of Non-resident Shareholders	1083	1033
Number of Equity Shares held	28,87,912	25,36,696
Dividend remitted (₹ in Lakhs)	0.01	0.01
Year of Dividend paid	2020-21	2019-20

## Notes on Financial Statement

### Note 1.45 Value Of Raw Materials And Stores Consumed (Including Components And Spare Parts) Services Etc.

(₹ in Lakhs)

Particulars	2021-22	%	2020-21	%
Imported	9,739.36	7.01%	9,070.57	7.30%
Indigenous	1,29,253.25	92.99%	1,15,121.83	92.70%
<b>Total</b>	<b>1,38,992.61</b>	<b>100%</b>	<b>1,24,192.40</b>	<b>100%</b>

### Note 1.46 Value Of Imports On C.I.F. Basis

(₹ in Lakhs)

Particulars	2021-22	2020-21
Raw Materials	5,176.45	1,191.69
Components, Spare Parts and Stores	2,931.40	1,409.24
Capital Goods	-	-
<b>Total</b>	<b>8,107.85</b>	<b>2,600.93</b>

### Note 1.47 Analysis Of Raw Material Consumed

(₹ in Lakhs)

Particulars	2021-22	2020-21
M.S. & C.I. Scrap	4,822.10	2,487.68
Plates & Sheets	69,629.68	62,609.46
Rounds, Bars & Flats	828.25	49.15
Structural	5,574.71	5,759.54
<b>Total</b>	<b>80,854.74</b>	<b>70,905.83</b>

**Note 1.48** Consumption of raw materials, components, stores and spare parts includes profit/loss on sale thereof and exchange difference arising on Foreign Currency Transactions on account of import of Raw Materials/Stores and has been accounted under respective Revenue heads.

**Note 1.49** Escalation, Insurance claims and other claims have been accounted for on accrual basis based on latest data available with the Company and where the realization of the amount is reasonable certain.

### Note 1.50 Expenditure In Foreign Currency

(₹ in Lakhs)

Particulars	2021-22	2020-21
R & D Expenses	5.70	-
Travelling and Others	65.83	148.12
Fees & Subscription	4.03	4.60
<b>Total</b>	<b>75.56</b>	<b>152.72</b>

# Notes on Financial Statement

## Note 1.51 Income In Foreign Exchange

Particulars	(₹ in Lakhs)	
	2021-22	2020-21
Export of Goods (F.O.B.)	14,506.79	10,255.24

## Note 1.52 Details of Inventory of Work in Progress

Particulars	(₹ in Lakhs)	
	2021-22	2020-21
<b>Work-in- Process</b>		
- Heavy Engineering Division	8,890.69	6,522.84
- Steel Foundry Division	7,333.02	7,437.01
- Rail EPC	621.37	621.38
<b>Total</b>	<b>16,845.08</b>	<b>14,581.23</b>

**Note 1.53** As a part of company's risk management policy, the financial risks mainly relating to changes in the exchange rates are hedged by using a combination of forward contracts, besides the natural hedges.

Particulars	(₹ in Lakhs)	
	2021-22	2020-21
(a) - Un-hedged foreign currency exposure as at 31st March 2022 – Payables. USD: 2,46,709 (Previous Year: USD:17,03,217)	186.99	1,252.38
(b) - Un-hedged foreign currency exposure as at 31st March 22 – Receivable.	7,586.01	6,494.80
- AUD: 10,72,401 USD: 60,31,500, Euro: 21,09,837 JPY: 11,78,82,156 and NRS: 1,30,40,722 (Previous Year: AUD: 14,43,827 USD: 42,73,356, Euro: 21,54,954, JPY: 9,21,82,502 and NRS: 1,30,40,722)		

## Note 1.54 Details Of Income/ Expenses Disclosed On Net Basis

Sl No	Particulars	(₹ in Lakhs)	
		Year ended 31.03.2022	Year ended 31.03.2021
<b>1</b>	<b>Profit/ Loss on sale of Property, Plant &amp; Equipment</b>		
	Profit	12.48	19.90
	Loss	2.18	27.47
	<b>Net</b>	<b>10.30</b>	<b>7.57</b>
<b>2</b>	<b>Profit on sale of current investment</b>		
	Mutual Funds & Others		
	Profit	22.30	-
	Loss	-	-
	<b>Net</b>	<b>22.30</b>	<b>-</b>

## Notes on Financial Statement

### Note 1.55 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) – 70%	India
Kalindee IL&FS JV	Jointly controlled operations (civil work and signaling at Sholapur division of Central Railway in the state of Maharashtra, India) – 40%	India
Kalindee Rahee JV	i) Jointly controlled operations (civil work and signaling at Kolkata Metro division of KMRC in the state of Kolkata, India) – 70% ii) Jointly controlled operations (Ballastless Track work at Nagpur Metro division of MMRC in the state of Maharsashtra, India) - 60%	India
Kalindee Cobra JV	Jointly controlled operations (civil work and signaling at Bina Kota division of RVNL in the state of Rajasthan, India) – 78%	India
GMR-TPL-Kalindee JV	i. Jointly controlled operations (civil work and signaling of RVNL projects in the state of Uttar Pradesh) – 29% ii. Jointly controlled operations (civil work and signaling of RVNL projects in the state of Telangana) – 35.48%	India
Kalindee VNC JV	Jointly controlled operations (civil work and track work of Banglore Metro & Delhi Metro in the state of Karnataka and Delhi, India respectively) – 50%	India
Kalindee URC JV	Jointly controlled operations (civil work and signaling of RVNL Project in the state of Tamilnadu, India) – 50%	India
Tata projects –Kalindee JV	Jointly controlled operations (civil, signaling and electrification work of RVNL Project in the state of Assam, India) – 10%	India
Kalindee ASIS JV	Jointly controlled operations (Manufacturing and commissioning of Automatic Fare collection Systems at Mumbai Metro division of MMRC in the state of Maharashtra, India) - 90%	India
Bright - Kalindee JV	i) Jointly controlled operations (OHE & signaling work of RVNL Project in the state of Andhra Pradesh, India) - 30% ii) Jointly controlled operations (Civil,OHE & signaling work of RVNL Project in the state of West Bangal, India) - 89.22%	India
JMC-GPT-Vijaywargi-Bright Power JV	Joint Operations (S & T OHE & General Electrical Works, Tamluk Basuliya, West Bengal) BPP-12.032%	India
JMC-Vijaywargi-Bright Power Joint Venture	Joint Operations (S & T OHE & General Electrical Works, Jaroli Basantpur, Orissa) BPP-16.58%	India
Bright-Vijaywargi	Joint Operations (25KV, 50 HZ Single phase traction,OHE,Scada,Gen.Ele.Works,Civil Works between Jakhall-Hissar BPP-82%, VIJAYWARGI -18%	India
Bright-Vijaywargi	Joint Operations (25KV, 50 HZ Single phase traction, OHE, SwitchingStn, Traction Sub Station, Scada,Gen. Ele.Works,Civil Works between Rajpura-Dhuri-Lehera-Mohabbat BPP-82%, VIJAYWARGI -18%	India
ISC Project Texmaco JV	Joint Operation Civil works, S&T, OHE work between Badmal-Titlagarh section, Odisha, India)-BPP: 28.57%	India

# Notes on Financial Statement

## Note 1.56 Financial Risk Management Objectives and policies-

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

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

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

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

Customer credit risk is managed by the respective marketing department subject to the Company's established policy, procedures and control relating to customer credit risk management. The Company reviews the creditworthiness of these customers on an on-going basis. The Company estimates the expected credit loss on the basis of past data, experience and policy laid down in this respect. The maximum exposure to the credit risk at the reporting date is the carrying value of the trade receivables disclosed in Note 1.11 as the Company does not hold any collateral as security. The Company has a practice to provide for doubtful debts as per its approved policy.

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

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

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

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

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

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

## Notes on Financial Statement

### Note 1.56 Financial Risk Management Objectives and policies- (Contd.)

Particulars	(₹ in Lakhs)	
	As on 31.03.2022	As on 31.03.2021
Foreign Currency (Payable) / Receivable (net) – EURO	1,537.39	1,855.42
Foreign Currency (Payable) / Receivable (net) - USD	4,764.42	1,888.89
<b>Impact</b>		
- EURO/INR- Increase by 10%	153.74	185.54
- EURO/INR- Decrease by 10%	(153.74)	(185.54)
USD/INR- Increase by 10%	476.44	188.89
USD/INR- Decrease by 10%	(476.44)	(188.89)

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

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

### Note 1.57 Capital Management

The Company's objective when managing capital (defined as net debt and equity) is to safeguard the Company's ability to continue as a going concern in order to provide returns to shareholders and benefits for other stakeholders, while protecting and strengthening the Balance Sheet through the appropriate balance of debt and equity funding. The Company manages its capital structure and makes adjustments to it, in taking into consideration the economic conditions and strategic objectives of the Company. During the Year the Company has allotted 24,600 Equity Shares to its employees under Employee Stock Option Scheme.

### Note 1.58 Fair Value

Carrying amounts and fair values Fair Value through Profit & Loss (FVTPL) of financial instruments, including their levels in the fair value hierarchy has been mentioned in Note No. B (ix) and has been mentioned in Note No 1.04 and Note No 1.10. All the investments which have been fair valued are classified under Level – 1.

# Notes on Financial Statement

## Note 1.59 Financial Instruments

### A . Accounting classification and Fair Value

31st March 2022	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets (Long Term)</b>								
- Investments	-	7,118.39	-	7,118.39	156.60	6961.79	-	7,118.39
- Bank Balances	-	-	1,411.07	1,411.07	-	-	1,411.07	1,411.07
- Others	-	-	902.36	902.36	-	-	902.36	902.36
<b>Financial Assets (Short Term)</b>								
- Investments	16.70	-	-	16.70	16.70	-	-	16.70
- Trade Receivable	-	-	56,994.22	56,994.22	-	-	56,994.22	56,994.22
- Cash and cash equivalents	-	-	5,561.71	5,561.71	-	-	5,561.71	5,561.71
- Bank Balances & Others	-	-	11,659.04	11,659.04	-	-	11,659.04	11,659.04
- Loans & Advances	-	-	5,485.71	5,485.71	-	-	5,485.71	5,485.71
<b>Total</b>	<b>16.70</b>	<b>7,118.39</b>	<b>82,014.11</b>	<b>89,149.20</b>	<b>173.30</b>	<b>6961.79</b>	<b>82,014.11</b>	<b>89,149.20</b>
<b>Financial liabilities (Long Term)</b>								
- Borrowings	-	-	6,424.55	6,424.55	-	-	6,424.55	6,424.55
<b>Financial liabilities (Short Term)</b>								
- Borrowings	-	-	64,555.30	64,555.30	-	-	64,555.30	64,555.30
- Trade Payable	-	-	31,138.89	31,138.89	-	-	31,138.89	31,138.89
- Other Financial Liabilities	-	-	3,338.39	3,338.39	-	-	3,338.39	3,338.39
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,05,457.13</b>	<b>1,05,457.13</b>	<b>-</b>	<b>-</b>	<b>1,05,457.13</b>	<b>1,05,457.13</b>

31st March 2021	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets (Long Term)</b>								
- Investments	-	3,935.36	5,278.60	9,213.96	3,935.36	5,278.60	-	9,213.96
- Bank Balances	-	-	1,025.16	1,025.16	-	-	1,025.16	1,025.16
- Others	-	-	746.64	746.64	-	-	746.64	746.64
<b>Financial Assets (Short Term)</b>								
- Investments	3,546.91	-	-	3,546.91	3,546.91	-	-	3,546.91
- Trade Receivable	-	-	61,135.21	61,135.21	-	-	61,135.21	61,135.21
- Cash and cash equivalents	-	-	2,239.28	2,239.28	-	-	2,239.28	2,239.28
- Bank Balances & Others	-	-	8,270.02	8,270.02	-	-	8,270.02	8,270.02
- Loans & Advances	-	-	4,964.12	4,964.12	-	-	4,964.12	4,964.12
<b>Total</b>	<b>3,546.91</b>	<b>3,935.36</b>	<b>83,659.03</b>	<b>91,141.30</b>	<b>7,482.27</b>	<b>5,278.60</b>	<b>78,380.43</b>	<b>91,141.30</b>
<b>Financial liabilities (Long Term)</b>								
- Borrowings	-	-	5,273.50	5,273.50	-	-	5,273.50	5,273.50
<b>Financial liabilities (Short Term)</b>								
- Borrowings	-	-	72,651.93	72,651.93	-	-	72,651.93	72,651.93
- Trade Payable	-	-	42,996.55	42,996.55	-	-	42,996.55	42,996.55
- Other Financial Liabilities	-	-	4,366.85	4,366.85	-	-	4,366.85	4,366.85
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,25,288.83</b>	<b>1,25,288.83</b>	<b>-</b>	<b>-</b>	<b>1,25,288.83</b>	<b>1,25,288.83</b>



# Notes on Financial Statement

## Note 1.59 Financial Instruments (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)

### B. Valuation techniques

The following methods and assumptions were used to estimate the fair values

- 1) Fair value of the cash and short term deposits, current loans and advances and other current financial liabilities, short term borrowing from banks and other financial institutions and other similar items approximate their carrying value largely due to short term maturities of these instruments.
- 2) Long-term receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- 3) The fair value of unquoted instruments, loans from banks/financial institution and other financial liabilities is estimated by discounting future cash flows using rates currently available for debt of similar terms, credit risk and remaining maturities

## Note 1.60 Tax Expense

Particulars	(₹ in Lakhs)	
	For the Year ended 31.03.2022	31.03.2021
<b>a) Tax Expense</b>		
<b>Current Tax</b>		
- Current tax on profits for the year	32.00	-
- Adjustments for current tax of prior periods	43.59	(21.80)
- Total current tax expense	75.59	(21.80)
<b>Deferred Tax</b>		
- Decrease/(increase) in deferred tax assets	1,405.96	(524.79)
- (Decrease)/increase in deferred tax liabilities	(69.09)	519.43
- Total deferred tax expenses/(benefit)	1,336.87	(5.36)
MAT credit entitlement	-	-
<b>Tax Expense</b>	<b>1,412.46</b>	<b>(27.16)</b>
<b>b) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate</b>		
<b>Profit before tax</b>	3,241.91	1,159.47
Tax at the Indian tax rate of 34.944% (previous year - 34.944%)	1,132.85	405.17
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income</b>		
- Corporate social responsibility expenditure	2.68	4.19
- Disallowance of estimated expenditure to earn tax exempt income	-	-
- Others	-	-
<b>Tax effect of amounts which are deductible (non-taxable) in calculating taxable income</b>		
- Weighted deduction on R&D expenses	-	-
- Income from Investment	(55.56)	(82.12)
- Income from rented property	(97.84)	(101.68)
- MAT Credit/carry forward losses adjustment & Others	(280.52)	-
<b>Tax effect of other adjustmen</b>		
- Income from Investment	667.26	-
- Income tax for earlier years	43.59	(21.80)
- Others	-	(230.92)
<b>Tax Expense</b>	<b>1,412.46</b>	<b>(27.16)</b>

# Notes on Financial Statement

## Note 1.61: Information on Segment Working is given below:

Particulars	2021-22				2020-21			
	Heavy Engg. Division	Steel Foundry	Rail EPC	Total	Heavy Engg. Division	Steel Foundry	Rail EPC	Total
	1	2	3	4 (1+2+3)	1	2	3	4 (1+2+3)
<b>Revenue (Net of Excise Duty and Cess)</b>								
Gross Sales	71,487.33	33,065.76	74,868.62	1,79,421.71	72,590.82	31,962.80	77,570.92	1,82,124.54
Internal-Segment Sales	(3,183.16)	(16,084.83)	-	(19,267.99)	(1,728.57)	(12,328.54)	-	(14,057.11)
Other Operating Revenue	531.68	537.80	950.39	2,019.87	595.05	-	211.32	806.37
<b>Total</b>	<b>68,835.85</b>	<b>17,518.73</b>	<b>75,819.01</b>	<b>1,62,173.59</b>	<b>71,457.30</b>	<b>19,634.26</b>	<b>77,782.24</b>	<b>1,68,873.80</b>
<b>Result</b>								
Segment Result	3,385.20	895.65	4,574.11	8,854.96	1,501.92	1,426.86	5,150.06	8,078.84
Others (Net of Unallocated Expenses)				1,090.58				1,003.53
<b>Operating Profit/(Loss)</b>				<b>9,945.54</b>				<b>9,082.37</b>
Interest Expense				(7,941.29)				(9,006.99)
Interest Income				1,237.66				1,084.09
<b>Total Profit/(Loss) before Tax</b>				<b>3,241.91</b>				<b>1,159.47</b>
Provision for Current Tax				-				-
Provision for Deferred Tax				(1,368.87)				5.36
Income Tax for Earliear Year				(43.59)				21.80
<b>Profit/(Loss) from ordinary activities</b>				<b>1,829.45</b>				<b>1,186.63</b>
Extra ordinary items				-				-
<b>Net Profit/(Loss)</b>				<b>1,829.45</b>				<b>1,186.63</b>
<b>Other Information</b>								
Segment Assets	91,808.89	44,427.10	1,22,819.55	2,59,055.54	88,439.86	40,593.12	1,22,364.07	2,51,397.05
Unallocated Corporate assets				7,135.09				12,760.87
<b>Total assets</b>				<b>2,66,190.63</b>				<b>2,64,157.92</b>
Segment liabilities	51,245.80	2,524.34	79,760.45	1,33,530.59	51,346.45	9,518.38	89,326.77	1,50,191.60
Unallocated corporate liabilities				-				-
<b>Total Liabilities</b>				<b>1,33,530.59</b>				<b>1,50,191.60</b>
Capital expenditure				1,957.09				1,513.79
Depreciation				3,580.75				3,725.67
Non-cash expenses other than depreciation				875.77				428.14

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

## Notes on Financial Statement

### 1.62 Disclosure as per Ind AS 115 “Revenue from contract with customer”

(₹ in Lakhs)

Class of Goods	Sales		Opening Stock	Closing Stock
	2021-22	2020-21		
Wagons	<b>55,732.19</b>	61,708.52	<b>478.09</b>	<b>949.09</b>
Rail EPC	<b>74,868.62</b>	77,570.92	-	-
Structurals	<b>2,938.13</b>	3,025.00	<b>725.85</b>	<b>439.57</b>
Bridges	<b>6,012.47</b>	2,097.03	<b>99.44</b>	<b>71.82</b>
Locomotive and its Components	<b>2,477.14</b>	2,341.32	<b>151.57</b>	<b>35.73</b>
Site Fabrication and Erection	<b>2,562.49</b>	1,974.50	-	-
Steel Castings & Ingots (Including Draft Gear 4000 Sets)	<b>33,603.56</b>	31,657.35	-	-
Power Tiller/Reaper	<b>6.34</b>	-	<b>6.34</b>	<b>3.13</b>
Ring Frames, Doublers and Worsted Ring Frames	<b>0.61</b>	-	<b>0.61</b>	<b>0.61</b>
Speed Frames	<b>0.39</b>	-	<b>0.39</b>	<b>0.39</b>
Other Sales	<b>1,227.11</b>	1,749.90	-	-
Other Operating Revenue / Income	<b>2,019.87</b>	806.37	-	-
Gross Sales	<b>1,81,441.58</b>	1,82,930.91	<b>1,462.29</b>	<b>1,500.34</b>
Less: Inter Segment	<b>19,267.99</b>	14,057.11	-	-
Total Operating Revenue / Income from Operations	<b>1,62,173.59</b>	1,68,873.80	<b>1,462.29</b>	<b>1,500.34</b>

# Notes on Financial Statement

## 1.63 Key Ratios

Particulars	Numerator	Denominator	31st Mar,2022	31st Mar,2021	% Variance	"Reason for Variance (For changes more than 25%)"
(a) Current Ratio	Current Assets	Current Liability	1.86	1.56	19.23%	
(b) Debt-Equity Ratio	"Total Debt (Non-Current borrowing+Current Borrowing)"	Shareholder's Equity	0.54	0.68	-20.59%	
(c) Debt Service Coverage Ratio	Net Profit after taxes+ Non-cash operating expenses (depreciation and other amortizations) + Finance Cost + other adjustments (loss on sale of PPE)	Debt service = Interest & Lease Payments + Long Term Loan Repayments	1.14	1.26	-9.52%	
(d) Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	1.48%	1.09%	35.78%	The Net Profit of the company has increased resulting in positive variance.
(e) Inventory turnover Ratio	Sale of products (Revenue from operation)	Average Inventory	4.84	3.99	21.30%	
(f) Trade Receivables turnover Ratio	"Sale of products (Revenue from operation)"	Average Trade Receivable	2.75	2.69	2.23%	
(g) Trade payables turnover Ratio	"Cost of Goods sold (Material consumed+Changes in Inventory+Erection Expenses+Power & Fuel Expenses)"	Average Trade Payable	3.45	2.81	22.78%	
(h) Net capital turnover Ratio	"Sale of products (Revenue from operation)"	Working Capital	1.65	2.28	-27.63%	The working capital of the company has increased whereas turnover during the period has decreased resulting in negative variance
(i) Net profit Ratio	Net Profit after taxes	"Sale of products (Revenue from operation)"	1.13%	0.70%	61.43%	The Net Profit of the company has increased resulting in positive variance.
(j) Return on Capital employed	"Earning before interest & tax (Profit before tax-interest income+interest expenses)"	"Capital Employed (Share Capital+Other Equity-Capital Reseve+Total Debt+Deffered Tax Liability)"	5.04%	4.90%	2.86%	
(k) Return on investment.	Income generated from Investment	Time Weighted Average Investment	4.38%	6.33%	-30.81%	Income from Investment and average investment reduced

## Notes on Financial Statement

### 1.64 Additional Regulatory Information

- i. Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.
- ii. No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder and company has not been declared as willful defaulter by any bank or institution or other lender
- iii. To the best of the information available, the company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956
- iv. Company is filing monthly statement of current assets in respect of its borrowings from banks and status of agreement of quarter end statements with books are as under:

31st March 2022	Quarter-1	Quarter-2	Quarter-3	Quarter-4
Status	In agreement	In agreement	In agreement	In agreement
Reason of Material difference	NA	NA	NA	NA

- v. There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- vi. The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding party") with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate beneficiaries); or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- vii. No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- viii. The Company has not traded or invested in crypto currency or virtual currency during the year.

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

**1.66** 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: 20th May, 2022

**Ravi Varma**

Company Secretary

**Directors**

S. K. Poddar

Utsav Parekh

A. K. Gupta

Indrajit Mookerjee

D. H. Kela

A. K. Vijay

# Notes on Financial Statement

## Statement containing salient features of the financial statement of subsidiary as at 31.03.2022

### Part "A": Subsidiaries

SL NO	Name of Subsidiary Company	Belur Engineering Pvt. Ltd.	Texmaco Transtrak Pvt. Ltd.	Texmaco Rail Electrification Ltd.	Texmaco Rail Systems Pvt. Ltd.	Texmaco Engineering Udyog Pvt. Ltd.
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	No	No	No	No	No
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	NA	NA	NA	NA
3	Share Capital	10.00	1.00	2.00	2.00	1.00
4	Reserves & Surplus	39.03	(449.95)	(0.66)	(2.31)	(0.47)
5	Total Assets	2,799.73	49.45	1.49	0.02	0.80
6	Total Liabilities	2,750.70	498.40	0.15	0.33	0.27
7	Investments	-	-	-	-	-
8	Turnover	330.56	-	-	-	-
9	Profit/(Loss) before Taxation	20.46	6.29	(0.40)	(0.68)	(0.29)
10	Provision for Taxation	6.40	(0.61)	-	-	-
11	Profit/(Loss) after Taxation	14.06	6.90	(0.40)	(0.68)	(0.29)
12	Proposed Dividend	NIL	NIL	NIL	NIL	NIL
13	% of shareholding	100%	51%	100%	51%	100%

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

### Part "B": and Joint Ventures

Name of Joint Ventures	Texmaco Defence Systems Pvt. Ltd.	Touax Texmaco Railcar Leasing Pvt. Ltd.	Wabtec Texmaco Rail Pvt. Ltd.
1. Latest audited Balance Sheet Date	31st. March' 2022 (Audited)	31st. March' 2022 (Audited)	31st. March' 2022 (Audited)
2. Shares of Associate/ Joint Ventures held by the company on the year end Numbers	41,000.00	1,26,49,999	32,81,700
Amount of Investment in Joint Venture	4.10	1,264.99	328.17
Extent of Holding (in %)	41%	50%	40%
3. Description of how there is significant Influence	Holding more than 20%	Holding more than 20%	Holding more than 20%
4. Reason why the Joint Venture is not Consolidated	N.A.	N.A.	N.A.
5. Net worth attributable to Shareholding as per latest audited Balance Sheet	(2.22)	14,590.54	1,605.71
6. Profit / (Loss) for the year	(2.38)	1,536.71	287.23
Considered in Consolidation	(0.06)	711.29	119.56

1. Names of associates or joint ventures which are yet to commence operations. :Texmaco Defence Systems Pvt. Ltd.

2. Names of associates or joint ventures which have been liquidated or sold during the year : NIL

In terms of our Report of even date attached herewith.

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: 20th May, 2022

**Ravi Varma**

Company Secretary

**Directors**

S. K. Poddar

Utsav Parekh

A. K. Gupta

Indrajit Mookerjee

D. H. Kela

A. K. Vijay

# Independent Auditor's Report

To  
The Members of  
**TEXMACO RAIL & ENGINEERING LIMITED**

## Report on the Audit of the Consolidated Financial Statements

### Opinion

1. We have audited the accompanying consolidated financial statements of TEXMACO RAIL & ENGINEERING LIMITED (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its associate and jointly controlled entities, which comprise the Consolidated Balance Sheet as at 31st March, 2022, 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 (hereinafter referred to as "Consolidated Financial Statements"). In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and jointly controlled entities referred to in the Other Matters paragraph, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2022, of consolidated profit (including Other Comprehensive Income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

### Basis for Opinion

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

### Key Audit Matters

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

Key Audit Matter	Procedures Performed
<p><b>Contingent Liabilities</b></p> <p>The Company operates in a complex tax environment and is required to discharge direct and indirect tax obligations under various legislations such as Income Tax Act, 1961, the Finance Act, 1994, Goods and Services Tax Acts and VAT Acts of various states.</p> <p>The tax authorities under these legislations have raised certain tax demands on the Company in respect of the past periods. The Company has disputed such demands and has appealed against them at appropriate forums. As at March 31, 2022 the Company has an amount of ₹12,412.75 Lakhs involved in various pending tax litigations.</p>	<p><b>Principal Audit Procedures</b></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"> <li>• 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);</li> <li>• Assessed the processes and entity level controls established by the Company to ensure completeness of information with respect to tax litigations;</li> <li>• Along with our tax experts, we undertook the following procedures:</li> </ul>

Key Audit Matter	Procedures Performed
<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>	<ul style="list-style-type: none"> <li>• Reading communications with relevant tax authorities including notices, demands, orders, etc., relevant to the ending litigations, as made available to us by the management;</li> <li>• Testing the accuracy of disputed amounts from the underlying communications received from tax authorities and responses filed by the Company;</li> <li>• 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;</li> <li>• 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.</li> <li>• Read the disclosures included in the Standalone Ind AS Financial Statements in accordance with Ind AS 37.</li> </ul>
<p><b>Revenue Recognition for long term projects</b></p> <p>The Company's significant portion of business is undertaken through long term engineering, procurement and construction contracts. Revenue from these contracts is recognized over a period of time in accordance with the requirements of Ind AS 115, Revenue from Contracts with Customers. Due to the nature of the contracts, revenue recognition involves usage of percentage of completion method which is determined based on proportion of contract costs incurred to date compared to estimated total contract costs, which involves significant judgments, identification of contractual obligations and the Company's rights to receive payments for performance completed till date, changes in scope and consequential revised contract price and recognition of the liability for loss making contracts/ onerous obligations. Accuracy of revenues and onerous obligations, profits may deviate significantly on account of change in judgements and estimates.</p>	<p>Our audit procedures included the following:</p> <ul style="list-style-type: none"> <li>• We evaluated the Company's accounting policies pertaining to revenue recognition and assessed compliance with the policies in terms of Ind AS 115 -Revenue from Contracts with Customers.</li> <li>• We identified and tested controls related to revenue recognition and our audit procedure focused on determination of progress of completion, recording of costs incurred and estimation of costs to complete the remaining contract obligations through inspection of evidence of performance of these controls.</li> <li>• We tested on a sample basis, and inspected the underlying customer contracts, performed retrospective review of costs incurred with estimated costs to identify significant variations and assessed whether those variations were considered in estimating the remaining costs to complete and consequential determination of stage of completion, which formed the basis of revenue recognition under the input method. We reviewed the management's evaluation process to recognize revenue over a period of time, the status of completion for projects and total cost estimates. We analysed the forecast of sample contracts arising from contract modifications and current ongoing negotiations and settlements that may impair the profitability of such contracts as well as the collectability of such contracts by reference to the recent credit review assessment of the customer prepared by management.</li> <li>• We inspected contracts with exceptions including contracts with low or negative margins, loss making contracts, contracts with significant changes in planned cost estimates, probable penalties due to delay in contract execution and significant overdue net receivable positions for contracts with marginal or no movement to determine the level of provisioning required.</li> </ul> <p>We assessed that the contractual positions and revenue for the year were presented and disclosed in the financial statements.</p>

Our reporting on KAM in so far as it relates to the Kalindee unit is based on the corresponding report of the branch auditor.



## Other Information

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

## Management's Responsibility for the Consolidated Financial Statements

8. The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its associate and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards prescribed under Section 133 of the Act, read with Rules issued thereunder. The respective Board of Directors of the companies included in the Group and of its associate and jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its associate and jointly controlled entities and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating

effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

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

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

- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group, its associate and its jointly controlled entities which are companies incorporated in India have adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group, its associate and its jointly controlled entities to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group, its associate and its jointly controlled entities to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its jointly controlled entities to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
16. Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

#### Other Matters

- 17 (a) We did not audit the financial statements of one unit included in the standalone Ind AS financial statements of the Company whose financial statements reflect total assets ₹ 96,529.77 lakhs as at 31st March, 2022 and total revenues of ₹ 57,418.71 lakhs, total loss of ₹ 1790.20 lakhs, total comprehensive loss of ₹ 2034.02 lakhs and cash flows (net) of ₹ 2414.24 lakhs for the year ended on that date. The financial statements of this unit has been audited by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this unit, is based solely on the report of such branch auditor.
- (b) We did not audit the financial statements of one subsidiary included in the consolidated financial statements, whose financial statements reflect total assets of ₹ 2,799.72 lakhs as at March 31, 2022, total revenues of ₹ 330.58 lakhs, total net profit after tax of ₹ 14.05 lakhs and total comprehensive income of ₹ 14.05 lakhs and cash flows (net) of ₹ 4.05 lakhs for the

year ended on that date as considered in the financial statements. The consolidated financial statements also include the Group's share of net profit of ₹ 830.84 lakhs and total comprehensive income of ₹ 830.58 lakhs for the year ended March 31, 2022 as considered in the consolidated financial statements in respect of two jointly controlled entities, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on these consolidated financial statements, in so far as it relates to the amount and disclosures included in respect of the subsidiary and these jointly controlled entities are based solely on the reports of such other auditors.

- (c) The consolidated financial Statements include the unaudited financial statements of one subsidiary whose Financial Statements reflect Group's share of total assets of ₹ 49.45 lakhs as at March 31, 2022, Group's share of total revenue of ₹ 60.35 lakhs Group's share of total net profit after tax of ₹ 6.90 lakhs, total comprehensive income of ₹ 6.90 lakhs for the year ended March 31, 2022 respectively, and Cash flows (net) of ₹ 20.82 lakhs for the year ended March 31, 2022. These financial statements are unaudited and have been furnished to us by the Holding Company's Management and our opinion on the Consolidated Financial Statement, in so far as it relates to the amounts and disclosures included in respect of this entity is based solely on such unaudited Financial Statement certified by the Management as stated above. Any adjustment upon audit by the respective auditors to the unaudited Financial statement could have consequential effects on the Consolidated Financial statement. In our opinion and according to the information and explanations given to us by the Holding Company's Management, these Financial statements are not material to the Group.

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

### Report on Other Legal and Regulatory Requirements

18. As required by Section 143 (3) of the Act, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

- (b) In our opinion proper books of accounts as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2022 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, its associate and jointly controlled entities, none of the directors of the Group's companies and its associate and jointly controlled entities incorporated in India is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate report in "**Annexure A**", which is based on the auditor's report of the parent, subsidiary companies and jointly controlled entities, which are companies incorporated in India.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

According to the information and explanations given to us and the records of the Group examined by us, the total managerial remuneration paid as reflected in the financial statements for the year ended 31st March 2022 is in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act, as applicable.

- (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.
- iv (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v (a) The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- (b) The Company has neither declared nor paid any interim dividend during the year.
- (c) The Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with section 123 of the Act, as applicable.

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

Chartered Accountants  
Firm Registration No: 301088E

**(D.N. Roy)**

Partner

Membership No. 300389  
UDIN: 22300389AJHFXF7073

Place: Kolkata  
Date: 20.05.2022

## **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 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

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

#### **Auditors’ Responsibility**

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedure selected depends on the auditor’s judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and its jointly controlled entities, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting the Company, its subsidiary companies and its jointly controlled entities which are companies incorporated in India

#### **Meaning of Internal Financial Control over Financial Reporting**

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

**Inherent Limitations of Internal Financial Control over Financial Reporting**

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

**Opinion**

8. In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the other auditors referred to in the Other Matters paragraph below, the Holding Company its subsidiary companies and its jointly controlled entities, which are companies incorporated in India, have, in all material respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2022, 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 in so far as it relates to one subsidiary company and one jointly controlled entity, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

**For L. B. Jha & Co.**Chartered Accountants  
Firm Registration No: 301088E**(D.N. Roy)**

Partner

Place: Kolkata  
Date: 20.05.2022Membership No. 300389  
UDIN: 22300389AJHFXF7073

# Consolidated Balance Sheet as at 31<sup>st</sup> March, 2022

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2022	As at 31.03.2021
<b>I ASSETS :</b>			
<b>(1) Non-Current Assets</b>			
(a) Property, Plant & Equipment	1.01	35,916.13	37,530.48
(b) Right-of-Use Assets	1.02a	43.34	44.01
(c) Capital work-in-progress	1.02b	245.92	392.92
(d) Investment Property	1.02c	2,893.93	2,983.74
(e) Other Intangible Assets	1.03	49.68	57.57
(f) Financial Assets			
(i) Investments	1.04	7,694.15	9,586.22
(ii) Bank Balance	1.05	1,411.07	1,025.16
(iii) Others	1.06	902.83	746.89
(g) Deferred Tax Assets (Net)	1.07	6,881.32	8,216.59
(h) Other Non current Assets	1.08	424.23	503.26
		<b>56,462.60</b>	<b>61,086.84</b>
<b>(2) Current Assets</b>			
(a) Inventories	1.09	36,105.25	30,929.65
(b) Financial Assets			
(i) Investments	1.10	16.70	3,546.91
(ii) Trade Receivables	1.11	56,994.22	61,148.82
(iii) Cash & cash equivalents	1.12	5,606.76	2,260.14
(iv) Bank balances other than (iii) above	1.13	11,659.04	8,270.02
(v) Loans	1.14	2,277.47	1,791.55
(c) Current Tax Assets (Net)	1.15	5,250.96	3,144.66
(d) Other Current Assets	1.16	92,032.64	92,009.20
		<b>209,943.04</b>	<b>203,100.95</b>
		<b>266,405.64</b>	<b>264,187.79</b>
<b>TOTAL ASSETS</b>			
<b>II EQUITY AND LIABILITIES:</b>			
<b>1 Equity</b>			
(a) Equity Share capital	1.17	3,218.70	2,503.43
(b) Other Equity	1.18	129,835.31	111,636.53
Non-Controlling Interest		(220.14)	(223.41)
<b>2 Non-current Liabilities :</b>			
(a) Financial Liabilities			
(i) Borrowings	1.19	6,424.55	5,273.50
(b) Provisions	1.20	855.42	936.66
(c) Other non current liabilities	1.21	11,524.08	11,946.21
		<b>18,804.05</b>	<b>18,156.37</b>
<b>3 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	1.22	64,555.30	72,651.93
(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 enterprise	1.23	31,164.39	43,016.86
(iii) Other financial liabilities	1.24	3,332.31	4,414.38
(b) Other current liabilities	1.25	13,159.03	8,858.13
(c) Provisions	1.26	2,556.69	3,173.57
		<b>114,767.72</b>	<b>132,114.87</b>
		<b>266,405.64</b>	<b>264,187.79</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			
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: 20th May, 2022

**Ravi Varma**  
Company Secretary

**Directors**  
S. K. Poddar  
Utsav Parekh  
A. K. Gupta  
Indrajit Mookerjee  
D. H. Kela  
A. K. Vijay

# Consolidated Statement of Profit and Loss

for the year ended 31<sup>st</sup> March, 2022

₹ in Lakhs)

Particulars	Note No.	Year ended 31.03.2022	Year ended 31.03.2021
I Revenue From operations	1.27	162,173.59	168,884.79
II Other Income	1.28	2,243.13	2,503.16
<b>III Total Income (I + II)</b>		<b>164,416.72</b>	<b>171,387.95</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	1.29	111,724.71	101,319.68
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	1.30	(2,301.91)	16,844.80
Employee benefits expense	1.31	12,603.35	11,688.10
Finance costs	1.32	10,024.14	10,296.95
Depreciation and amortization expenses	1.33	3,600.20	3,745.35
Other expenses	1.34	26,125.98	27,159.40
<b>Total expenses (IV)</b>		<b>161,776.47</b>	<b>171,054.28</b>
V Profit/(loss) before tax (III-IV)		2,640.25	333.67
VI Exceptional items		-	-
<b>VII Profit/(loss) before tax</b>		<b>2,640.25</b>	<b>333.67</b>
<b>VIII Tax Expenses</b>			
1) Current Tax		32.98	-
2) MAT Credit Entitlement		(32.98)	-
3) Deferred Tax		1,368.26	(5.47)
4) Income Tax Paid Related to Earlier Years		49.99	(21.80)
		<b>1,418.25</b>	<b>(27.27)</b>
<b>IX Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>1,222.00</b>	<b>360.94</b>
<b>X Profit/(loss) for the period from JV/Associates</b>		830.79	841.32
<b>XI Profit/(loss) for the period</b>		<b>2,052.79</b>	<b>1,202.26</b>
<b>XII Other comprehensive income</b>	1.35		
A (i) Items that will not be reclassified to profit or loss		1,211.98	2,149.01
B (i) Items that will be reclassified to profit or loss		(210.65)	166.76
		<b>1,001.33</b>	<b>2,315.77</b>
<b>XIII Total Comprehensive Income for the period</b>		<b>3,054.12</b>	<b>3,518.03</b>
<b>XIV Profit/(loss) for the period Attributable to:</b>		<b>2,052.79</b>	<b>1,202.26</b>
Owners of the Parent		2,050.01	1,415.83
Non-Controlling Interest		2.78	(213.57)
<b>XV Other Comprehensive Income Attributable to:</b>		<b>1,001.33</b>	<b>2,315.77</b>
Owners of the Parent		1,001.33	2,315.77
Non-Controlling Interest		-	-
<b>XVI Total Comprehensive Income Attributable to:</b>		<b>3,054.12</b>	<b>3,518.03</b>
Owners of the Parent		3,051.34	3,731.60
Non-Controlling Interest		2.78	(213.57)
<b>XVII Earnings per equity share (for continuing operations)</b>	1.37		
1) Basic		0.75	0.62
2) Diluted		0.75	0.62
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: 20th May, 2022

**Ravi Varma**  
Company Secretary

**Directors**

S. K. Poddar  
Utsav Parekh  
A. K. Gupta  
Indrajit Mookerjee  
D. H. Kela  
A. K. Vijay



# Statement of Consolidated Cash Flow For the year ended 31<sup>st</sup> March, 2022

(₹ in Lakhs)

Particulars	Year ended 31.03.2022	Year ended 31.03.2021
<b>A) Cash Flows From Operating Activities:</b>		
Net Profit before Taxation & Exceptional Items	2,640.25	333.67
Adjustments for:		
Depreciation	3,600.20	3,745.35
Interest Paid	10,024.14	10,296.95
Bad Debt Written off	231.45	51.18
Provision and Excess Liabilities Written Back / Off (Net)	(1.46)	(1.24)
Interest Received	(374.96)	(335.73)
Income From Investments	(60.05)	(32.10)
Profit on Sale of Investments-Current (Net)	(22.30)	(2.77)
Gain on Fair Value of bonds / Mutual Fund	(0.69)	(211.05)
Loss / (Profit) on Sale Of Property, Plant and Equipment (Net)	(10.30)	7.57
	<b>13,386.03</b>	<b>13,518.16</b>
	<b>16,026.28</b>	<b>13,851.83</b>
<b>Operating Profit before Working Capital Changes &amp; Exceptional Items</b>	-	-
(Increase) / Decrease in Trade & Other Receivables	3,719.50	4,818.68
(Increase) / Decrease in Inventories	(5,175.60)	22,777.36
Increase / (Decrease) in Trade Payables & Other Liabilities	(9,663.91)	(36,483.98)
	<b>(11,120.01)</b>	<b>(8,887.94)</b>
<b>Cash Generated from Operations</b>	4,906.27	4,963.89
Direct Taxes Paid	(2,189.27)	(932.52)
Cash Flow before Exceptional Items	<b>2,717.00</b>	<b>4,031.37</b>
Exceptional Items	-	-
<b>Net Cash Generated from Operating Activities</b>	<b>2,717.00</b>	<b>4,031.37</b>
<b>B) Cash Flows From Investing Activities</b>		
Sale / (Purchase) of Property, Plant & Equipments	(1,575.93)	(829.81)
(Purchase) / Sale of Investments (Net)	7,415.71	107.84
Bank Deposits (Includes having original maturity more than three months)	(3,774.93)	(1,501.19)
Interest Received	(187.84)	(110.12)
Dividend Received	158.50	32.10
<b>Net Cash Generated from/(used in) Investing Activities</b>	<b>2,035.51</b>	<b>(2,301.18)</b>
<b>C) Cash Flows From Financing Activities</b>		
Receipt / (Payment) of Long Term Borrowings	1,186.72	(1,908.97)
Receipt / (Payment) of Short Term Borrowings	(8,096.63)	2,979.51
Increase in Share Capital	715.27	255.84
Increase in Securities Premium	15,397.74	7,645.15
Interest Paid	(10,147.81)	(10,048.05)
Dividend Paid	(250.53)	(236.58)
<b>Net Cash used in Financing Activities</b>	<b>(1,195.24)</b>	<b>(1,313.10)</b>
<b>D) Changes in Foreign Currency Translation arising from Foreign Operations</b>	(210.65)	166.76
Net Decrease in Cash and Cash Equivalents	3,346.62	583.85
Cash and Cash Equivalents at the beginning of the period	2,260.14	1,676.29
Cash and Cash Equivalents at the end of the period	5,606.76	2,260.14
<b>Note:</b>		
(1) Details of Cash and Cash Equivalents as on		
Balances with banks		
Current Accounts	5,565.09	2,133.22
Cheques on hand	-	51.04
Cash in hand	41.67	75.88
	<b>5,606.76</b>	<b>2,260.14</b>

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: 20th May, 2022

**Ravi Varma**  
Company Secretary

**Directors**  
S. K. Poddar  
Utsav Parekh  
A. K. Gupta  
Indrajit Mookerjee  
D. H. Kela  
A. K. Vijay

# Statement of Changes in Equity

For the Year Ended 31<sup>st</sup> March, 2022

## a. Equity share capital

(₹ in Lakhs)

Particulars	Issued, Subscribed and Paid up Capital
Balance as at 01.04.2020	2,248.59
Add: Change in Equity Share Capital during the year	254.84
<b>Balance as at 31.03.2021</b>	<b>2,503.43</b>
Add: Change in Equity Share Capital during the year	715.27
<b>Balance as at 31.03.2022</b>	<b>3,218.70</b>

## 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	
<b>Balance as at 1st April, 2020</b>	<b>1,626.60</b>	<b>39,934.70</b>	<b>47,220.92</b>	<b>1,184.36</b>	<b>10,064.24</b>	<b>510.61</b>	<b>(56.82)</b>	<b>100,484.61</b>
Income for the year	-	-	-	-	1,415.83	-	-	1,415.83
Other Comprehensive Income for the year	-	-	-	-	-	2,125.82	166.76	2,292.58
Issue of Equity Shares by conversion of loan (promotor's contribution)	-	7,645.15	-	-	-	-	-	7,645.15
Dividend on Equity Shares	-	-	-	-	(224.83)	-	-	(224.83)
Transfer to/from retained earnings	-	-	-	-	20.81	2.38	-	23.19
Transfer to / from General Reserve	-	-	200.00	-	(200.00)	-	-	-
Transfer to / from Retained Earnings for the Share of other Comprehensive Income in Associates & Joint Ventures	-	-	-	-	(0.02)	0.02	-	-
<b>Balance as at 31st March, 2021</b>	<b>1,626.60</b>	<b>47,579.85</b>	<b>47,420.92</b>	<b>1,184.36</b>	<b>11,076.03</b>	<b>2,638.83</b>	<b>109.94</b>	<b>111,636.53</b>
Income for the year	-	-	-	-	2,050.01	-	-	2,050.01
Other Comprehensive Income for the year	-	-	-	-	-	1,237.93	(210.65)	1,027.28
Issue of Equity Shares under Rights Issue	-	15,735.86	-	-	-	-	-	15,735.86
Adjustments for Rights Issue expenses	-	(338.12)	-	-	-	-	-	(338.12)
Dividend on Equity Shares	-	-	-	-	(250.34)	-	-	(250.34)
Remeasurement of the net defined benefit plan	-	-	-	-	-	(25.68)	-	(25.68)
Realised Profit on sale of equity shares transferred from equity instrument through other comprehensive income	-	-	-	-	3,787.78	(3,787.78)	-	-
Transfer to/from retained earnings	-	-	-	-	(25.68)	25.68	-	-
Transfer to / from General Reserve	-	-	200.00	-	(200.00)	-	-	-
Transfer to / from Retained Earnings for the Share of other Comprehensive Income in Associates & Joint Ventures	-	-	-	-	(0.23)	-	-	(0.23)
<b>Balance as at 31st March, 2022</b>	<b>1,626.60</b>	<b>62,977.59</b>	<b>47,620.92</b>	<b>1,184.36</b>	<b>16,437.57</b>	<b>88.98</b>	<b>(100.71)</b>	<b>129,835.31</b>

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: 20th May, 2022**Ravi Varma**  
Company Secretary**Directors**S. K. Poddar  
Utsav Parekh  
A. K. Gupta  
Indrajit Mookerjee  
D. H. Kela  
A. K. Vijay

# Notes on Consolidated Financial Statement

## A. CORPORATE INFORMATION

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

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

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

### (iii) Use of Estimates

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

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

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

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

### Useful lives of property, plant and equipment

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

### Valuation of deferred tax assets

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

# Notes on Consolidated Financial Statement

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 (Software)	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.

## Investment Properties

Properties that are held for - long term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that

future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

## (v) Intangible Assets

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

## (vi) Impairment of Non-Financial Assets

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

## (vii) Derivative Financial Instrument

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

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

# Notes on Consolidated Financial Statement

## (viii) Financial Instrument

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

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

### (a) Financial assets carried at amortized cost

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

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

Equity investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'.

### c) Financial assets at fair value through profit or loss

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

### d) Financial liabilities

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

### e) Investment in Subsidiaries and Joint Ventures

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

### f) Impairment

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

### g) Offsetting Financial Instruments

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

## (ix) Measurement of Fair Values

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

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

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

When measuring the fair value of an asset or liability, the company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset

# Notes on Consolidated Financial Statement

or a liability fall into a different level of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

## (x) Revenue Recognition

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

### a. Revenue from Operations

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

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

### b. Revenue from construction contracts

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

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

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

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

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

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

### c. Other Income

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

## Notes on Consolidated Financial Statement

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

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

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

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

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

### (xi) Employee Benefits

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

#### a. Short term benefits:

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

#### b. Defined contribution retirement benefits:

Payments to defined contribution retirement benefits are recognized as an expense when employees have rendered services entitling them to the contributions. Defined contribution plans are those plans where the Company pays fixed contributions to funds/ schemes managed by independent trusts or authority. Contributions are paid in return for services rendered by the employees during the year. The Company has no legal or constructive obligation to pay further contributions if the fund/scheme does not hold sufficient assets to pay/extend employee benefits. The Company provides Provident Fund facility to all

employees. The contributions are expensed as they are incurred in line with the treatment of wages and salaries. The Company's Provident Fund is exempted under section 17 of Employees' Provident Fund and Miscellaneous Provision Act, 1952. Conditions for exemption stipulate that the Company shall make good deficiency, if any, in the interest rate declared by the trust vis-à-vis interest rate declared by the Employees' Provident Fund Organisation.

#### c. Defined benefit retirement benefits:

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

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

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

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

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

# Notes on Consolidated Financial Statement

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

## d. Voluntary Retirement Scheme Benefits

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

## (xii) Employee Stock Option Scheme

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

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

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

## (xiv) Research and Development

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

## (xv) Valuation of Inventories

Raw materials, work-in-progress and finished products are valued at lower of cost and net realisable value after providing for obsolescence and other losses, where considered necessary. Cost includes purchase price and all other costs incurred in bringing the inventories to their present location and condition. 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.



# Notes on Consolidated Financial Statement

## b. Where the Company is the lessor

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

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

## (xvii) Foreign Currency Transactions and Exchange Differences

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

## (xviii) Provisions, Contingent Liabilities and Contingent Assets

### a. Provisions & Warranties

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

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

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

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

### b. Onerous contracts

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

### c. Contingent liabilities

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

# Notes on Consolidated Financial Statement

## d. Contingent Assets

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

## (xix) Cash & Cash Equivalents

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

## (xx) Borrowing Cost

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

## (xxi) Segment Reporting

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

## (xxii) Taxation

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

## a. Current income taxes

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

## b. Deferred income taxes

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

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

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

# Notes on Consolidated Financial Statement

economic benefit associated with the asset will be realised.

## (xxiii) Government Grant

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

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

## (xxiv) Earnings Per Share

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

## (xxv) Cash Flow Statement

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

## (xxvi) Exceptional Item

When items of income and expenses within statement of profit and loss from ordinary activities are of as such size,

nature and or incidence that their disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed separately as exceptional items.

## (xxvii) Accounting for interests in Joint Ventures

Interests in joint ventures are accounted as follows:

Type of joint venture	Accounting treatment
Jointly controlled operations	Company's share of revenues, common expenses, assets and liabilities are included in revenues, expenses, assets and liabilities respectively on line by line basis.
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><b>(a) Integrated joint ventures:</b></p> <ul style="list-style-type: none"> <li>(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.</li> <li>(ii) Investments in integrated joint ventures are carried at cost net of Company's share recognized in profits or losses.</li> </ul> <p><b>(b) Incorporated jointly controlled entities:</b></p> <ul style="list-style-type: none"> <li>(i) Income on investments in incorporated jointly controlled entities is recognized when the right to receive the same is established.</li> <li>(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.</li> </ul>

## (XXVIII) Standards notified but not yet effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Company's financial statements

# Notes on Consolidated Financial Statement

## Note 1.01 Property, Plant and Equipment

(₹ in Lakhs)

Description of Assets	Gross Block				Depreciation				Net Block
	As at 01.04.2021	Additions during the year	Sales / Adjustments	As at 31.03.2022	As at 01.04.2021	During the year	Sales / Adjustments	As at 31.03.2022	As at 31.03.2022
<b>Property, Plant &amp; Equipment:</b>									
Land	3,923.14	-	42.39	3,880.75	150.82	0.02	39.77	111.07	3,769.68
Buildings	11,230.76	43.11	-	11,273.87	1,802.70	375.51	-	2,178.21	9,095.66
Roads	196.49	-	-	196.49	113.61	16.85	-	130.46	66.03
Railway Sidings	219.12	85.86	-	304.98	58.01	11.12	-	69.13	235.85
Plant & Machinery	32,795.27	1,704.11	441.16	34,058.22	10,375.91	2,694.53	273.16	12,797.28	21,260.94
Electrical Machinery	716.05	0.45	-	716.50	314.16	52.89	-	367.05	349.45
Office Equipments	1,043.54	60.71	32.51	1,071.74	719.87	143.37	28.00	835.24	236.50
Furniture & Fittings	752.82	10.67	86.59	676.90	403.59	55.98	75.89	383.68	293.22
Vehicles	918.84	174.43	104.68	988.59	326.88	126.81	73.90	379.79	608.80
<b>Total</b>	<b>51,796.03</b>	<b>2,079.34</b>	<b>707.33</b>	<b>53,168.04</b>	<b>14,265.55</b>	<b>3,477.08</b>	<b>490.72</b>	<b>17,251.91</b>	<b>35,916.13</b>
<b>Note: 1.02</b>									
a) Right of Use Assets	45.37	-	-	45.37	1.36	0.67	-	2.03	43.34
b) Capital Work in Progress (CWIP)	392.92	1,446.35	1,593.35	245.92	-	-	-	-	245.92
c) Investment Property	3,638.16	-	-	3,638.16	654.42	89.81	-	744.23	2,893.93
<b>Total</b>	<b>4,076.45</b>	<b>1,446.35</b>	<b>1,593.35</b>	<b>3,929.45</b>	<b>655.78</b>	<b>90.48</b>	<b>-</b>	<b>746.26</b>	<b>3,183.19</b>
<b>Note: 1.03</b>									
<b>Intangible Assets:</b>									
Software	519.90	24.75	-	544.65	462.33	32.64	-	494.97	49.68
<b>Total</b>	<b>519.90</b>	<b>24.75</b>	<b>-</b>	<b>544.65</b>	<b>462.33</b>	<b>32.64</b>	<b>-</b>	<b>494.97</b>	<b>49.68</b>
<b>Grand Total</b>	<b>56,392.38</b>	<b>3,550.44</b>	<b>2,300.68</b>	<b>57,642.14</b>	<b>15,383.66</b>	<b>3,600.20</b>	<b>490.72</b>	<b>18,493.14</b>	<b>39,149.00</b>

## Previous Year

(₹ in Lakhs)

Description of Assets	Gross Block				Depreciation				Net Block
	As at 01.04.2020	Additions during the year	Sales / Adjustments	As at 31.03.2021	As at 01.04.2020	During the year	Sales / Adjustments	As at 31.03.2021	As at 31.03.2021
<b>Property, Plant &amp; Equipment:</b>									
Land	3,923.14	-	-	3,923.14	150.80	0.02	-	150.82	3,772.32
Buildings	11,086.34	144.42	-	11,230.76	1,385.47	417.23	-	1,802.70	9,428.06
Roads	183.51	12.98	-	196.49	98.51	15.10	-	113.61	82.88
Railway Sidings	217.71	1.41	-	219.12	48.24	9.77	-	58.01	161.11
Plant & Machinery	32,661.13	1,078.57	944.43	32,795.27	7,854.99	2,738.23	217.31	10,375.91	22,419.36
Electrical Machinery	706.53	28.57	19.05	716.05	276.74	51.10	13.68	314.16	401.89
Office Equipments	1,005.20	51.26	12.92	1,043.54	568.21	163.07	11.41	719.87	323.67
Furniture & Fittings	729.55	14.87	(8.40)	752.82	337.75	60.67	(5.17)	403.59	349.23
Vehicles	972.53	127.20	180.89	918.84	323.75	134.56	131.43	326.88	591.96
<b>Total</b>	<b>51,485.64</b>	<b>1,459.28</b>	<b>1,148.89</b>	<b>51,796.03</b>	<b>11,044.46</b>	<b>3,589.75</b>	<b>368.66</b>	<b>14,265.55</b>	<b>37,530.48</b>
<b>Note: 1.02</b>									
a) Right of Use Assets	45.37	-	-	45.37	0.68	0.68	-	1.36	44.01
b) Capital Work in Progress (CWIP)	735.42	500.98	843.48	392.92	-	-	-	-	392.92
c) Investment Property	3,638.16	-	-	3,638.16	564.61	89.81	-	654.42	2,983.74
<b>Total</b>	<b>4,418.95</b>	<b>500.98</b>	<b>843.48</b>	<b>4,076.45</b>	<b>565.29</b>	<b>90.49</b>	<b>-</b>	<b>655.78</b>	<b>3,420.67</b>
<b>Note: 1.03</b>									
<b>Intangible Assets:</b>									
Software	501.36	18.54	-	519.90	397.22	65.11	-	462.33	57.57
<b>Total</b>	<b>501.36</b>	<b>18.54</b>	<b>-</b>	<b>519.90</b>	<b>397.22</b>	<b>65.11</b>	<b>-</b>	<b>462.33</b>	<b>57.57</b>
<b>Grand Total</b>	<b>56,405.95</b>	<b>1,978.80</b>	<b>1,992.37</b>	<b>56,392.38</b>	<b>12,006.97</b>	<b>3,745.35</b>	<b>368.66</b>	<b>15,383.66</b>	<b>41,008.72</b>

# Notes on Consolidated Financial Statement

## Ageing of Capital-Work-in Progress (CWIP)

(₹ in Lakhs)

Description of Assets	As on 31st March 2022					As on 31st March 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	11.66	31.04	136.01	67.21	245.92	112.44	213.27	-	67.21	392.92
Project temporarily suspended	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>11.66</b>	<b>31.04</b>	<b>136.01</b>	<b>67.21</b>	<b>245.92</b>	<b>112.44</b>	<b>213.27</b>	<b>-</b>	<b>67.21</b>	<b>392.92</b>

## Title deeds of Immovable Propertis not held in name of the Company

Particulars	Description of item of property	Gross carrying value (₹ in Lakhs)	Year in Service	Title deeds held in the name of	Title Deed Holder	Year since Property held	Reason for not being held in the name of the company
Property, Plant & Equipment	<b>Land</b>						
	i) Belgharia & Agarpara	456.92	Since 1944	Textile Machinery Corporation Ltd.,Texmaco Ltd., now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	1944	Held in the name of Pre-demerged entity.
	ii) Sodepur	56.16	1999	Texmaco Ltd., now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	1999 & 2000	Held in the name of Pre-demerged entity.
	iii) Panihati	835.13	2006	Texmaco Ltd., now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	2006	Held in the name of Pre-demerged entity.
	<b>Building</b>						
	i) Flat no. 6A, Mandeville court, 1-D, Mandeville Garden, Kolkata-700019. Area - 1333 Sq. Ft.	14.86	2000	Texmaco Ltd., now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	2000	Held in the name of Pre-demerged entity
ii) Flat no.4H,6,Hastings Park Road, Kolkata-700027. Area -1237 Sq.Ft.	2.10	2001	Texmaco Ltd., now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	2001	Held in the name of Pre-demerged entity	
iii) Flat at 1st Floor,1/115, Gariahat Road, Kolkata-700068 Area -1318 Sq Ft	14.59	2007	Texmaco Ltd., now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	2007	Held in the name of Pre-demerged entity	
Investment Property	<b>Land</b>						
i) Sodepur	35.32	2020	Texmaco Ltd., now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	2020	Held in the name of Pre-demerged entity.	

# Notes on Consolidated Financial Statement

## Note 1.04 Non Current Investments

Particulars	(₹ in Lakhs)	
	As at 31.03.2022	As at 31.03.2021
<b>OTHER THAN TRADE INVESTMENTS</b>		
<b>Fully Paid-up</b>		
<b>Investments in Equity Instruments (Quoted) (At fair value)</b>		
Texmaco Infrastructure & Holdings Ltd. 1,99,809 (2021: 23,49,809) Shares of ₹ 1 each	114.39	1,644.86
Chambal Fertilisers & Chemicals Ltd. 10,000 (2021: 10,00,000) Shares of ₹ 10 each	42.21	2,290.50
<b>Investments in Equity Instruments of Associate Company (Unquoted)(At Cost)</b>		
Texmaco Defence Systems Private Limited 41,000 (2021: 41,000) Shares of ₹ 10 each	-	0.06
<b>Investments in Equity Instruments of Joint Ventures (Unquoted)(At Cost)</b>		
Touax Texmaco Railcar Leasing Pvt Limited 1,26,49,999 (2021: 1,26,49,999) Shares of ₹ 10 each	1,545.27	1,362.53
Wabtec Texmaco Rail Private Limited 32,81,700 (2021:32,81,700) Shares of ₹ 10 each	642.28	621.44
<b>Investments in CCD of Joint Ventures (Unquoted)(At Cost)</b>		
Touax Texmaco Railcar Leasing Pvt Limited 53,50,000 (2021: 36,66,825) CCD of ₹ 100 each	5,350.00	3,666.83
<b>TOTAL NON CURRENT INVESTMENTS</b>	<b>7,694.15</b>	<b>9,586.22</b>
i) Aggregate amount of quoted investments	156.60	3,935.36
ii) Market Value of quoted investments	156.60	3,935.36
iii) Aggregate amount of unquoted investments	7,537.55	5,650.86

## Note 1.05 Bank Balance (Non-Current)

Particulars	(₹ in Lakhs)	
	As at 31.03.2022	As at 31.03.2021
Margin Money	1,411.07	1,025.16

## Note 1.06 Other Non-Current Financial Assets

Particulars	(₹ in Lakhs)	
	As at 31.03.2022	As at 31.03.2021
(a) Security Deposits	631.97	568.36
(b) Term Deposit of more Than Twelve Months Maturity	217.81	134.48
(c) Interest Accured on Deposits & Others	53.05	44.05
<b>Total</b>	<b>902.83</b>	<b>746.89</b>

# Notes on Consolidated Financial Statement

## Note 1.07 Deferred tax assets (net)

Particulars	(₹ in Lakhs)	
	As at 31.03.2022	As at 31.03.2021
<b>Deferred Tax Assets</b>		
(a) Carried Forward Losses	3,693.47	2,752.69
(b) Provisions & others	2,718.63	5,085.21
(c) MAT Credit	4,939.90	4,906.92
(d) Compensated absences	169.43	175.74
(e) Gratuity	133.60	139.45
<b>Total Deferred Tax Assets</b>	<b>11,655.03</b>	<b>13,060.01</b>
<b>Deferred Tax Liabilities</b>		
(a) Property, Plant and equipment	(4,773.71)	(4,843.42)
<b>Total Deferred Tax Liabilities</b>	<b>(4,773.71)</b>	<b>(4,843.42)</b>
<b>Net deferred tax assets</b>	<b>6,881.32</b>	<b>8,216.59</b>

## Note 1.08 Other non-current asset

Particulars	(₹ in Lakhs)	
	As at 31.03.2022	As at 31.03.2021
(a) Capital Advances	155.76	300.32
(b) Prepaid Expenses	268.47	202.94
<b>Total</b>	<b>424.23</b>	<b>503.26</b>

## Note 1.09 Inventories

Particulars	(₹ in Lakhs)	
	As at 31.03.2022	As at 31.03.2021
(a) Raw Material	13,234.19	11,376.75
(b) Work in Progress	16,845.09	14,581.23
(c) Finished Goods	1,501.69	1,463.64
(d) Stock in Trade	-	-
(e) Stores and Spares	2,304.43	1,615.32
(f) Goods in transit(Purchase)	2,219.85	1,892.71
<b>Total</b>	<b>36,105.25</b>	<b>30,929.65</b>

Inventories are secured against first charge on working capital facility.

## Note 1.10 Current Investments

Particulars	(₹ in Lakhs)	
	As at 31.03.2022	As at 31.03.2021
<b>Investments in Mutual Funds (Unquoted) (At Fair Value)</b>		
Axis Treasury Advantage Fund Growth 645 (2021: 645) Units of ₹ 1000 each	16.70	16.00
ICICI Prudential Fixed Maturity Plan Series 83 1108 Days Plan H Nil (2021: 1,50,00,000) Units of ₹ 100 each	-	1,882.78
SBI Debt Fund Series C-16 1100 Days Nil (2021: 1,32,24,964) Units of ₹ 10 each	-	1,648.13
<b>TOTAL CURRENT INVESTMENTS</b>	<b>16.70</b>	<b>3,546.91</b>
i) Aggregate amount of quoted investments	-	-
ii) Market Value of quoted investments	-	-
iii) Aggregate amount of unquoted investments	<b>16.70</b>	<b>3,546.91</b>

# Notes on Consolidated Financial Statement

## Note 1.11 Trade Receivables

(₹ in Lakhs)

Particulars	As at	As at
	31.03.2022	31.03.2021
(a) Secured , considered good	-	-
(b) Unsecured , considered good	56,994.22	61,148.82
(c) Unsecured, Credit Impaired	4,875.35	9,949.34
	<b>61,869.57</b>	<b>71,098.16</b>
Allowance for bad and doubtful debts	(4,875.35)	(9,949.34)
<b>Total</b>	<b>56,994.22</b>	<b>61,148.82</b>

- (i) The above includes ₹ 15,862.45 Lakhs as retention money (2021: ₹ 17,246.95 Lakhs) which are recoverable on completion of the project as per the relevant contract.
- (ii) Trade Receivables are secured against first charge on working capital facility
- (iii) The Company provide allowance in trade receivables based on historic credit loss experience, current economic conditions and events and future observable data and information. The expected credit loss allowance is computed based on the ageing of the Receivables.

(₹ in Lakhs)

Ageing of Trade Receivable	As on 31st March, 2022						Total
	Outstanding for following periods from due date of payment						
Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivable</b>							
(i) Undisputed Trade Receivables – considered good	14,062.43	21,876.43	4,488.22	3,466.56	3,079.15	10,021.43	56,994.22
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	21.69	21.34	4,832.32	4,875.35
<b>Disputed Trade Receivable</b>							
(i) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(ii) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total Debtors</b>	<b>14,062.43</b>	<b>21,876.43</b>	<b>4,488.22</b>	<b>3,488.25</b>	<b>3,100.49</b>	<b>14,853.75</b>	<b>61,869.57</b>
Less: Allowance for bad and doubtful debts	-	-	-	(21.69)	(21.34)	(4,832.32)	(4,875.35)
<b>Net Debtors</b>	<b>14,062.43</b>	<b>21,876.43</b>	<b>4,488.22</b>	<b>3,466.56</b>	<b>3,079.15</b>	<b>10,021.43</b>	<b>56,994.22</b>

(₹ in Lakhs)

Ageing of Trade Receivable	As on 31st March, 2021						Total
	Outstanding for following periods from due date of payment						
Particulars	Not Due	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
<b>Undisputed Trade Receivable</b>							
(i) Undisputed Trade Receivables – considered good	11,687.10	31,452.58	1,401.74	4,484.48	3,657.80	8,465.12	61,148.82
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	9,949.34	9,949.34
<b>Disputed Trade Receivable</b>							
(i) Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
(ii) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-	-
<b>Total Debtors</b>	<b>11,687.10</b>	<b>31,452.58</b>	<b>1,401.74</b>	<b>4,484.48</b>	<b>3,657.80</b>	<b>18,414.46</b>	<b>71,098.16</b>
Less: Allowance for bad and doubtful debts	-	-	-	-	-	(9,949.34)	(9,949.34)
<b>Net Debtors</b>	<b>11,687.10</b>	<b>31,452.58</b>	<b>1,401.74</b>	<b>4,484.48</b>	<b>3,657.80</b>	<b>8,465.12</b>	<b>61,148.82</b>



# Notes on Consolidated Financial Statement

## Note 1.12 Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Balances with banks		
- In current accounts	5,565.09	2,133.22
(b) Cheques/ Pay order on hand	-	51.04
(c) Cash in hand	41.67	75.88
<b>Total</b>	<b>5,606.76</b>	<b>2,260.14</b>

Cash and cash equivalents include Cash in hand, Cheques/Draft on hand & Cash at Bank

## Note 1.13 Bank balances other than above

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Unpaid Dividend Account	16.32	16.51
(b) Term Deposit of upto Twelve Months Maturity	12.71	12.71
(c) Margin Money	11,630.01	8,240.80
<b>Total</b>	<b>11,659.04</b>	<b>8,270.02</b>

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

## Note 1.14 Loans(Current)

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Loan to Associates	290.69	259.74
(b) Other loans		
Interest accrued on Loans	1,801.95	1,283.81
Advance to Employee	184.83	248.00
<b>Total</b>	<b>2,277.47</b>	<b>1,791.55</b>
(c) Unsecured,Credit Impaired		
Loan to Body Corporates	275.00	275.00
Less :Allowance for Loan to Body Corporate	(275.00)	(275.00)
<b>Total</b>	<b>2,277.47</b>	<b>1,791.55</b>

## Note 1.15 Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Advance Payment of Income Tax (net of provision)	5,250.96	3,144.66
<b>Total</b>	<b>5,250.96</b>	<b>3,144.66</b>

# Notes on Consolidated Financial Statement

## Note 1.16 Other Current Assets

Particulars	(₹ in Lakhs)	
	As at 31.03.2022	As at 31.03.2021
(a) Security Deposits	1,082.35	132.19
(b) Advance to Parties	6,270.66	5,576.47
(c) Other Advances	1,855.77	2,878.64
(d) Prepaid Expenses	1,024.48	401.90
(e) Balances with Government Dept	18,316.48	20,345.04
(f) Contractually reimbursable expenses	1,908.83	2,575.21
(g) Unbilled Debtors	61,574.07	60,099.75
<b>Total</b>	<b>92,032.64</b>	<b>92,009.20</b>

## Note 1.17 Equity Share capital

Particulars	(₹ in Lakhs)	
	As at 31.03.2022	As at 31.03.2021
<b>Authorised Share Capital</b>		
(As at 31st March 2021: 197,00,00,000 equity share of Re 1/- each)	19,700.00	19,700.00
<b>Total</b>	<b>19,700.00</b>	<b>19,700.00</b>
<b>Issued, Subscribed and paid up capital</b>		
32,18,69,895 Equity Share of Re 1/- each		
(As at 31st March 2021: 25,03,43,252 equity share of Re 1/- each)	3,218.70	2,503.43
<b>Total</b>	<b>3,218.70</b>	<b>2,503.43</b>

- (i) The Company has only one class of shares referred to as equity shares having a par value of Re. 1. Each holder of equity shares is entitled to one vote per share.
- (ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders
- (iii) During previous financial year, the Company has allotted 1,61,29,031 and 93,54,839 Equity Shares of ₹ 1 each to Shri Saroj Kumar Poddar and M/s Adventz Finance Private Limited respectively under preferential allotment as approved by the shareholders in accordance with Chapter V of the Securities and Exchange Board of India (issue of Capital and Disclosure Requirements) Regulations, 2018. The Equity Shares were issued @ ₹ 31/- per Equity Share (including a premium of ₹ 30/- per share)

## Notes on Consolidated Financial Statement

(iv) During the year, the Company had issued and allotted 7,15,26,643 equity shares of face value of ₹ 1 each by way of Rights Issue for an amount aggregating up to ₹ 164,51,12,789, in the ratio of 2 equity shares for every 7 equity shares held, to eligible equity shareholders of the Company as on the record date at an issue price of ₹ 23/- per equity share (including a premium of ₹ 22/- per equity share).

The proceeds from Rights Issue have been utilised towards the objects stated in the Letter of Offer in the following manner:

Original Object	Modified Object,if any	Original Allocation (₹ In Lakhs)	Modified allocation, if any	Funds Utilised (₹ In Lakhs)	Amount of Deviation/ Variation for the quarter according to applicable object	Remarks if any
Part Repayment or prepayment of ICDs and unsecured loans	N.A	11,500.00	10,402.16	10,402.16	NIL	Refer Note
Funding Working Capital requirements of the company	N.A	3,000.00	N.A	3,000.00	NIL	NIL
General Corporate Purpose	N.A	1,629.18	2,727.02	2,712.77	NIL	Refer Note

Note: The Right Issue was over -subscribed by 1.35 times(approx.) and accordingly,the shares to the promoters/promoter group was limited due to pro-rata basis of allotment to public and promoter category.Therefore,the amount could not be fully utilized for repayment of loan(ICD) on account of allotment of shares to the promoters/promoter group to the extent of ₹ 10,402.16 Lakh.The balance amount of ₹ 1097.84 Lakhs from 'ICD head' has been adjusted in the General Corporate Purpose.Accordingly,the allocation has been modified.Deviation or variation could mean:

- (a) Deviation in the objects or purposes for which the funds have been raised or
  - (b) Deviation in the amount of funds actually utilized as against what was originally disclosed or
  - (c) Change in terms of a contract referred to in the fund raising document i.e prospectus,letter of offer,etc.
- (v) Reconciliation of numbers of Issued, Subscribed and Paid-up Capital

Particulars	As at 31.03.2022	As at 31.03.2021
	No . Of Shares	No . Of Shares
Number of Shares at the beginning of the year	25,03,43,252	22,48,59,382
Add: Conversion of Loan into Equity Share through Preferential Allotment	-	25,483,870
Add: Allotment under Right Issue	71,526,643	-
Number of Shares at the end of the year	<b>321,869,895</b>	25,03,43,252

(vi) After the reporting date, dividend of 10 paise (2021: 10 Paise) 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.

# Notes on Consolidated Financial Statement

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

Name of Shareholders	As at 31.03.2022		As at 31.03.2021	
	No . Of Shares	% Holding	No . Of Shares	% Holding
Texmaco Infrastructure & Holdings Ltd.	5,85,00,000	18.17	5,85,00,000	23.37
Zuari Investments Ltd.	6,37,68,926	19.81	2,50,63,900	10.01
Saroj Kumar Poddar*	2,75,51,367	8.56	2,01,86,771	8.06
Adventz Finance Pvt. Ltd.	2,43,76,949	7.57	1,79,82,239	7.18
HDFC Trustee Company Ltd. A/C HDFC Balanced Advantage Fund	1,74,67,565	5.43	14,190,615	5.67

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

(viii) Details of shareholdings by Promoter / Promoter Group

Sl. No.	Name of the Promoter & Promoter Group	As at 31.03.2022		As at 31.03.2021		% Change during the year*
		No . Of Shares	% of Shareholding	No . Of Shares	% of Shareholding	
1	Saroj Kumar Poddar (As A Karta)	10710	0.00	10710	0.00	-
2	Saroj Kumar Poddar (As A Trustee - Saroj And Jyoti Poddar Holdings Private Trust)	3792857	1.18	2950000	1.18	28.57
3	Shradha Agarwala	20693	0.01	14280	0.01	44.91
4	Jyotsna Poddar (As An Individual)	104032	0.03	71790	0.03	44.91
5	Saroj Kumar Poddar (As An Individual)	23747800	7.38	17226061	6.88	37.86
6	Kumari Anisha Agarwala	46574	0.01	32140	0.01	44.91
7	Aashti Agarwala	20693	0.01	14280	0.01	44.91
8	Eureka Traders Private Limited	530	0.00	530	0.00	-
9	Indrakshi Trading Company Private Limited	30000	0.01	30000	0.01	-
10	Master Exchange & Finance Limited	15760	0.00	15760	0.01	-
11	Premium Exchange And Finance Limited	188090	0.06	188090	0.08	-
12	Zuari Investments Limited	63768926	19.81	25063900	10.01	154.43
13	Zuari Global Limited	765988	0.24	4035000	1.61	-81.02
14	Jeewan Jyoti Medical Society	160500	0.05	160500	0.06	-
15	Adventz Finance Private Limited	24376949	7.57	17982239	7.18	35.56
16	Duke Commerce Limited	7514000	2.33	7514000	3.00	-
17	Greenland Trading Private Limited	35000	0.01	35000	0.01	-
18	Texmaco Infrastructure & Holdings Limited	58500000	18.18	58500000	23.37	-
19	Abhishek Holdings Private Limited	280	0.00	280	0.00	-
20	Adventz Securities Enterprises Limited	3809140	1.18	3809140	1.52	-
21	Adventz Investment Company Private Limited	0	-	3035710	1.21	-100.00
22	New Eros Tradecom Limited	738800	0.23	738800	0.30	-
23	Akshay Poddar	14820	0.00	14820	0.01	-
24	Puja Poddar	160000	0.05	117850	0.05	35.77
		187822142	58.34	141560880	56.55	32.68

\* % change during the year has been computed on the basis of the number of shares at the beginning of the year

# Notes on Consolidated Financial Statement

## Note 1.18 Other Equity

Particulars	(₹ in Lakhs)	
	As at 31.03.2022	As at 31.03.2021
<b>(i) Other Reserves</b>		
Share Options Outstanding Account		
Balance as per last Account	1,184.36	1,184.36
	<b>1,184.36</b>	<b>1,184.36</b>
<b>(ii) Capital Reserve</b>		
Balance as per last Account	1,626.60	1,626.60
	<b>1,626.60</b>	<b>1,626.60</b>
<b>(iii) Securities Premium</b>		
Balance as per last Account	47,579.85	39,934.70
Add: Issue of Equity Share Under Preferential allotment	-	7,645.15
Add: Rights Issue of Equity Shares (including conversion of Loan (Promoters Contribution))	15,735.86	-
Less: Adjustment for Rights Issue Expenses	(338.12)	-
	<b>62,977.59</b>	<b>47,579.85</b>
<b>(iv) General reserve</b>		
Balance at the beginning of the year	47,420.92	47,220.92
Add: Transferred from Statement of Profit and Loss	200.00	200.00
	<b>47,620.92</b>	<b>47,420.92</b>
<b>(v) Reserves representing unrealised gains/losses</b>		
(a) Equity Instruments through Other Comprehensive Income		
Addition during the year	2,638.83	515.23
Less: Realised Profit on Sale of Equity Shares Transferred to Retained Earnings	(3,787.78)	2,123.60
	<b>88.98</b>	<b>2,638.83</b>
(b) Remeasurements of the net defined benefit Plans		
Addition during the year	-	(2.38)
Less: Transferred to Retained Earning	(25.68)	23.19
	25.68	(20.81)
	-	-
(c) Share of other Comprehensive Income in Associates & Joint Ventures, to the extent not to be classified into profit or loss		
Balance at the beginning of the year	-	(2.24)
Addition during the year	-	2.22
Less: Transferred to Retained Earning	-	0.02
	-	-
<b>(vi) Exchange differences on translating the financial statements of a foreign operation</b>		
Balance at the beginning of the year	109.94	(56.82)
Addition during the year	(210.65)	166.76
	<b>(100.71)</b>	<b>109.94</b>
<b>(vii) Retained Earnings</b>		
Surplus at the beginning of the year	11,076.03	10,064.24
Add: Profit for the year	2,050.01	1,415.83
Add: Transferred from Remeasurements of the net defined benefit Plans	(25.68)	20.81
Add: Realised Profit on Sale of Equity Shares Transferred from Equity Instrument Through Other Comprehensive Income	3,787.78	-
Add: Transferred from Share of other Comprehensive Income in Associates & Joint Ventures, to the extent not to be classified into profit or loss	(0.23)	(0.02)
Less: Transferred to General Reserve	(200.00)	(200.00)
Less: Dividend on Equity Shares	(250.34)	(224.83)
	<b>16,437.57</b>	<b>11,076.03</b>
<b>Total</b>	<b>129,835.31</b>	<b>111,636.53</b>

# Notes on Consolidated Financial Statement

## Note 1.18 Other Equity (Contd.)

- (i) **General Reserve:** The General Reserve is used from time to time to transfer of profit from Retained Earnings for appropriation purpose. As the General Reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items includes 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.
- (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 used 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 1.19 Borrowings (Non-Current)

Particulars	(₹ in Lakhs)	
	As at 31.03.2022	As at 31.03.2021
<b>Secured</b>		
<b>From banks</b>		
(a) Term Loan/Foreign Currency Term Loan (TL/FCTL)	6,378.41	5,213.74
(b) Car Loan	46.14	59.76
<b>Total</b>	<b>6,424.55</b>	<b>5,273.50</b>

- i) Term Loan from Banks are secured against the Property, Plant and Equipments created from such Loan, remaining Term Loan from Banks are repayable as per the timeline mentioned in sanctioned letter.
- ii) Term Loans includes loan of ₹ 4150 lakhs secured primarily by an exclusive charge over rent receivables from the lessee and has collateral security by way of an exclusive charge over immovable property against which the rent is receivable.
- iii) Some of the vehicles are acquired through Auto Loan facility and such vehicles are exclusively hypothecated in favour of respective lenders, repayable in monthly equated instalments till Jan 2025.

## Note 1.20 Provisions (Non-Current)

Particulars	(₹ in Lakhs)	
	As at 31.03.2022	As at 31.03.2021
(a) Provision for Leave	365.96	399.17
(b) Provision for Gratuity	305.47	353.50
(c) For Warranty and others	183.99	183.99
<b>Total</b>	<b>855.42</b>	<b>936.66</b>

The Company accounts for leave and gratuity based on Actuary Valuation

# Notes on Consolidated Financial Statement

## Note 1.21 Other Non Current Liabilities

Particulars	(₹ in Lakhs)	
	As at 31.03.2022	As at 31.03.2021
(a) Advances from Customers	11,249.61	11,638.87
(b) Prepaid - Rent Liability	274.47	307.34
<b>Total</b>	<b>11,524.08</b>	<b>11,946.21</b>

## Note 1.22 Borrowings (Current)

Particulars	(₹ in Lakhs)	
	As at 31.03.2022	As at 31.03.2021
<b>(a) Secured</b>		
<b>(i) From Banks</b>		
Cash Credit	49,976.38	42,154.74
Short Term Loans	4,000.00	6,932.19
<b>(b) From Other Parties</b>	-	-
(i) Loans from related parties	4,878.92	19,465.00
ii) Inter-Corporate Deposits	5,700.00	4,100.00
<b>Total</b>	<b>64,555.30</b>	<b>72,651.93</b>

- (i) Cash Credit facilities of respective divisions are secured by hypothecation of first charge on stock, book debts and other current assets of that particular division (both present and future).
- (ii) Cash Credit facility for Rail EPC Divisions and Steel Foundry Division (Raipur) are further secured by first charge on the movable fixed assets of their respective divisions (both present and future).
- (iii) Cash Credit facility for Rail EPC- Kalindee Division are further secured by way of first Pari-Passu charge on fixed deposit of ₹ 14.49 Crores along with flats at Jaipur & Gurgaon to the working capital consortium lenders.
- (iv) Cash Credit Facility of HED/SF (Kolkata) Division are secured by exclusive charge on land and buildings of Agarpara and Belgharia along with second charge on the movable fixed assets of this division.
- (v) Current maturities of long term borrowings amounts to ₹ 1658.74 Lakhs (Previous year ₹ 1054.61 Lakhs)

# Notes on Consolidated Financial Statement

## Note 1.23 Trade Payables

(₹ in Lakhs)

Particulars	As at	As at
	31.03.2022	31.03.2021
Dues to Micro Enterprise and Small Enterprises	-	-
Dues of Creditors other than Micro Enterprise and Small Enterprises	31,164.39	43,016.86
	<b>31,164.39</b>	<b>43,016.86</b>
Information in terms of Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006 is as follows		
Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are give as follows:		
(a) Principal amount due Unpaid matured deposits and interest accrued thereon	-	-
(b) Interest paid during the period beyond the appointed day	-	-
(c) Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	-	-
(d) Amount of interest accrued and remaining unpaid at the end of the period	-	-
(e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act	-	-

There are no 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, 2022 and 31st March, 2021. 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

(₹ in Lakhs)

Ageing of Trade Payable	As on 31st March, 2022				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Other Creditors	24,068.95	3,470.55	1,242.52	2,382.37	31,164.39
(iii) Disputed dues –MSME	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-

(₹ in Lakhs)

Ageing of Trade Payable	As on 31st March, 2021				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	-	-	-	-	-
(ii) Other Creditors	35,571.79	4,257.01	1,289.96	1,898.10	43,016.86
(iii) Disputed dues –MSME	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-



# Notes on Consolidated Financial Statement

## Note 1.24 Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
<b>(a) Interest accrued</b>		
Interest accrued but not due on borrowings	411.88	535.55
(b) Unclaimed/Unpaid dividends	16.32	16.51
<b>(c) Others</b>		
Liabilities for Expenses	1,192.10	2,336.20
Amount Due to Employee	1,464.81	1,324.25
Others Misc. Payable	222.13	186.49
Creditors for Capital Advance	25.07	15.38
<b>Total</b>	<b>3,332.31</b>	<b>4,414.38</b>

There is no amount due and outstanding to be credited to the Investor Education and Protection Fund against unpaid dividend as at 31st March, 2022

## Note 1.25 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Advances from Customers	7,803.26	4,765.89
(b) TDS and other taxes payable	659.64	337.71
(c) PF, ESI amount Payable	124.60	120.24
(d) Security Deposits	2,454.68	2,178.50
(e) Other Liabilities	2,116.85	1,455.79
<b>Total</b>	<b>13,159.03</b>	<b>8,858.13</b>

## Note 1.26 Provisions (Current)

(₹ in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Provision for Gratuity	76.86	45.58
(b) Provision for leave	118.89	103.77
(c) Provision for Contract Loss Provision	35.63	600.40
(d) Provision for Expenses	2,325.31	2,423.82
<b>Total</b>	<b>2,556.69</b>	<b>3,173.57</b>

The Company accounts for leave and gratuity based on Actuary Valuation

# Notes on Consolidated Financial Statement

## Note 1.27 Revenue From Operations

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
(a) Sale of products	104,508.34	104,493.10
(b) Sale of services	74,913.37	77,642.43
(c) Other operating revenues	2,019.87	806.37
<b>Gross Revenue from Operations</b>	<b>181,441.58</b>	<b>182,941.90</b>
Less: Inter Segment Revenue	19,267.99	14,057.11
<b>Net Revenue from Operations</b>	<b>162,173.59</b>	<b>168,884.79</b>

## Note 1.28 Other Income

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>(a) Interest Income</b>		
From Bank	335.33	265.14
From Others	39.63	70.59
<b>(b) Dividend Income</b>		
Income from Non-Current Investments	60.05	32.10
<b>(c) Other non-operating income</b>		
Net gain on Sale of Current Investments	22.30	2.77
Compensation Against Old Refugee Settlement Area	-	589.74
Miscellaneous Receipts and Income	631.34	297.10
Sundry Credit Balance Adjusted	29.82	0.45
Profit on sale of Fixed Assets (Net)	10.30	-
Rent Received	927.24	965.17
Provision & Excess Liabilities Written Back	1.46	2.18
Insurance Claim Received	184.97	66.87
Gain on fair valuation of Bonds/Mutual Fund	0.69	211.05
<b>Total</b>	<b>2,243.13</b>	<b>2,503.16</b>

## Note 1.29 Cost of Materials Consumed

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Opening Stock of Raw Materials	3,764.71	5,888.18
Add: Raw materials Purchased and Departmental Transfers etc.	82,470.78	68,782.00
	<b>86,235.49</b>	<b>74,670.18</b>
Less: Closing Stock of Raw Materials	5,380.71	3,764.71
	<b>80,854.78</b>	<b>70,905.47</b>
Consumption of Components	50,137.92	44,471.32
Less Inter Segment Revenue	(19,267.99)	(14,057.11)
<b>Total</b>	<b>111,724.71</b>	<b>101,319.68</b>

# Notes on Consolidated Financial Statement

## Note 1.30 Changes In Inventories of Finished Goods, Stock-In-Trade and Work-in-Progress

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>Opening Stock</b>		
Finished Goods	1,463.64	5,097.35
Work-in-Progress	14,581.23	27,792.32
	<b>16,044.87</b>	<b>32,889.67</b>
<b>Less : Closing Stock</b>		
Finished Goods	1,501.69	1,463.64
Work-in-Progress	16,845.09	14,581.23
	<b>18,346.78</b>	<b>16,044.87</b>
(Increase) / Decrease in Stock	(2,301.91)	16,844.80

## Note 1.31 Employee Benefits Expense

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
(a) Salaries ,Wages and Bonus	11,220.19	10,334.05
(b) Contribution to provident and other funds	-	-
i) Provident Fund and Pension Fund	735.33	660.62
ii) Superannuation Fund	28.90	25.11
iii) Gratuity	61.62	267.67
(c) Staff Welfare Expenses	490.76	400.06
(d) VRS Expenses	66.55	0.59
<b>Total</b>	<b>12,603.35</b>	<b>11,688.10</b>

## Note 1.32 Finance Costs

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
(a) Interest		
i) Banks	4,994.86	5,891.30
ii) Others	2,946.44	3,115.69
(b) Other Borrowing costs	2,082.84	1,289.96
<b>Total</b>	<b>10,024.14</b>	<b>10,296.95</b>

## Note 1.33 Depreciation and Amortization Expenses

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Depreciation on Tangible Assets	3,567.56	3,680.24
Depreciation on Intangible Assets	32.64	65.11
<b>Total</b>	<b>3,600.20</b>	<b>3,745.35</b>

# Notes on Consolidated Financial Statement

## Note 1.34 Other Expenses

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022		Year Ended 31.03.2021	
Consumption of stores and spare parts		7,999.95		8,815.25
Power and Fuel		5,544.74		5,515.63
Rent		432.69		569.25
Repairs to buildings		574.95		497.86
Repairs to machinery		485.55		364.30
Repairs to others		110.43		111.56
Insurance		371.85		491.89
Rates and Taxes excluding taxes on Income		388.38		411.42
Freight,Packing and Transport		859.38		1,284.00
Erection Expenses		4,815.19		5,687.60
Drawings and Designs		4.40		1.01
Royalty & Knowhow		0.68		24.01
Research & Development		71.62		129.54
Selling Agents Commission		24.08		62.32
Selling Expenses		284.04		134.61
Director's Sitting Fees		28.20		23.35
Director's Commission		13.59		12.41
Payments to the Auditor		44.20		42.32
As Auditor	20.20		19.90	
For Tax Audit	4.75		4.75	
For Quarterly Review	5.70		5.70	
For Fees For Other Services	11.17		5.11	
As Cost Auditor	1.95		1.85	
For Reimbursement of out of pocket expenses	0.43		5.01	
Donation		2.07		1.04
CSR Expenses*		7.68		11.61
Miscellaneous Expenses		3,315.48		2,555.95
Sundry Debit Balance Adjusted		4.50		37.54
Capital WIP Written Off		-		378.48
Allowance for bad & doubtful debts		597.34		330.91
Bad Debt/Impairment /Loss of unbilled Revenue	5,561.37	-	8,817.50	-
Less: Allowance for bad & doubtful debts	(5,329.92)	231.45	(8,766.32)	51.18
Capital Advance Written Off		42.48		-
Net (gain)/loss on foreign currency transaction		(128.94)		(394.15)
Unbilled revenue/ Contractually reimbursable expenses written off	1,281.42	-		
Less: credit impaired	(1,281.42)	-		
Loss/(Profit) on sale of PPE (Net)		-		7.57
Provision & Excess Liabilities Written Back		-		0.94
<b>Total</b>		<b>26,125.98</b>		<b>27,159.40</b>

### \*Note on CSR Expense:

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
(i) Amount required to be spent by the company during the year	6.55	7.31
(ii) Amount of expenditure incurred	7.68	11.61
(iii) Shortfall at the end of the year	NA	NA
(iv) Total of previous years shortfall	NA	NA
(v) Reason for shortfall	NA	NA
(vi) Nature of CSR activities	Health & Education	Health & Education
Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	Nil	Nil
(viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year shall be shown separately	Nil	Nil

# Notes on Consolidated Financial Statement

## Note 1.35 Other Comprehensive Income

(₹ in Lakhs)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
<b>A. Items that will not be reclassified to profit or loss</b>		
(i) Remeasurements of the defined benefit plans	(25.68)	23.19
(ii) Equity Instruments through Other Comprehensive Income	1,237.93	2,123.60
(iii) Share of Other Comprehensive Income in Associates and Joint Ventures, to the extent not to be classified into profit or loss	(0.27)	2.22
<b>Total</b>	<b>1,211.98</b>	<b>2,149.01</b>
<b>B. Items that will be reclassified to profit or loss</b>		
(i) Exchange differences in translating the financial statements of a foreign operation	(210.65)	166.76
<b>Total</b>	<b>(210.65)</b>	<b>166.76</b>

## Note No. 1.36 Related Party Disclosure

### (a) Name of the related parties and relationship as per Ind AS 24, where transaction exists.

Relationship	Parties where control Exist 2021-2022	Parties where control Exist 2020-21
	A. Key Management Personnel	Mr. Saroj Kumar Poddar Executive Chairman Mr. Indrajit Mookherjee, Executive Director & Vice Chairman (w.e.f: 1st January,2022) Mr. Ashish Kr. Gupta, Managing Director (w.e.f: 1st January,2022) Mr. A. C. Chakrabortti, Independent Director (Resigned w.e.f 7th February 2022) Mr. D. R. Kaarthikeyan, Independent Director -  Mr. Sunil Mitra, Independent Director (Resigned w.e.f 9th December 2021) Mr. Utsav Parekh, Independent Director Mr. Virendra Sinha, Independent Director

# Notes on Consolidated Financial Statement

Relationship	Parties where control Exist	Parties where control Exist
	2021-2022	2020-21
	<p>Ms. Rusha Mitra, Independent Director</p> <p>Mr. Partha Sarathi Bhattacharyya, Independent Director (Appointed w.e.f: 1st Jan,2022)</p> <p>Mr. Ashok Kr. Vijay, Executive Director (Finance) &amp; CFO</p> <p>Mr. Damodar Hazarimal Kela Executive Director &amp; CEO (SF)</p> <p>Mr. Akshay Poddar, Non – Executive Director</p> <p>Mr. Ravi Varma Company Secretary</p>	<p>Ms. Rusha Mitra, Independent Director (Appointed w.e.f: 17th Feb,2021)</p> <p>-</p> <p>Mr. Ashok Kr. Vijay, Executive Director (Finance) &amp; CFO</p> <p>Mr. Damodar Hazarimal Kela Executive Director &amp; CEO (SF)</p> <p>Mr. Akshay Poddar, Non – Executive Director</p> <p>Mr. Ravi Varma Company Secretary</p>
B. Relative of Key Management Personnel	<p>Ms. Jyotsna Poddar (Wife of Mr. S.K.Poddar)</p> <p>Ms. Puja Poddar (Daughter in Law of Mr. S.K.Poddar)</p> <p>Ms. Shradha Agarwal (Daughter of Mr. S.K.Poddar)</p> <p>Ms. Anisha Kumari Agarwal (GrandDaughter of Mr. S.K.Poddar)</p> <p>Ms. Aashti Agarwal (GrandDaughter of Mr. S.K.Poddar)</p>	<p>Ms. Jyotsna Poddar (Wife of Mr. S.K.Poddar)</p> <p>Ms. Puja Poddar (Daughter in Law of Mr. S.K.Poddar)</p> <p>Ms. Shradha Agarwal (Daughter of Mr. S.K.Poddar)</p> <p>Ms. Anisha Kumari Agarwal (GrandDaughter of Mr. S.K.Poddar)</p> <p>Ms. Aashti Agarwal (GrandDaughter of Mr. S.K.Poddar)</p>
C. Subsidiary Company	<p>Belur Engineering Private Ltd. (100% of Capital held by Company)</p> <p>Texmaco Transtrak Private Ltd. (51.01% of Capital held by Company)</p> <p>-</p> <p>Texmaco Rail Systems Pvt. Ltd (51% of Capital held by Company)</p> <p>Texmaco Rail Electrification Ltd. (100% of Capital held by Company)</p> <p>Texmaco Engineering Udyog Pvt. Ltd. (100% of Capital held by Company)</p>	<p>Belur Engineering Private Ltd. (100% of Capital held by Company)</p> <p>Texmaco Transtrak Private Ltd. (51.01% of Capital held by Company)</p> <p>Texrail SA (Pty) Ltd. (Subsidiary by way of Control)</p> <p>Texmaco Rail Systems Pvt. Ltd. (67.11% of Capital held by Company)</p> <p>Texmaco Rail Electrification Ltd. (100% of Capital held by Company)</p> <p>Texmaco Engineering Udyog Pvt. Ltd. (100% of Capital held by Company)</p>
D. Associate	<p>Texmaco Defence Systems Pvt. Ltd. (41% of Capital held by Company)</p>	<p>Texmaco Defence Systems Pvt. Ltd. (41% of Capital held by Company)</p>
E. Joint Ventures	<p>Touax Texmaco Railcar Leasing Pvt. Ltd. (50% of Capital held by Company)</p> <p>Wabtec Texmaco Rail Pvt. Ltd. (40% of Capital held by Company)</p> <p>Kalindee Cobra JV</p> <p>Kalindee Kapoor Railcon JV</p> <p>Kalindee Karthik JV</p> <p>Kalindee VNC JV</p>	<p>Touax Texmaco Railcar Leasing Pvt. Ltd. (50% of Capital held by Company)</p> <p>Wabtec Texmaco Rail Pvt. Ltd. (40% of Capital held by Company)</p> <p>Kalindee Cobra JV</p> <p>Kalindee Kapoor Railcon JV</p> <p>Kalindee Karthik JV</p> <p>Kalindee VNC JV</p>

## Notes on Consolidated Financial Statement

Relationship	Parties where control Exist	Parties where control Exist
	2021-2022	2020-21
	Kalindee IF&LS JV GMR TPL KRNL JV Kalindee Rahee JV Kalindee URC JV JMC – GPT – Vijaywargi – Bright Power JV JMC – Vijaywargi – Bright Power JV Bright – Vijaywargi JV Bright – Kalindee JV Bright – Texmaco JV ISC Projects- Texmaco JV Kalindee ASIS JV Tata Projects – Kalindee JV TexmacoRahee JV	Kalindee IF&LS JV GMR TPL KRNL JV Kalindee Rahee JV Kalindee URC JV JMC – GPT – Vijaywargi – Bright Power JV JMC – Vijaywargi – Bright Power JV Bright – Vijaywargi JV Bright – Kalindee JV Bright – Texmaco JV ISC Projects- Texmaco JV Kalindee ASIS JV Tata Projects – Kalindee JV TexmacoRahee 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. Eureka Traders Pvt. Ltd. Abhishek Holdings Pvt. Ltd. Greenland Trading Pvt. Ltd. Indrakshi Trading Company Pvt. Ltd. Zuari Management Services Ltd. High Quality Steels Ltd. Lionel India Ltd. Lionel Edwards Ltd. Texmaco Infrastructure & Holdings Ltd. Zuari Investments Ltd. Zuari Sugar and Power Ltd. Paradeep Phosphate Ltd. Magnacon Electricals India Ltd. The Pench Valley Coal Company Ltd. Premium Exchange And Finance Ltd. Jeewan Jyoti Medical Society	Duke Commerce Ltd.  Adventz Securities Enterprises Ltd. Zuari Global Ltd. New Eros Tradecom Ltd. Master Exchange & Finance Ltd. Adventz Investments Co. Pvt. Ltd. Adventz Finance Pvt. Ltd. Eureka Traders Pvt. Ltd. Abhishek Holdings Pvt. Ltd. Greenland Trading Pvt. Ltd. Indrakshi Trading Company Pvt. Ltd. Zuari Management Services Ltd. High Quality Steels Ltd. Lionel India Ltd. Lionel Edwards Ltd. Texmaco Infrastructure & Holdings Ltd. Zuari Investments Ltd. Zuari Sugar and Power Ltd. Paradeep Phosphate Ltd. Magnacon Electricals India Ltd. The Pench Valley Coal Company Ltd. Premium Exchange And Finance Ltd. Jeewan Jyoti Medical Society

# Notes on Consolidated Financial Statement

## (b) Related Party Transactions

(₹ in Lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2022
<b>Remuneration Paid</b>							
- Mr. Saroj Kumar Poddar	--	--	--	--	423.83	423.83	--
	(--)	(--)	(--)	(--)	(274.37)	(274.37)	(--)
- Mr. Indrajit Mookherjee	--	--	--	--	80.08	80.08	--
	(--)	(--)	(--)	(--)	(58.90)	(58.90)	(--)
- Mr. A.K. Vijay	--	--	--	--	89.92	89.92	--
	(--)	(--)	(--)	(--)	(54.80)	(54.80)	(--)
- Mr. D. H. Kela	--	--	--	--	168.51	168.51	--
	(--)	(--)	(--)	(--)	(95.38)	(95.38)	(--)
- Mr. Ashish Kr. Gupta	--	--	--	--	170.24	170.24	--
	(--)	(--)	(--)	(--)	(52.08)	(52.08)	(--)
- Mr. Ravi Varma	--	--	--	--	29.40	29.40	--
	(--)	(--)	(--)	(--)	(22.03)	(22.03)	(--)
- Mr. A. C. Chakrabortti (Sitting Fees & Commission)	--	--	--	--	8.37	8.37	--
	(--)	(--)	(--)	(--)	(6.85)	(6.85)	(--)
- Mr. D.R. Kaarthikeyan (Sitting Fees & Commission)	--	--	--	--	7.15	7.15	--
	(--)	(--)	(--)	(--)	(5.85)	(5.85)	(--)
- Mr. Sunil Mitra (Sitting Fees & Commission)	--	--	--	--	4.34	4.34	--
	(--)	(--)	(--)	(--)	(5.75)	(5.75)	(--)
- Mr. Utsav Parekh (Sitting Fees & Commission)	--	--	--	--	7.00	7.00	--
	(--)	(--)	(--)	(--)	(4.00)	(4.00)	(--)
- Mr. Akshay Poddar (Sitting Fees & Commission)	--	--	--	--	4.50	4.50	--
	(--)	(--)	(--)	(--)	(5.00)	(5.00)	(--)
- Ms. Risha Mitra (Sitting Fees & Commission)	--	--	--	--	4.65	4.65	--
	(--)	(--)	(--)	(--)	(0.89)	(0.89)	(--)
- Mr. Partha Sarathi Bhattacharyya (Sitting Fees & Commission)	--	--	--	--	1.14	1.14	--
	(--)	(--)	(--)	(--)	(--)	(--)	(--)
- Mr. Virendra Sinha (Sitting Fees & Commission)	--	--	--	--	4.65	4.65	--
	(--)	(--)	(--)	(--)	(0.89)	(0.89)	(--)
- Ms. Mridula Jhunjunwala (Sitting Fees & Commission)	--	--	--	--	--	--	--
	(--)	(--)	(--)	(--)	(6.53)	(6.53)	(--)
- Mr. Indrajit Mookherjee (Appointed w.e.f: 02nd April, 2020)	--	--	--	--	--	--	--
	(--)	(--)	(--)	(--)	(0.01)	(0.01)	(--)
<b>Investment</b>							
- Touax Texmaco Railcar Leasing Pvt. Ltd.	--	--	--	1,683.17	--	1,683.17	6,614.99
	(--)	(--)	(--)	(466.83)	(--)	(466.83)	(4,931.82)
- Texmaco Infrastructure & Holdings Ltd.	(1530.48)	--	--	--	--	(1,530.48)	114.39
	(--)	(--)	(--)	(--)	(--)	(--)	(1,644.87)
- Wabtec Texmaco Rail Pvt. Ltd	--	--	--	--	--	--	328.17
	(--)	(--)	(--)	(--)	(--)	(--)	(328.17)



# Notes on Consolidated Financial Statement

(₹ in Lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2022
<b>Loans &amp; Advances Given</b>							
- Bright-Vijaywargi-JV	--	--	--	-39.71	--	-39.71	66.39
	(-)	(-)	(-)	(48.41)	(-)	(48.41)	(106.10)
- Bright- Kalindee-JV	--	--	--	-23.67	--	-23.67	-47.32
	(-)	(-)	(-)	(44.97)	(-)	(44.97)	(-23.65)
- Bright- Texmaco-JV	--	--	--	-52.90	--	-52.90	-193.50
	(-)	(-)	(-)	(124.48)	(-)	(124.48)	(-140.60)
<b>Loans &amp; Advances Received/ Repaid</b>							
- Adventz Finance Pvt. Ltd.	-2,802.00	--	--	--	--	-2,802.00	318.00
	(-2,080.00)	(-)	(-)	(-)	(-)	(-2,080.00)	(3,120.00)
- Adventz Securities Enterprises Ltd.	-1,044.00	--	--	--	--	-1,044.00	31.00
	(375.00)	(-)	(-)	(-)	(-)	(375.00)	(1,075.00)
- Magnacon Electricals India Ltd.	--	--	--	--	--	--	--
	(-800.00)	(-)	(-)	(-)	(-)	(-800.00)	(-)
- Zuari Management Services Ltd.	--	--	--	--	--	--	3,600.00
	(3,600.00)	(-)	(-)	(-)	(-)	(3,600.00)	(3,600.00)
- Zuari Investments Ltd.	-8070.00	--	--	--	--	-8070.00	930.00
	(9,000.00)	(-)	(-)	(-)	(-)	(9,000.00)	(9,000.00)
- Zuari Sugar and Power Ltd.	-1,150.00	--	--	--	--	-1,150.00	--
	(1,150.00)	(-)	(-)	(-)	(-)	(1,150.00)	(1,150.00)
- Mr. Saroj Kumar Poddar	--	--	--	--	-1,500.00	-1,500.00	--
	(-)	(-)	(-)	(-)	(1,500.00)	(1,500.00)	(1,500.00)
- Pench Valley Coal Company Ltd.	-20.00	--	--	--	--	-20.00	--
	(20.00)	(-)	(-)	(-)	(-)	(20.00)	(20.00)
<b>Dividend Paid</b>							
- Mr.Saroj Kumar Poddar	--	--	--	--	20.19	20.19	--
	(-)	(-)	(-)	(-)	(4.15)	(4.15)	(-)
- Ms Jyotsna Poddar	0.07	--	--	--	--	0.07	--
	(0.07)	(-)	(-)	(-)	(-)	(0.07)	(-)
- Ms. Puja Poddar	0.12	--	--	--	--	0.12	--
	(0.03)	(-)	(-)	(-)	(-)	(0.03)	(-)
- Mr. Akshay Poddar	--	--	--	--	0.01	0.01	--
	(-)	(-)	(-)	(-)	(0.01)	(0.01)	(-)
- Ms. Shradha Agarwal	0.01	--	--	--	--	0.01	--
	(0.01)	(-)	(-)	(-)	(-)	(0.01)	(-)
- Ms. Aashti Agarwal	0.01	--	--	--	--	0.01	--
	(0.01)	(-)	(-)	(-)	(-)	(0.01)	(-)
- Ms. Anisha Kumari Agarwal	0.03	--	--	--	--	0.03	--
	(0.03)	(-)	(-)	(-)	(-)	(0.03)	(-)
- Premium Exchange and Finance Ltd.	0.19	--	--	--	--	0.19	--
	0.19	(-)	(-)	(-)	(-)	0.19	(-)
- Jeewan Jyoti Medical Society	0.16	--	--	--	--	0.16	--
	0.16	(-)	(-)	(-)	(-)	0.16	(-)
- Adventz Securities Enterprises Ltd.	3.81	--	--	--	--	3.81	--
	(3.81)	(-)	(-)	(-)	(-)	(3.81)	(-)
- Adventz Finance Pvt. Ltd.	17.98	--	--	--	--	17.98	--
	(8.48)	(-)	(-)	(-)	(-)	(8.48)	(-)
- Adventz Investments Co. Pvt. Ltd.	3.04	--	--	--	--	3.04	--
	(3.04)	(-)	(-)	(-)	(-)	(3.04)	(-)

# Notes on Consolidated Financial Statement

(₹ in Lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2022
- Duke Commerce Ltd.	7.51 (7.51)	-- (--)	-- (--)	-- (--)	-- (--)	7.51 (7.51)	-- (--)
- Greenland Trading Pvt. Ltd.	0.04 (0.04)	-- (--)	-- (--)	-- (--)	-- (--)	0.04 (0.04)	-- (--)
- Master Exchange & Finance Ltd.	0.02 (0.02)	-- (--)	-- (--)	-- (--)	-- (--)	0.02 (0.02)	-- (--)
- New Eros Tradecom Ltd.	0.74 (0.74)	-- (--)	-- (--)	-- (--)	-- (--)	0.74 (0.74)	-- (--)
- Indrakshi Trading Company Pvt. Ltd.	0.03 (0.03)	-- (--)	-- (--)	-- (--)	-- (--)	0.03 (0.03)	-- (--)
- Texmaco Infrastructure & Holdings Limited	58.50 (58.50)	-- (--)	-- (--)	-- (--)	-- (--)	58.50 (58.50)	-- (--)
- Zuari Investments Ltd.	25.06 (25.06)	-- (--)	-- (--)	-- (--)	-- (--)	25.06 (25.06)	-- (--)
- Zuari Global Ltd.	4.04 (4.04)	-- (--)	-- (--)	-- (--)	-- (--)	4.04 (4.04)	-- (--)
- Mr. D. H. Kela	-- (--)	-- (--)	-- (--)	-- (--)	-- (0.03)	-- (0.03)	-- (--)
- Mr. A.K. Vijay	-- (--)	-- (--)	-- (--)	-- (--)	0.05 (0.05)	0.05 (0.05)	-- (--)
- Mr. Ravi Varma	-- (--)	-- (--)	-- (--)	-- (--)	0.01 (--)	0.01 (--)	-- (--)
<b>Dividend Received</b>							
- Texmaco Infrastructure & Holdings Ltd.	4.70 (4.70)	-- (--)	-- (--)	-- (--)	-- (--)	4.70 (4.70)	-- (--)
- Wabtec Texmaco Rail Pvt. Ltd.	98.45 -	-- (--)	-- (--)	-- (--)	-- (--)	98.45 -	-- (--)
<b>Others</b>							
- Adventz Finance Pvt. Ltd. (Rent Paid)	15.73 (15.79)	-- (--)	-- (--)	-- (--)	-- (--)	15.73 (15.79)	-- (--)
- Adventz Finance Pvt. Ltd. (Interest Paid)	491.14 (710.74)	-- (--)	-- (--)	-- (--)	-- (--)	491.14 (710.74)	4.07 (127.90)
- Adventz Securities Enterprises Ltd. (Interest Paid)	117.70 (106.97)	-- (--)	-- (--)	-- (--)	-- (--)	117.70 (106.97)	40.37 (27.12)
- Magnacon Electricals India Ltd. (Interest Paid)	-- (90.73)	-- (--)	-- (--)	-- (--)	-- (--)	-- (90.73)	-- (--)
- Zuari Management Services Ltd. (Interest Paid)	486.00 (438.06)	-- (--)	-- (--)	-- (--)	-- (--)	486.00 (438.06)	328.35 (405.21)
- Zuari Sugar and Power Ltd. (Interest Paid)	87.77 (58.68)	-- (--)	-- (--)	-- (--)	-- (--)	87.77 (58.68)	0.82 (54.28)
- Zuari Investment Ltd. (Interest Paid)	1,080.09 (29.25)	-- (--)	-- (--)	-- (--)	-- (--)	1,080.09 (29.25)	57.74 (27.06)
- Pench Valley Coal Company Ltd (Interest Paid)	1.98 (0.37)	-- (--)	-- (--)	-- (--)	-- (--)	1.98 (0.37)	-- (0.34)
- Mr. Saroj Kumar Poddar (Interest Paid)	-- (--)	-- (--)	-- (--)	-- (--)	120.82 (349.81)	120.82 (349.81)	-- (326.44)
- High Quality Steels Ltd. (Services Received)	563.48 (530.97)	-- (--)	-- (--)	-- (--)	-- (--)	563.48 (530.97)	51.01 (59.14)

## Notes on Consolidated Financial Statement

(₹ in Lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2022
- Lionel India Ltd. (Services Received)	131.42 (24.17)	-- (--)	-- (--)	-- (--)	-- (--)	131.42 (24.17)	25.25 (14.44)
- Lionel India Ltd. (Rent Received)	7.37 (21.01)	-- (--)	-- (--)	-- (--)	-- (--)	7.37 (21.01)	4.68 (21.01)
- Lionel Edwards Ltd. (Services Received)	17.58 (--)	-- (--)	-- (--)	-- (--)	-- (--)	17.58 (--)	-- (--)
- Zuari Management Services Ltd. (Services Received)	164.49 (37.06)	-- (--)	-- (--)	-- (--)	-- (--)	164.49 (37.06)	16.29 (9.71)
- Texmaco Infrastructure & Holdings Ltd. (Rent Received)	0.72 (0.72)	-- (--)	-- (--)	-- (--)	-- (--)	0.72 (0.72)	-- (--)
- Texmaco Infrastructure & Holdings Ltd. (Rent Paid)	45.83 (68.74)	-- (--)	-- (--)	-- (--)	-- (--)	45.83 (68.74)	36.40 (73.03)
- Wabtec Texmaco Rail Pvt. Ltd. (Sale of Goods)	-- (--)	-- (--)	-- (--)	466.64 (412.40)	-- (--)	466.64 (412.40)	-- (156.22)
- Wabtec Texmaco Rail Pvt. Ltd. (Purchase of Goods)	-- (--)	-- (--)	-- (--)	1095.31 (431.95)	-- (--)	1095.31 (431.95)	73.91 (--)
- Wabtec Texmaco Rail Pvt. Ltd. (Sale of Services/Rent)	-- (--)	-- (--)	-- (--)	146.16 (169.43)	-- (--)	146.16 (169.43)	0.23 (43.29)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	119.61 (2181.17)	-- (--)	119.61 (2181.17)	69.43 (2550.19)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Rent Received)	-- (--)	-- (--)	-- (--)	4.84 (3.23)	-- (--)	4.84 (3.23)	0.44 (0.48)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Deposit Against Order)	-- (--)	-- (--)	-- (--)	-24.56 (--)	-- (--)	-24.56 (--)	-- (24.56)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Interest receivable against CCD given)	-- (--)	-- (--)	-- (--)	528.54 (298.04)	-- (--)	528.54 (298.04)	1,337.94 (862.25)
- Paradeep Phosphate Ltd. (Rent Received)	-- (3.59)	-- (--)	-- (--)	-- (--)	-- (--)	-- (3.59)	-- (--)
- Bright-Vijaywargi JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	2,369.11 (2,796.59)	-- (--)	2,369.11 (2,796.59)	459.91 (528.30)
- JMC-GPT-Vijaywargi-Bright Power JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	-28.39 (123.85)	-- (--)	-28.39 (123.85)	93.82 (122.21)
- JMC-Vijaywargi-Bright Power JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	-46.16 (49.74)	-- (--)	-46.16 (49.74)	262.24 (308.40)
- Bright-Kalindee JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	320.79 (744.47)	-- (--)	320.79 (744.47)	385.31 (239.38)
- Bright-Texmaco JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	6,012.02 (3,518.28)	-- (--)	6,012.02 (3,518.28)	532.75 (750.14)
- ISC Projects -Texmaco JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	1,396.93 (1,948.70)	-- (--)	1,396.93 (1,948.70)	441.79 (356.46)

# Notes on Consolidated Financial Statement

(₹ in Lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2022
- JMC-Vijaywargi-Bright Power JV (Amount paid on behalf of Company)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	1.15 (1.15)
- JMC-GPT-Vijaywargi-Bright Power JV (Amount paid on behalf of Company)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	2.45 (2.45)
- Kalindee Cobra JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	899.04 (1,431.00)	-- (--)	899.04 (1,431.00)	569.35 (573.41)
- Kalindee Cobra JV (Amount paid by the company on behalf of others)	-- (--)	-- (--)	-- (--)	15.77 (1.44)	-- (--)	15.77 (1.44)	-- (--)
- Kalindee IL & FS JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	-- (19.64)	-- (--)	-- (19.64)	1346.48 (1,346.48)
- Kalindee IL & FS JV (Amount paid on behalf of the company)	-- (--)	-- (--)	-- (--)	1.17 (--)	-- (--)	1.17 (--)	1.17 (--)
- Kalindee Kapoor Railcon JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	804.19 (90.47)	-- (--)	804.19 (90.47)	773.05 (316.04)
- Kalindee Kapoor Railcon JV (Amount paid on behalf of the company)	-- (--)	-- (--)	-- (--)	2.32 (1.71)	-- (--)	2.32 (1.71)	-- (--)
- Kalindee Karthik JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	10.48 (112.64)	-- (--)	10.48 (112.64)	363.91 (529.31)
- Kalindee Karthik JV (Amount paid on behalf of the company)	-- (--)	-- (--)	-- (--)	0.23 (--)	-- (--)	0.23 (--)	-- (--)
- Kalindee Rahee JV (Amount paid by the company on behalf of others)	-- (--)	-- (--)	-- (--)	12.29 (28.02)	-- (--)	12.29 (28.02)	677.29 (905.79)
- Kalindee URC JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	49.11 (212.25)	-- (--)	49.11 (212.25)	167.91 (181.43)
- Kalindee VNC JV (Amount paid by the company on behalf of others)	-- (--)	-- (--)	-- (--)	14.24 (32.89)	-- (--)	14.24 (32.89)	1638.78 (1681.28)
- GMR TPL KRNL JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	325.12 (849.28)	-- (--)	325.12 (849.28)	777.00 (878.34)
- Tata Projects- Kalindee JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	521.21 (553.49)	-- (--)	521.21 (553.49)	49.10 (465.30)
- Texmaco SA (Pty) Ltd. (Services Received)	-- (--)	-- (0.36)	-- (--)	-- (--)	-- (--)	-- (0.36)	-- (--)
- Texmaco-Rahee JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	1475.92 (691.05)	-- (--)	1475.92 (691.05)	-- (67.24)
- Texmaco-Asis JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	153.88 (12.05)	-- (--)	153.88 (12.05)	-- (--)
<b>Corporate Guarantee Given</b>							
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Against Sale of Wagons)	-- (--)	-- (--)	-- (--)	-1144.21 (958.48)	-- (--)	-1144.21 (958.48)	1520.66 (2664.87)

Note: Figures in brackets are for previous financial year.

# Notes on Consolidated Financial Statement

## Note 1.37 Earning Per Share – The Numerator And Denominator Used To Calculate Basic/ Diluted Earning Per Share

Particulars		2021-22	2020-21
Net Profit for the period from ordinary activities attributable to equity shareholders (Excluding Preference Share Dividend) – used as numerator.	₹ in Lakhs	2,050.01	1,415.83
Weighted average number of Equity share outstanding used as denominator for Basic earning per share.	Number	27,38,58,861	22,74,42,678
Weighted Average Number of Equity share used on denominator for Diluted Earning Per Share	Number	27,38,58,861	22,74,42,678
(A) Basic Earning per share ( face value of Re 1/- each)	Re	0.75	0.62
(B) Diluted Earning per share ( face value of Re 1/- each)	Re	0.75	0.62

## Note No. 1.38 Principles of Consolidation

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

Name of the Company	Country of Incorporation	% Shareholding
Belur Engineering Pvt. Ltd.	India	100%
Texmaco Transtrak Pvt. Ltd.	India	51%
Texmaco Rail Systems Pvt. Ltd.	India	51%
Texmaco Rail Electrification Ltd.	India	100%
Texmaco Engineering Udyog Pvt Ltd.	India	100%

- b) These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provision of the Act.

All assets and liabilities have been classified as current or non – current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

### c) Accounting policies applicable in consolidated financial statements

- i) 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.
- ii) 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.
- iii) 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.
- iv) 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 1.39 Financial Instruments

### A. Accounting classification and fair values

31st March 2022

(₹ in Lakhs)

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets (Long Term)</b>								
- Investments		156.60	7,537.55	7,694.15	156.60	7,537.55	-	7,694.15
- Bank Balances			1,411.07	1,411.07	-	-	1,411.07	1,411.07
- Others			902.83	902.83	-	-	902.83	902.83
<b>Financial Assets (Short Term)</b>								
- Investments	16.70			16.70	16.70	-	-	16.70
- Trade Receivable			56,994.22	56,994.22	-	-	56,994.22	56,994.22
- Cash and cash equivalents			5,606.76	5,606.76	-	-	5,606.76	5,606.76
- Bank Balances & Others			11,659.04	11,659.04	-	-	11,659.04	11,659.04
- Loans & Advances			2,277.47	2,277.47	-	-	2,277.47	2,277.47
<b>Total</b>	<b>16.70</b>	<b>156.60</b>	<b>86,388.94</b>	<b>86,562.24</b>	<b>173.30</b>	<b>7,537.55</b>	<b>78,851.39</b>	<b>86,562.24</b>
<b>Financial liabilities (Long Term)</b>								
- Borrowings			6,424.55	6,424.55			6,424.55	6,424.55
<b>Financial liabilities (Short Term)</b>								
- Borrowings			64,555.30	64,555.30			64,555.30	64,555.30
- Trade Payable			31,164.39	31,164.39			31,164.39	31,164.39
- Other Financial Liabilities			3,332.31	3,332.31			3,332.31	3,332.31
<b>Total</b>	<b>-</b>	<b>-</b>	<b>105,476.55</b>	<b>105,476.55</b>	<b>-</b>	<b>-</b>	<b>105,476.55</b>	<b>105,476.55</b>

### A. Accounting classification and fair values

31st March 2021

(₹ in Lakhs)

Particulars	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets (Long Term)</b>								
- Investments		3,935.36	5,650.86	9,586.22	3,935.36	5,650.86	-	9,586.22
- Bank Balances			1,025.16	1,025.16	-	-	1,025.16	1,025.16
- Others			746.89	746.89	-	-	746.89	746.89
<b>Financial Assets (Short Term)</b>								
- Investments	3,546.91			3,546.91	3,546.91	-	-	3,546.91
- Trade Receivable			61,148.82	61,148.82	-	-	61,148.82	61,148.82
- Cash and cash equivalents			2,260.14	2,260.14	-	-	2,260.14	2,260.14
- Bank Balances & Others			8,270.02	8,270.02	-	-	8,270.02	8,270.02
- Loans & Advances			1,791.55	1,791.55	-	-	1,791.55	1,791.55
<b>Total</b>	<b>3,546.91</b>	<b>3,935.36</b>	<b>80,893.44</b>	<b>88,375.71</b>	<b>7,482.27</b>	<b>5,650.86</b>	<b>75,242.58</b>	<b>88,375.71</b>
<b>Financial liabilities (Long Term)</b>								
- Borrowings	-	-	5,273.50	5,273.50	-	-	5,273.50	5,273.50
<b>Financial liabilities (Short Term)</b>								
- Borrowings	-	-	72,651.93	72,651.93	-	-	72,651.93	72,651.93
- Trade Payable	-	-	43,016.86	43,016.86	-	-	43,016.86	43,016.86
- Other Financial Liabilities	-	-	4,414.38	4,414.38	-	-	4,414.38	4,414.38
<b>Total</b>	<b>-</b>	<b>-</b>	<b>125,356.67</b>	<b>125,356.67</b>	<b>-</b>	<b>-</b>	<b>125,356.67</b>	<b>125,356.67</b>

\* The carrying value and the fair value approximates.

# Notes on Consolidated Financial Statement

## B. Measurement of fair values

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

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

## C. Valuation techniques

The following methods and assumptions were used to estimate the fair values

- 1) Fair value of the cash and short term deposits, current loans and advances and other current financial liabilities, short term borrowing from banks and other financial institutions and other similar items approximate their carrying value largely due to short term maturities of these instruments.
- 2) Long-term receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- 3) The fair value of unquoted instruments, loans from banks/financial institution and other financial liabilities is estimated by discounting future cash flows using rates currently available for debt of similar terms, credit risk and remaining maturities.

## Note 1.40 Tax Expense

(₹ in Lakhs)

Particulars	For the Year ended	
	31 March, 2022	31 March, 2021
<b>a) Tax Expense</b>		
<b>Current Tax</b>		
- Current tax on profits for the year	32.98	-
- Adjustments for current tax of prior periods	49.99	(21.80)
- Total current tax expense	82.97	(21.80)
<b>Deferred Tax</b>		
- Decrease/(increase) in deferred tax assets	1,404.98	(524.78)
- (Decrease)/increase in deferred tax liabilities	(69.70)	519.31
- Total deferred tax expenses/(benefit)	1,335.28	(5.47)
MAT credit entitlement	-	-
<b>Tax Expense</b>	<b>1,418.25</b>	<b>(27.27)</b>
<b>b) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate</b>		
<b>Profit before tax</b>	2,640.25	333.67
Tax at the Indian tax rate of 34.944% (previous year - 34.944%)	922.61	116.60
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Corporate social responsibility expenditure	2.68	4.19
- Disallowance of estimated expenditure to earn tax exempt income	-	-
- Others	-	-
<b>Tax effect of amounts which are deductible (non-taxable) in calculating taxable income</b>		
- Weighted deduction on R&D expenses	-	-
- Income from Investment	(20.97)	(82.12)
- Income from rented property	(97.14)	(101.69)
- MAT Credit/carry forward losses adjustment & Others	(106.18)	57.55
<b>Tax effect of other adjustment</b>		
- Income from Investment	667.26	-
- Income tax for earlier years	49.99	(21.80)
<b>Tax Expense</b>	<b>1,418.25</b>	<b>(27.27)</b>

# Notes on Consolidated Financial Statement

## Note 1.41: Information on Segment Working is given below-

Particulars	2021-22				2020-21			
	Heavy Engg. Division	Steel Foundry	Rail EPC	Total	Heavy Engg. Division	Steel Foundry	Rail EPC	Total
	1	2	3	4 (1+2+3)	1	2	3	4 (1+2+3)
<b>Revenue (Net of Excise Duty and Cess)</b>								
Gross Sales	71,487.33	33,065.76	74,868.62	179,421.71	72,601.81	31,962.80	77,570.92	1,82,135.53
Internal-Segment Sales	(3,183.16)	(16,084.83)	-	(19,267.99)	(1,728.57)	(12,328.54)	-	(14,057.11)
Other Operating Revenue	531.68	537.80	950.39	2,019.87	595.05	-	211.32	806.37
<b>Total</b>	<b>68,835.85</b>	<b>17,518.73</b>	<b>75,819.01</b>	<b>162,173.59</b>	<b>71,468.29</b>	<b>19,634.26</b>	<b>77,782.24</b>	<b>168,884.79</b>
<b>Result</b>								
Segment Result	3,749.54	895.65	4,574.11	9,219.30	1,430.73	1,426.86	5,150.06	8,007.65
Others (Net of Unallocated Expenses)				987.29				997.28
<b>Operating Profit/(Loss)</b>				<b>10,206.59</b>				<b>9,004.93</b>
Interest Expense				(7,941.30)				(9,006.99)
Interest Income				374.96				335.73
<b>Total Profit/(Loss) before Tax</b>				<b>2,640.25</b>				<b>333.67</b>
Provision for Current Tax				-				-
Provision for Deferred Tax				(1,368.26)				5.47
Income Tax for Earliar Year				(49.99)				21.80
<b>Profit/(Loss) from ordinary activities</b>				<b>1,222.00</b>				<b>360.94</b>
Extra ordinary items				-				-
<b>Net Profit/(Loss)</b>				<b>1,222.00</b>				<b>360.94</b>
<b>Other Information</b>								
Segment Assets	91,448.14	44,427.10	122,819.55	258,694.79	88,097.47	40,593.12	122,364.07	251,054.66
Unallocated Corporate assets				7,710.85				13,133.13
<b>Total assets</b>				<b>266,405.64</b>				<b>264,187.79</b>
Segment liabilities	51,066.84	2,524.34	79,760.45	133,351.63	51,202.68	9,518.38	89,326.77	150,047.83
Unallocated corporate liabilities				-				-
<b>Total Liabilities</b>				<b>133,351.63</b>				<b>150,047.83</b>
Capital expenditure				1,957.09				1,135.32
Depreciation				3,600.20				3,745.35
Non-cash expenses other than depreciation				875.77				806.62

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 1.42 Information for Consolidated Financial Statements pursuant to Schedule III of the Companies Act, 2013

(₹ in Lakhs)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in Profit or (Loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated Net Assets	Amount (₹ in lakhs)	As % of consolidated profit or loss	Amount (₹ in lakhs)	As % of consolidated other comprehensive income	Amount (₹ in lakhs)	As % of total comprehensive income	Amount (₹ in lakhs)
<b>Parent</b>								
Texmaco Rail & Engineering Ltd.	99.87%	132,660.04	89.12%	1,829.45	100.03%	1,001.60	92.70%	2,831.05
<b>Indian Subsidiaries</b>								
Belur Engineering Pvt. Ltd.	0.04%	49.03	1.00%	20.46	0.00%	-	0.67%	20.46
Texmaco Transtrack Pvt. Ltd.	-0.34%	(448.95)	0.34%	6.90	0.00%	-	0.23%	6.90
Texmaco Rail Systems Pvt. Ltd.	-0.00%	(0.31)	-0.03%	(0.68)	0.00%	-	-0.02%	(0.68)
Texmaco Rail Electrification Ltd.	0.00%	1.34	-0.02%	(0.40)	0.00%	-	-0.01%	(0.40)
Texmaco Engineering Udyog Pvt. Ltd.	0.00%	0.53	-0.01%	(0.29)	0.00%	-	-0.01%	(0.29)
<b>Non Controlling Interest in all subsidiaries</b>	-0.17%	(220.14)	0.14%	2.78	0.00%	-	0.09%	2.78
<b>Joint Ventures</b>								
Touax Texmaco Railcar Leasing Pvt. Ltd.	0.00%	-	34.65%	711.29	0.00%	-	23.29%	711.29
Wabtech Texmaco Rail Pvt. Ltd.	0.00%	-	5.82%	119.56	-0.03%	(0.27)	3.91%	119.56
<b>Associate Company</b>								
Texmaco Defence Systems Pvt. Ltd.	0.00%	-	0.00%	(0.06)	0.00%	-	0.00%	(0.06)
Consolidation Adjustment and Elimination	0.60%	792.33	-31.01%	(636.22)	0.00%	-	-20.85%	(636.49)
<b>Total</b>	<b>100.00%</b>	<b>132,833.87</b>	<b>100.00%</b>	<b>2,052.79</b>	<b>100.00%</b>	<b>1,001.33</b>	<b>100.00%</b>	<b>3,054.12</b>

## 1.43 Ratios.

Particulars	Numerator	Denominator	31st Mar,2022	31st Mar,2021	% Variance	"Reason for Variance (For changes more than 25%)"
(a) Current Ratio	Current Assets	Current Liability	1.83	1.54	18.83%	The Net Profit of the company has increased resulting in positive variance.
(b) Debt-Equity Ratio	Total Debt (Non-Current borrowing+Current Borrowing)	Shareholder's Equity	0.53	0.68	-22.06%	
(c) Debt Service Coverage Ratio	Net Profit after taxes+ Non-cash operating expenses (depreciation and other amortizations) + Finance Cost + other adjustments (loss on sale of PPE)	Debt service = Interest & Lease Payments + Long Term Loan Repayments	1.20	1.30	-7.69%	
(d) Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	1.66%	1.11%	49.55%	
(e) Inventory turnover Ratio	Sale of products (Revenue from operation)	Average Inventory	4.84	3.99	21.30%	
(f) Trade Receivables turnover Ratio	Sale of products (Revenue from operation)	Average Trade Receivable	2.75	2.69	2.23%	
(g) Trade payables turnover Ratio	Cost of Goods sold (Material consumed+Changes in Inventory+Erection Expenses+Power & Fuel Expenses)	Average Trade Payable	3.45	2.81	22.78%	

# Notes on Consolidated Financial Statement

Particulars	Numerator	Denominator	31st Mar,2022	31st Mar,2021	% Variance	"Reason for Variance (For changes more than 25%)"
(h) Net capital turnover Ratio	Sale of products (Revenue from operation)	Working Capital	1.70	2.38	-28.57%	The working capital of the company has increased whereas turnover during the period has decreased resulting in negative variance
(i) Net profit Ratio	Net Profit after taxes	Sale of products (Revenue from operation)	1.27%	0.71%	78.87%	The Net Profit of the company has increased resulting in positive variance.
(j) Return on Capital employed	Earning before interest & tax (Profit before tax-interest income+interest expenses)	Capital Employed (Share Capital+Other Equity-Capital Reseve+Total Debt+Deffered Tax Liability)	5.16%	4.85%	6.39%	
(k) Return on investment.	Income generated from Investment	Time Weighted Average Investment	4.38%	6.33%	-30.81%	Income from Investment and average investment reduced

## 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:

Name of the Company	Note Reference of standalone financial statements
Commitments & Contingent Liabilities	Note 1.36
Movement of Provisions during the year as required under Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets.	Note 1.37
Employee Benefits Obligation	Note 1.43
Amount Remitted During the Year on Account of Dividend to no resident shareholders (As Certified by the Management)	Note 1.44
Value of Raw Materials and Stores Consumed (Including Components and Spare Parts) Services Etc.	Note 1.45
Value of Imports on C.I.F. Basis	Note 1.46
Analysis of Raw Material Consumed	Note 1.47
Expenditure in Foreign Currency	Note 1.50
Income in Foreign Exchange	Note 1.51
Details of Inventory of Work in Progress	Note 1.52
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 1.53
Details of Income / Expenses disclosed on net basis	Note 1.54
Financial Risk Management Objectives and policies	Note 1.56

There are no changes arising out of inclusion of the subsidiaries/associate amounts in the above disclosures.

# Notes on Consolidated Financial Statement

## 1.45 Additional Regulatory Information

- i). Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the balance sheet date.
- ii). No proceedings have been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and the rules made thereunder and company has not been declared as willful defaulter by any bank or institution or other lender
- iii). To the best of the information available, the company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956
- iv). Company is filing monthly statement of current assets in respect of its borrowings from banks and status of agreement of quarter end statements with books are as under:

31st March 20212	Quarter-1	Quarter-2	Quarter-3	Quarter-4
Status	In agreement	In agreement	In agreement	In agreement
Reason of Material diff	NA	NA	NA	NA

- v). There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- vi). The Company has not received any fund from any person(s) or entity(ies), including foreign entities ("Funding party") with the understanding (whether recorded in writing or otherwise) that the Company shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding party (ultimate beneficiaries); or provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- vii). No funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- viii). The Company has not traded or invested in crypto currency or virtual currency during the year.

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

**1.47** 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: 20th May, 2022

**Ravi Varma**

Company Secretary

**Directors**

S. K. Poddar

Utsav Parekh

A. K. Gupta

Indrajit Mookerjee

D. H. Kela

A. K. Vijay





TEXMACO



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**TEXMACO RAIL & ENGINEERING LIMITED**

A Total Rail Solution Provider  
Belgharia, Kolkata 700 056

