

# TEXMACO RAIL & ENGINEERING LIMITED

## EMBRACING SUSTAINABLE TRANSFORMATION

Annual Report 2022-23



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### 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", "anticipated", "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 statements, whether as a result of new information, future events, or otherwise.

# CORPORATE INFORMATION

## Directors

Mr S. K. Poddar  
Executive Chairman

Mr Indrajit Mookherjee  
Executive Director & Vice Chairman

Mr Sudipta Mukherjee  
Deputy Managing Director<sup>†</sup>

Mr D. R. Kaarthikeyan

Mr P. S. Bhattacharyya

Mr Utsav Parekh

Mr Rusha Mitra

Mr Virendra Sinha

Mr Amitabha Guha<sup>‡</sup>

Mr Akshay Poddar

Mr D. H. Kela, ED

Mr A. K. Vijay, ED

<sup>†</sup> Appointed w.e.f. 1<sup>st</sup> June 2023

<sup>‡</sup> Appointed w.e.f. 6<sup>th</sup> May 2022

## Chief Financial Officer

Mr Hemant Bhuwania<sup>†</sup>  
<sup>†</sup> Appointed w.e.f. 1<sup>st</sup> April 2023

## Company Secretary

Mr K. K. Rajgaria<sup>^</sup>  
<sup>^</sup> Appointed w.e.f. 30<sup>th</sup> April 2023

## 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

- Agarpura • Sodepur • Panihati
- Belgharia

### Steel Foundry

- Belgharia • Urla (Raipur)

## Subsidiaries

- Belur Engineering Private Limited
- Texmaco Rail Electrification Limited
- Panihati Engineering Udyog Private Limited
- Texmaco Transtrak Private Limited
- Texmaco Rail Systems Private Limited
- Belgharia Engineering Udyog 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  
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

The background is a composite of two industrial scenes. The left side shows a worker in a dark environment with a shower of bright sparks falling from a point of activity. The right side shows a bright, glowing molten metal being poured into a container, with silhouettes of workers in the foreground.

Embracing

**sustainable**  
**TRANSFORMATION**

We are committed to driving change by prioritizing eco-friendly practices, innovation, and responsible growth. This theme underscores our dedication to a greener and more sustainable future for both our company and the communities we serve.

From the  
Chairman's  
Desk

## ON TRACK: MISSION TRANSFORMATION

### Dear Shareholders,

Allow me the pleasure of reintroducing you to an organisation built on the foundations of trust and mobility, which is now driven by technological advancement and radical transformation in a determined bid to be future-ready.

The engine of our success today is our concerted commitment to sustainable transformation, which has not only boosted our technological prowess but also our financial muscle to become a stronger, faster, and greener force. As I write this, I look forward to a year of promise and progress powered by speed, agility, and most of all, sustainable transformation.

At the core of Mission Transformation lies our single-minded pursuit of technology - through partnerships and through research & development, with global tech and with fresh state-of-the-art design developments. This vision of Texmaco - the premier multi-discipline, multi-unit engineering and infrastructure company as preferred tech-driven leader in the field, is aligned with the Indian Railways' mission for growth and sustainability.

Our growth story is riding the Indian economic juggernaut. The world's fifth-largest and fastest-growing economy has defied global trends with rigour and resilience. The projection by the International Monetary Fund (IMF) shows India's gross domestic product (GDP) growing at 7.2 per cent in 2022-23. Three megatrends - global offshoring, digitalisation and energy transition - are fuelling this growth in a country boasting 1.4 billion people.

In keeping with India's impressive mobility as an economy, the vision of your company is to be the best performing in its sphere. A crucial factor behind Texmaco's growing levels of excellence has been our prioritisation of technological advancement and alignment. As a company that considers technology to be a vital thrust area, we will continue to push the envelope when it comes to harnessing state-of-the-art facilities and striving for excellence in our domain.

We have walked that talk with a strategic tie-up with Hindalco, the world's largest aluminium rolling and recycling company,

for the manufacturing of aluminium rail wagons and coaches and the requisite components for this ecosystem. The aluminium freight rakes are 180 tonnes lighter and offer 19 per cent higher payload-to-tare weight ratio. In the process, they consume less energy, with negligible wear and tear. The aluminium wagons are best suited for high-speed trains, a focal point for the Indian Railways driven by the 'Mission 3,000 MT' dream to double the freight capacity to 3,000 million tonnes by 2027.

Demerging our EPC Division is another dynamic step towards leveraging focused growth opportunities in Railways infrastructure in the coming years. Parallel to the Rolling Stock, our sights are now firmly set on the Foundry business, where there is huge headroom in building freight car component capacity.

Ours is the only Foundry in the Country to have approval from (AAR) Association of American Railroads, apart from also being approved by American Society for International Designs. Texmaco is the only exporter of steel castings in India and we are aiming to increase our exports further.

### ON THE FAST TRACK

The Indian Railways, the Rs 2.44 lakh crore lifeline ferrying more than 58,580 lakh people across routes spanning over 68,043 km, is the lifeblood for your company.

Under the able and dynamic leadership of the Honourable Minister of Railways, Shri Ashwini Vaishnaw, India is truly on the fast track, with the Indian Railways accounting for the largest capital investment in the world.

The Railways have invested Rs 1 lakh crore in widening their reach and augmenting capacity through new high capacity lines as well as doubling including multi-tracking. Around 6,565 km of railway track was electrified at an investment of Rs 6,657 crore in FY23. The Ministry of Railways has lined up Rs 25,913 crore towards safety. Higher investments in the Dedicated Freight Corridor (DFC) and the Mumbai-Ahmedabad bullet train project have ensured rapid progress. The Indian Railways' fast-track approach and the government's push for Atmanirbhar Bharat have catalysed your company to

chart new frontiers. After ending the year with a topline of Rs 2,600.25 crore, we are now planning to ramp up our production capacity by 25 to 30 per cent. A steady rise in the demand for wagons from the Indian Railways helped improve our operational margins, translating into an 8.5 per cent rise in our bottomline to Rs 19.84 crore in FY23. We entered the new fiscal with an order book of Rs 9,000 crore.

India's love affair with trains added a new chapter in the 160-year-old history of the Railways with the flagging off of Vande Bharat. And with the government deciding to manufacture the Vande Bharat trains in India, we are expecting substantial growth in our overall business by the end of 2023-24.

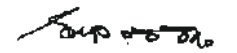
### WHERE TIRELESS STRIVING STRETCHES ITS ARMS TOWARDS PERFECTION

At Texmaco, we contribute in our own way to shaping tomorrow's India, one that is economically stronger, socially responsible, environmentally sustainable, and technologically superior. This can only be achieved if we have a collective vision of sustainable transformation aligned with the march of time and technology.

At Texmaco, our Team is our Greatest Asset. Our success story is scripted by our enterprising employees across rank and file, whose dedication drives us forward. Your commitment to excel and surpass the expectations of our customers at every step has propelled the company to a leadership role in India's growth story.

If we as a company aim to be on the fast track, we have to keep evolving, keep adapting and keep innovating in our quest for excellence. And as we join hands to keep the wheels of progress turning at Texmaco, let us turn to Rabindranath Tagore for inspiration and pledge to create a company "where tireless striving stretches its arms towards perfection".

On that note, ladies and gentlemen, it is my pleasure to present to you the Annual Report for 2022-23.



S.K. Poddar  
Chairman

# OUR BUSINESS UNITS

## Freight Car



- 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)

## Rail EPC



- Railway Track
- Railway and Metro Signalling & Telecommunication
- Railway Overhead Electrification & General Electrification
- Railway 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
- Rail Connectivity
- Feeder separation

## Components



- Fabricated Bogie
- Front end
- Fuel Tank
- Loco Components
  - Car Body Shell (CBS)
  - Platform Sub-Assemblies
  - Fuel Tank
  - Bogie Frame
  - End Assembly
  - Side Sill Assembly
- Bolster Assembly
- APU Base Frame
- Snow Plow
- Brake Lever
- Retention Tank
- Floor Assembly
- Ballast Assembly

## 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
- Weldable CMS Crossings (Under Development)

### Industrial Casting for

- Earth Moving Equipment
  - Hydro Power Projects
  - Defence
  - Steel Plant
- ### Exports
- High Axle Load Bogies Castings up to 31.23 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)

## Bridges & other Steel Structures



- Industrial & various Technological Structure
- Fabrication and erection of Steel Bridges in Railways and Roadways including sub-structures piling etc.
- Steel Flyovers
- Other types of Steel Bridges
- 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
- Bifurcation, Trifurcation, Expansion Joints, Anchor Support, Manifolds, Reducers, Dismantling Joints, Fixed & Rockers, Supports & Specials
- Trash Rack & Trash Rack Cleaning Machines (TRCM)
- EOT & Gantry Cranes
- Mechanical/Hydraulic Hoists, Crane etc. for operation of Gates
- Penstock & Pressure Shaft Liner (Surface/Buried)

# JOINT VENTURE COMPANIES

## Wabtec Texmaco Rail Pvt. Ltd.

An impetus to 'Make-in-India'



Production of Mark 325 Draft Gears

## Touax Texmaco Railcar Leasing Pvt. Ltd.

Leased BTAP rake for fly ash & alumina carrying



Leased BFNSM rake for steel coils carrying



# PRODUCTS



BCNA wagon for carrying Cement, Food grains etc.



BTAP wagon for carrying, alumina and flyash



BTPN wagon for carrying petroleum



BOXNHL wagon



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



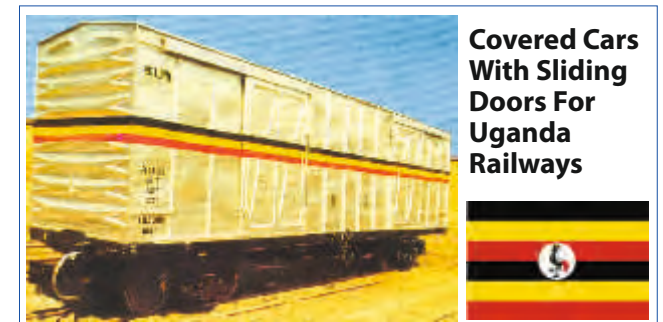
BLCM wagon for carrying container

# Global Presence



<b>Asia-Pacific</b>	India	Nepal	Sri Lanka	Bangladesh	Vietnam	Australia
<b>Africa</b>	Cameroon	Liberia	Ghana	Senegal	Zambia	Mali
<b>Africa/Others</b>	Uganda	South Africa	Rwanda	Hungary	Yugoslavia	United States

# Wagons Exported



# WORK LIFE BALANCE



Vice Chairman, Mr. Indrajit Mookerjee, addressing the employees on diversity and women empowerment



Dy. Managing Director, Mr. Sudipta Mukherjee, in his leadership role



Female employees observing International Women's Day on 8th March, 2023



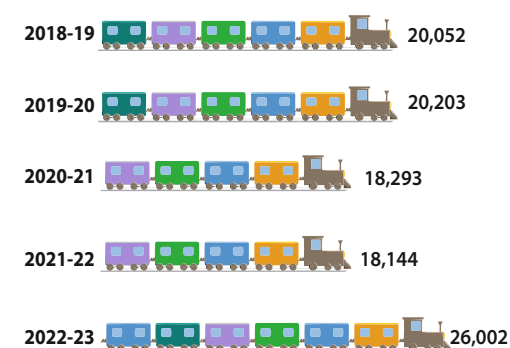
Texmaco Eco Park, an initiative towards maintaining ecological balance, situated within the lush green premises of Texmaco Estate



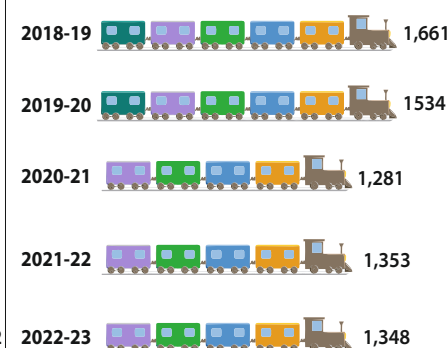
# FINANCIAL PERFORMANCE

## Main Indicators

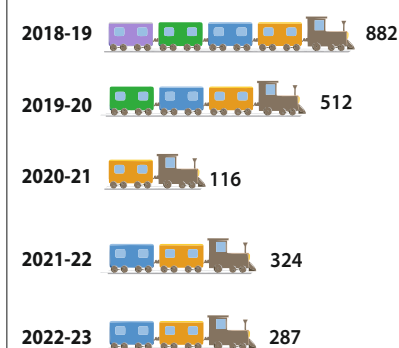
### Gross Revenue from Operation (₹ in mn)



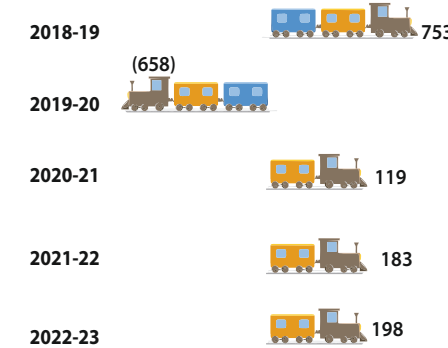
### EBIDTA (₹ in mn)



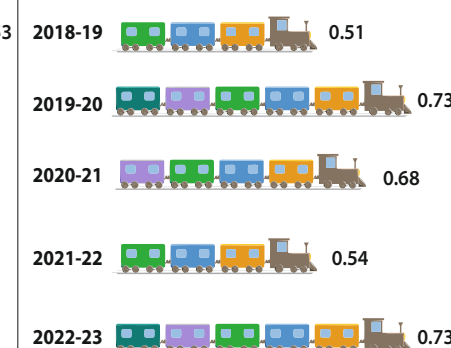
### PBT (₹ in mn)



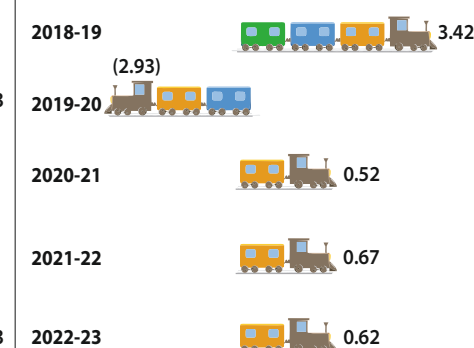
### PAT (₹ in mn)



### Debt-equity ratio



### EPS (₹)



## FINANCIAL HIGHLIGHTS OF THE LAST TEN YEARS

Indicator	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	FY 2022-23
Gross Revenue from Operation	51,517.43	86,808.45	1,26,572.68	1,28,413.73	1,19,260.25	2,00,517.59	2,02,027.50	1,82,930.91	1,81,441.58	2,60,024.45
Other income	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	3,777.19
Gross profit (PBDT)	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	6,374.57
Profit before tax & Exceptional items	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	2,871.66
Exceptional items	-	-	-	-	-	-	14,991.97	-	-	-
Profit/(loss) before tax	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	2,871.66
Tax for the year	178.72	-196.27	693.81	844.16	1,216.62	1,292.78	-3,287.08	-27.16	1,412.46	888.00
Profit after tax	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	1,983.66
Equity	1,820.27	2,100.64	2,192.95	2,194.15	2,246.13	2,248.35	2,248.59	2,503.43	3,218.70	3,218.70
Free reserves	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	1,27,814.74	1,29,687.92
Equity share book value (Rs)	31.93	42.29	40.89	42.57	43.47	51.43	44.99	44.87	40.71	41.29
Rate of dividend	25%	25%	25%	25%	25%	35%	10%	10%	10%	15%

# Report of the Board of Directors

## Dear Shareholders,

Your Directors have the pleasure in presenting the 13<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 2023.

## FINANCIAL HIGHLIGHTS

(₹ in Lakhs)

	2022-23	2021-22
<b>Operating Profit (PBIDT)</b>	13,481.87	13,526.29
Less: Interest (Net)	7,107.30	6,703.63
<b>Gross Profit (PBDT)</b>	<b>6,374.57</b>	<b>6,822.66</b>
Less: Depreciation	3,502.91	3,580.75
<b>Profit before Taxation</b>	<b>2,871.66</b>	<b>3,241.91</b>
Less: Tax Expenses		
- Current Tax including tax related to earlier years	-	75.59
- MAT Credit entitlement	(46.08)	(32.00)
- Deferred Tax Liability/(Asset)	934.08	1,368.87
<b>Profit after Taxation</b>	<b>1,983.66</b>	<b>1,829.45</b>
Add: Balance brought forward from previous year	16,043.57	10,902.36
	<b>18,027.23</b>	<b>12,731.81</b>
<b>Appropriations</b>		
Dividend paid	321.87	250.34
General Reserve	200.00	200.00
Other Appropriations	16.31	(3,762.10)
<b>Balance Carried Forward</b>	<b>17,489.05</b>	<b>16,043.57</b>

Note: the above figures are extract of the Audited Financial Statements prepared for the Financial Year ended 31<sup>st</sup> March 2022 & 31<sup>st</sup> March 2023.

## Dividend

Your Directors recommend payment of dividend of 15% i.e. INR 0.15 per equity share of face value of INR 1 each for financial year ended 31<sup>st</sup> March 2023.

The Gross Turnover for the year stood at INR 26002.45 mn. The Gross Profit for the year i.e. Profit before Depreciation and Tax (PBDT) and Profit before Tax (PBT) were INR 637.46 mn and INR 287.17 mn respectively. The Net Profit was INR 198.37 mn, after providing net tax liability of INR 88.8 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

### Overview of the Industry

The Global GDP in FY'23 was affected due to Russia-Ukraine war and resultant dislocations in supply chains, leading to

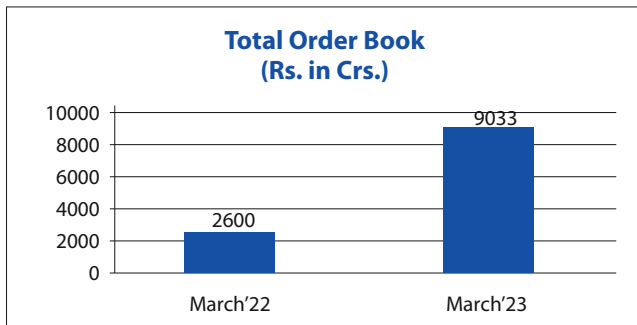
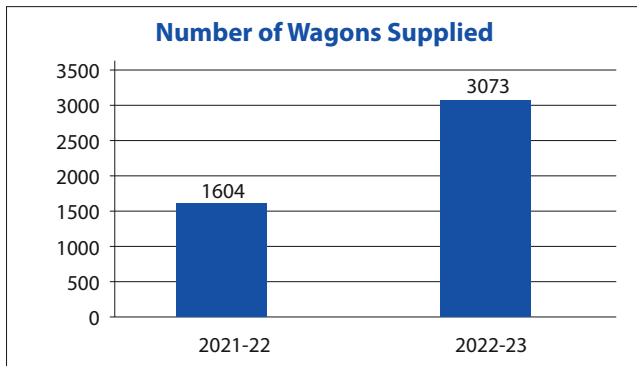
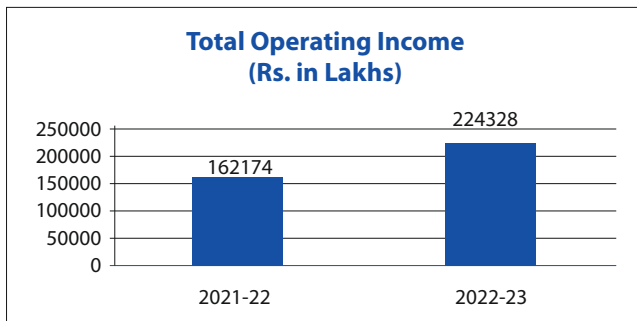
surging food and energy inflation. Therefore, the Central Banks raised interest rates sharply in response. As a result, the Global GDP is estimated to have grown at a more subdued 3.4% in 2022, versus 5.9% in the previous year.

The global rail transport market grew from \$ 505.50 billion in 2022 to \$ 538.50 billion in 2023 at a compound annual growth rate (CAGR) of 6.6%. The Russia - Ukraine war disrupted the chances of global economic recovery from the COVID-19 pandemic, at least in the short term.

However, despite these critical challenges, India emerged as the fastest growing major economy in the world. The second advance estimate of national income released by the Central Statistics Office (CSO) on 28<sup>th</sup> February 2023 expects real GDP growth in to be 7.0% and that of gross value added to be 6.6%. Indian Railway had registered highest ever Freight Loading & revenue jump and which was 27.75% compared to the previous fiscal and more than 77% jump in procurement of rolling stock.

### Texmaco Business – An Overview

Your Company participated in largest wagon tender of Railway Board & received an order for manufacturing and supply of 20067 wagons amounting approx. INR 64500 mn, with deliveries spread over a period of 39 months. Further, for the non-railway customers, there was a good demand for wagons and the Company has received orders from this segment too. Your Company has been appreciated for the quality of wagons exported to Africa and has got a repeat order for 300 more wagons.



Your Company is extremely thankful to its customers for their continuous support and patronage extended during tough times.

The prices of commodity prices continued to have an upward trend & increased over 5% QoQ basis, affecting our profit margins. Along with the prices, the non-availability of critical

components especially wheelsets from RWF Bengaluru for NRC Orders, which affected the production during certain part of the year.

The Indian Railways are further expected to come up with another tender for ~40000 wagons. Out of these, certain portion of the tender would be conventional wagons and certain portion would be New Generation wagons. The tender is expected to be out in Q2 of the current FY and finalized within this FY. 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.

After few years of dim market scenario, the Steel Foundry Division of your Company is now booked with full capacity utilization of both the facilities (Belgharia and Urla) amounting to 3000 MT castings per month. Total order book is comprised of recently bagged major Indian Railway by the Company and the on-going export orders. Your Foundry has successfully added BRADKEN, Australia. An initial order of 75 MT is bagged which will eventually go up-to 400 MT per month. After the exorbitant increase in raw material prices during the year, now it has started with downward trend.

The Rail EPC Division of your Company specially Kalindee unit, continues to face challenges due to stressed working capital conditions. This has resulted in subdued performance during the year. The progress of execution activities in few of the projects are not at reasonable speed. The focus of the unit is to successfully complete commissioning activities in all major legacy projects.

The Bright Power unit of Rail EPC Division has decided to diversify the business considering reduction in railway electrification work and cut-throat competition in this field, and now has targeted Overseas Power transmission line, Power distribution and Power sub-station. The unit is now receiving orders for Overseas sub-station and domestic power distribution including an order in Rwanda for 7.87 million USD.

With the closure of big order book, 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, your Company looks forward to a strong business and operational performance in FY'24.

### Enabling Investments & Collaborations & Innovations

Your Company has entered into an agreement with M/s. NYMWAG CS, a leading wagon manufacturing Company of Europe to establish a manufacturing facility for wagons & its

components or parts in a JV Company in the ratio of 50:50 in order to have more capacity of production and having more share of the Railway market.

### Strategic Responses to Opportunities & Threats

Opportunities	Response
<b>Technological advancement:</b> The railway industry is embracing new technologies. Developing innovative products can provide a competitive edge.	The Company has entered / plans to enter into agreements to have access / develop technical know-how to produce better quality, new design, efficient products for local and international market.
<b>Growing demand for Rail Transport:</b> As governments and businesses seek more sustainable/environmental friendly transportation options and governments push to infrastructure development, the demand for efficient and eco-friendly rail transport is increasing. This provides a significant market to us.	The Company is taking continuous steps to increase its production capacity through efficiency, addition to capacity through capital expenditure & new joint ventures to meet the growing demand.
<b>Urbanization:</b> Urbanization is driving the need for efficient and reliable urban transit systems like solutions for urban rail systems, including metro and light rail, which have promising opportunities.	The Company is building up its capabilities to explore diversification in future to new segments like metro, passenger coaches & its components.
Threats	Response
<b>Competition:</b> The railway industry is highly competitive, with established players and new entrants vying for market share.	We need to differentiate our products to stand out based on superior quality, timely delivery, competitive pricing and after sales service. The Company is putting its efforts to improve quality, safety, productivity and cost of its products.
<b>Economic Instability:</b> Economic downturns can affect infrastructure projects and transportation budgets, leading to reduced demand.	The Company does not foresee any major impact of economic downturn on demand of its products as well as have sufficient order book / orders in pipeline equivalent to three years business volume.
<b>Supply Chain Disruptions:</b> Reliance on global supply chains for some inputs expose us to disruptions due to factors like geopolitical tensions, natural disasters, or pandemics, as observed with the COVID-19 pandemic	The Company is continuously focussing on developing a sound eco system of supply chain including backward integration & other avenues.
<b>Changing Customer Preferences:</b> Shifts in customer preferences towards other modes of transportation or technological solutions could impact the demand for traditional railway products.	The Company does not foresee change in Customers preference towards Road transport and is in the process to access and adopt new technologies to provide modern/ updated environment friendly solution.

### Strategy for Sustainable Growth

Enhancing capacity of growth in all segments of business by continuous better performance and with strict focus on

expenditure and cost management and improved cashflow is the way forward along with customer delight. We realise we are unique by way of our capabilities and various associations and yet to bloom full potential and we will explore more new

markets and customers - domestic and globally to fulfill our plans to have better margins, profitability and significant stake globally.

Digitisation and embracing innovations to ensure better control over operations will be our priority and surely this will help us reaching out goal in much proven and faster way. Increased focus is on HR and people management including upskilling to align with the above goal.

### Talent Management

The Company focuses on enriching the Human Capital for an overall comprehensive development of the workforce in alignment with the Company's goals and objectives. Human Relations aids in the process of improving the organization's effectiveness and employees' well-being. It acts as a framework for enabling employees develop their individual and organizational knowledge and abilities. It is a set of systematic and planned activities designed to provide the employees with necessary skills to meet the corporate needs focusing on both macro and micro-levels.

The essence of Human Relations 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. Human Relations in your Company contribute harmony in the work place and promote healthy work atmosphere. Through Human Relations, your Company has not merely become a 'place of work' but has essentially evolved to 'a place to work'.

Human Relations has empowered the employees to work with professionalism bonded with integrity. The endeavour of HR continues towards improving the Quality of Life of the people and motivating them to deliver to their best. HR practices are motivated towards creating a healthy work environment powered by work ethics and professionalism. Moreover, one of the most significant arenas that HR aims at is the upkeep of Safety, Health and Environment.

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. HR focuses on acquisition of skills on international qualities of economic, political, and social development. In this diversity of Human Resources Management, your Company has adopted practices and policies enabling its

employees to face the challenges of industrialization and globalization of business. The HR policies and practices are made people-oriented. The thrust area of HR continues to be pivoted on the Self-Development and Career Growth of the employees. This is enabled by means of various Skill Development and Attitude Developmental programs.

Your Company following its Talent Management strategy, believes in nurturing its most significant asset, the Human Capital, towards building a performance-driven organization. Performance Framework helps establish clear goals & expectations from each role so that individual objectives be aligned with the corporate goals and organizational excellence be achieved. To drive the Performance Management System, Balanced Score Card has been introduced as a tool to define the KRAs and KPIs and ameliorate the performance gaps. Human Resource Development, being a continuous process, involves allocation and proper utilization of organizational resources and facilitates in contributing to Capability building towards bringing improvement in an individual's as well as organization's facility to produce, perform and deploy and creating a favourable environment for the organization.

### 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		2022-23	2021-22	2020-21
Net Profit Margin <sup>*</sup>	%	0.88	1.13	0.70
Operating Profit Margin <sup>*</sup>	%	3.51	4.95	4.14
Debtors Turnover	Times	3.31	2.75	2.69
Inventory Turnover	Times	4.33	4.84	3.99
Debt Equity Ratio <sup>#</sup>	Times	0.73	0.54	0.68
Current Ratio	Times	1.59	1.83	1.56
Interest Coverage Ratio	Times	1.30	1.48	1.15
Return on Net Worth <sup>®</sup>	%	1.49	1.38	1.04

<sup>\*</sup>Decrease in profit margin is due to lower production during first half of the year on account of proto making, non-availability of components and lower margin on Railway order. The Company expects improvement in margin as there is significant increase in production and product mix with better margin.

<sup>#</sup>There is increase in borrowings in FY'23 due to increase in volume. The Company expects to improve its debt equity ratio in FY'24.

<sup>®</sup>During FY'23, there is increase in Net Profit as compared to FY'22.

## HEAVY ENGINEERING DIVISION

### I. Freight Car and Components

Your Directors are pleased to inform that your Company has received its highest ever wagon(s) order from Indian Railways for 20067 wagons, valuing INR 64500 mn. In FY23, your Company was able to deliver 3073 wagons valued approximately at INR11040 mn.

As per the Budget FY'24, the Railways have planned the highest ever planned outlay of Rs. 2.4 lakh crore during FY'24. The Railways on domestic front continue to focus in increasing market share of freight business to 45% and have come out with "Mission 3000 MT" plan to be implemented by FY'27 much ahead of their initial plan of achieving it in FY'31. The Railways is also taking an initiative to improve the design of wagons, thereby inviting wagon manufacturers to come out with their own design to improve overall capacity of wagons and codal life of railway Assets, and to bring the latest technology for maintenance in their Railway Workshops. Your Company is working with some of the global players in the Railway sector to cater to the above demand from Indian Railways.

Your Company has entered into a 50:50 Joint Venture Agreement with M/s NYMWAG CS a.s. – AZC Group, one of the leading European conglomerates having diversified businesses for manufacturing Wagons and Wagon Components. To start with, the Joint Venture will manufacture wagons and its components for domestic market, with further scope to supply to European Markets, thereby ensuring an entry to coveted European markets.

Since in the beginning of the year till the Company received mammoth order from Indian Railways, the Company's order book was mainly for private orders, which was not enough as per capacity and its production got seriously impacted. As a result, plants had to go idle for the want of availability of wheelsets. Moreover, import of wheelsets for wagons was not permitted earlier, which was later allowed on a later date considering the large requirement of wagons and the limitation of Rail Wheel Factory to meet such large demand of wheelsets against wagon orders from private parties. Your Company successfully completed the prototype in mid of 2<sup>nd</sup> Quarter, and started the series production thereafter. The second half of the year ended with a higher turnover and better profitability owing execution of series production for Indian Railway and bringing in operational efficiency.

Your Directors are pleased to inform that during the year, your Company also exported 100 Gondola Wagons to Liberia and were appreciated for the supply of quality wagons. The customer further awarded your Company with additional orders of 300 Wagons. Your Company continues to receive multiple enquires from various international customers.

### II. Locomotives

We would like to vacate the area assigned to locomotive shell production after completion of existing order in favour of Freight car business to produce higher number of wagons considering subdued order under this business

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

The HME/ BSD division has achieved a turnover of INR1300 mn during FY'23.

Performance of the Division has shown significant improvement and we have been able to complete some long running projects during the year. The progress on 2000 MW Subansiri project which was held up for long due to local issues, site floods etc. is now on in full swing and likely to be completed by February 2024.

We have participated in Penstock tender in Nepal in JV with SS Fabricator of Nagpur and Penstock tender for Khandong HE Project of NEEPCO.

The performance of a BSD project was affected due to certain technical issues at our vendor's end as raised by RITES for Mizoram Bridge Project which took long to resolve. This led to the delay in all downstream activities and the resultant delay in completion of project, now likely to be completed by 3rd quarter of FY'24.

## STEEL FOUNDRY DIVISION

The Steel Foundry Division of your Company has achieved a remarkable growth of around 63% over the previous year i.e. FY'22 and have done the highest ever sales of INR 5400 mn during the year out of which INR 1400 mn of export & INR 4000 mn for domestic.

In order to meet the increased captive demand of Freight Car Division, it has been decided and action has already been taken to increase the overall capacity of the foundry both at Belgharia and Urla by installing balancing equipment. With these expansions, the overall production capacity of both the

foundries together will be around 4000 MT per month – 2500 MT at Belgharia & 1500 MT at Urla. Target for implementation of these expansions is by 3<sup>rd</sup> Quarter of FY'24.

During the last year, your foundry division has developed and started exporting some critical industrial casting to new Australian customer at a better contribution margin.

Your foundry division has also developed some prestigious Railway castings for North American market such as coupler and articulated coupler which will enable to reduce one bogie between two automobile carrying wagons by sharing the load. This will create substantial export market.

Your foundry division after completing development work, has now started regular manufacturing of weldable CMS crossing. RDSO, after technical evaluation, has approved the product and the foundry division is ready to execute the flash butt welded CMS crossing order of around 2500 nos. received from Indian Railways.

Aiming on the bottom-line growth, cost reduction has been set as the major objective in current FY along with focussing on recycling of bulk material, reduction in energy consumption etc., Your foundry division has already initiated programs on sand reclamation system, alternative furnace refractories and upgraded graphite electrodes etc.

## **RAIL EPC DIVISION**

Your Company has continued to contribute towards overall growth and development of Rail Infrastructure of the country as an important and reliable extended arm of Indian Railways.

During the year, Kalindee unit of Rail EPC Division clocked a gross revenue of INR 5403 mn as against gross revenue of INR 5742 mn during previous year, despite a volatile and high inflationary external environment. The unit laid emphasis on efficient and faster execution of contracts in hand and also concerted efforts on commercial closure of projects, which helped in restricting non-productive expenditures on prolongation of the Contracts. Now, intake of orders have been focused in our core area of strengths i.e. Signaling & Ballast less trackers with shorter execution cycle enabling faster rotation of working capital. We are happy to report that your Company has been successful in significantly reducing its overall Bank Guarantee obligations over the last couple of years.

Your Company takes pride in being the key contractor for laying ballast less track in East West Metro Corridor Project, Kolkata the line which would connect Howrah & Sealdah

Railway Station, and which would pass through under the bed of Hooghly River through a tunnel 32 meters below water level. Work under Hooghly River has already been completed and a trial run on the section was also successfully conducted in April 2023. The balance work is going on and is expected to be completed during the current year.

The unit is also facing increase in competition by way of aggressive bidding at unremunerated prices for conventional track projects by new EPC companies as well as existing players to boost order book.

## **Rail Electrification**

During the year, Bright Power unit of Rail EPC Division clocked a gross revenue of INR 2024 mn as against gross revenue of INR 1918 mn during previous year. In continuation with the emphasis to have a strong foot hold in maintenance of rail electrification, Bright Power unit of Rail EPC Division has now expanded their foothold in 2800 Kms from 300 Kms from the previous years. The unit has just completed the work for rail electrification connectivity for Adani Godda-Thermal Plant and Pipava Port authorities. The unit has entered in rail connectivity projects in Coal fields and secured the first order for South Eastern Coal fields. The work of rail electrification infrastructure for NMDC is under completion stage. The unit is now diversifying into various other electrical projects under Central Government Scheme of feeder separation under which they have already secured orders amounting INR 2500 mn. The unit has also received orders from Rwanda, an African country for \$7.87 mn and further expecting orders for another \$25.00 mn. The unit is now planning to participate in bids for mining mineral evacuation, Rydel and Solar projects specially in African countries funded by World Bank and European Banks.

## **SUBSIDIARIES / ASSOCIATE / JOINT VENTURES**

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

A Report on the performance and financial position of each of the subsidiaries, 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. Panihati 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'23 from INR 2,00,000 to INR 4,00,000.

- vi. Belgharia Engineering Udyog Private Limited**
- vii. Texmaco Defence Systems Private Limited**

## JOINT VENTURES

- i. Touax Texmaco Railcar Leasing Private Limited**

Touax Texmaco Railcar Leasing Private Limited ('JV') received fresh orders of 10 new rakes in the financial year under review in addition to 17 nos. already in service. These are being manufactured at Texmaco & Jindal Rail. The order of the company has never looked so healthy with a brimming pipeline largely due to user-focused policies from IR and growing rail infrastructure projects like DFC and policies to promote private wagon ownership. Further order book prospects look encouraging considering enquiries of specialized wagons. However, we are faced with manufacturing capacity constraints as all wagon plants are loaded with the huge IR orders, acute shortage of wheel sets, and volatile interest rate scenario with six rate increases in the last one year from 7.20 to 8.15%. As commonly aware long-term leases are very sensitive to interest rate fluctuations as the leasing as a business thrives only on a stable interest rate regime. Hopefully, with the interest rate stability of recent, we shall be able to sign more leases. Especially, since we have signed on two more banks to our lending pool namely SBI and IDFC Bank.

The turnover of the JV company during the FY'23 was INR 433 mn.

- ii. Wabtec Texmaco Rail Private Limited**

Wabtec Texmaco Rail Private Limited, the JV company, posted exceptional financial results for FY'23. The total revenue earned during FY'23 was more than doubled to INR 770 mn as compared to FY'22. The Net Profit surged significantly to INR 111 mn compared to FY'22. The JV company strengthened its position in the freight Draft Gear segment with customer's preference due to superior quality and on-time delivery. Revenue from exports doubled on higher volumes requirement from Wabtec, Mexico. The JV company is witnessing increased demand of its non-metallic liner Friction Wedges. The JV company is working to introduce a range of new freight components in India including the 4- port automatic brake pressure monitoring system, Bogie Mounted Brake Systems, and SAC-1 Articulated Coupler. All these products will be piloted / introduced / put on trials during current FY'24. The company has also been working on a project to manufacture C3W Distributor Valve for Wagon application and expects to commence commercial production during current FY'24. With new products in various stages of planning and execution, the company expects to achieve improved business growth in the coming years bolstered by Indian Railways' plans to induct more than 25000 wagons annually over the next few years to increase the modal share of Indian Railways in the Indian freight market from existing 27% to 45% by '2030.

## R&D ACTIVITIES

- A. Freight Car Division**

The design centre of Freight Car Division is fully equipped and capable to design next generation freight cars for domestic as well as international market with specifications conforming national /international standards. It is working closely with all stakeholders (Railways, Private operators, vendors ) to provide innovative solution for efficient wagons. The centre has completed design of few wagons this year and are working on different projects:

- 1) Completely in-house designed 30 tonnes axle Rotary Dump Gondola Ore Car for Liberia conforming to AAR standards has been performing well and client has awarded certificate of appreciation for quality with performance. This wagon was designed using CAD/CAE tools with virtual prototyping resulting in robust wagon meeting client's requirements with excellent performance.



- 2) Development of new Taller Autocar with innovative solutions for carrying wide range of cars specially SUVs and other automobiles like two wheelers, three wheelers etc. The division is working closely with AFTOs to meet their customized requirements.
- 3) It is expected that Indian Railways will be floating tender for Advance Design Freight Wagons. The division is working collaboratively with partners and with inhouse capability to meet ambitious KPIs for this project.

## **B. Steel Foundry Division**

The Company's R&D Centre is officially registered and acknowledged by the Department of Scientific and Industrial Research (DSIR), Government of India. The centre is actively engaged in conducting research and innovation to enhance the development of various products and processes. Through its efforts, the Company has successfully introduced new products, extended the lifespan of existing products through process innovations, and designed lightweight and efficient models to facilitate faster and more efficient transportation of goods and specialized cargos. The metallurgical laboratory, an integral component of our R&D Centre, has already obtained and continuing its ISO/IEC 17025:2017 certification from the National Accreditation Board for Testing and Calibration Laboratories (NABL). The scope of accreditation has been targeted to expand to a broader range which will include Metallography and wet chemical analysis.

### **a) New Product Development:**

- (1) The division has developed articulated coupler for the North American market. The speciality of this product is that it will reduce the number of bogies required and, therefore, reduce the cost of freight cars.
- (2) Three new designs of high tensile couplers have been developed for the North American market. These couplers have been tested and cleared for production by AAR.
- (3) A new design of the End of Car Cushion casting has been developed in our foundry. This is the fourth consecutive EOCC yoke that the division have developed for the American market.
- (4) Five different types of high-wear and impact-resistant castings for above-ground mining have been successfully developed. This product will be used in various parts of the world for surface mining operations.

- (5) High tensile Knuckles and a special type of locomotive yoke casting are in the process of development. These castings are intended for the export market. We are in the final stage of development and are hopeful that we will complete the project on time.

### **b) New Process Development:**

Several existing components have undergone modifications in their method design, leading to significant enhancements in terms of durability and the quality of the surface finish. This has resulted in notable cost savings.

Additionally, the R&D Division of the Company has taken up the following projects:

- (1) Weight reduction of castings and yield improvement.
- (2) Root cause analysis of casting defects of High Wear resistance castings.
- (3) Standardization weldable crossing manufacturing process.

## **IT SERVICES**

IT department of your Company has continued its ongoing focus on the Digital Transformation Journey with a robust strategy in place to safeguard virtual territory and workspace of your Company. The department is also maintaining solutions to enhance the endpoint security by minimising the time to detect a cyber-attack and improved response time. The Company is managing its business operations through Oracle ERP Applications which has been successfully migrated to Oracle Cloud Infrastructure. The IT department effectively analyses network traffic patterns and bandwidth consumed by different devices and applications to configure traffic in order to balance the system by better understanding bandwidth consumption and performance.

To further strengthen Information technology, your Company has considered the next step in our Digital Transformation Strategy by implementing Oracle Fusion application. This will overhaul entire business operations along with Analytics program to create dashboards providing insights for multiple KPIs addressing business performance in Finance, Manufacturing, Supply Chain Management, Inventory Management and Sales Performance. This enhancement will propel insightful and rapid decision making.

## HUMAN RELATIONS

With the business set to evolve and journey to an increasingly fast-paced future, our people strategy is geared and structured to nurture and sustain the staggering growth and demand for skilled and engaged talent.

Our employees and workers occupy prime position in the organisation's hierarchy of stakeholders, and therefore continuous attention is given to retention, engagement, and development of talent at all levels.

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

Ensuring that an individual is making progress in their career journey and realizing their aspiration is a key driver of our people practice.

To achieve this, we run focused initiatives across the three pillars of human resources which are: attracting talent, retaining talent and fostering an enabling working environment.

Major initiatives in human resources have always been an integral part of your Company's agenda with this fiscal being no different. Developing a high performing organisation, bespoke learning initiatives, robust performance management process, engagement activities to foster belongings and diverse talent hiring have been some key of many efforts.

We are committed to further drive multiple initiatives across all three pillars, particularly in the areas of driving high performance culture and fostering an engaging and collaborative working environment.

## CORPORATE SOCIAL RESPONSIBILITY

Your Company believes in community service and human welfare. With this view, the Company has actively engaged in social upliftment of the neighbouring residents through various CSR drives in the fields of Education, Health, Environment and Women Empowerment.

To make a significant difference in the society and improve the overall quality of life, Texmaco Neighbourhood Welfare Society, the philanthropic arm of the Company, is running its Health and Wellness Hub at the Texmaco Estate premises that includes services like Physiotherapy, Yoga, Gym and Alternative Medicine. The mission behind this initiative is to alleviate pain, restore health and build physical fitness, with the aid of skilled and experienced experts. The Health Hub is

well-equipped with the requisite technologically advanced equipment, supported by a modern Gym in cheerful and pleasant surroundings. The Yoga Centre adds to the charm of the Hub. The facility caters to patients from the neighbourhood apart from the employees and their family members.

The Company continues providing financial assistance for Health and Education to the unprivileged community of the society.

All such humble initiatives distinguish the Company in the professional league and put it on a sustained business responsibility.

The Company acknowledges the importance of environment, social, and governance (ESG) issues and intends to engage with Stakeholders & experts in this domain to embrace this function as an integral part of the Company to become future ready.

The Company has in place a policy on Corporate Social Responsibility. During the year, there has been no change in the policy. The weblink for accessing such policy is [https://www.texmaco.in/wp-content/uploads/2023/01/CSR\\_POLICY\\_TEXRAIL.pdf](https://www.texmaco.in/wp-content/uploads/2023/01/CSR_POLICY_TEXRAIL.pdf).

The Company has spent in excess of the prescribed threshold under the Act on the CSR activities for FY'23.

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. 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 2023.

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 2023 was 2022. In terms of the provisions of Section 197(12) of the Act, read with Rules 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is enclosed as **Annexure B** and forms part of this Report.

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

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, 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:

- 20<sup>th</sup> May 2022
- 20<sup>th</sup> October 2022
- 11<sup>th</sup> February 2023
- 12<sup>th</sup> August 2022
- 7<sup>th</sup> November 2022
- 14<sup>th</sup> March 2023

### **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, there has been no change in the Policy.

The policy ensures equity, fairness and consistency in rewarding the employees on the basis of performance against set of objectives. The policy is available on the Company's website. The weblink for accessing such policy is: [https://www.texmaco.in/wp-content/uploads/2023/01/REMUNERATION\\_POLICY\\_TexRail.pdf](https://www.texmaco.in/wp-content/uploads/2023/01/REMUNERATION_POLICY_TexRail.pdf).

### **Change in Directors and Key Managerial Personnel**

#### **Re-appointments:**

During the year, the re-appointments of Mr Akshay Poddar as Non - Executive & Non - Independent Director, Mr Indrajit Mookerjee as Executive Director & Vice Chairman and Mr A. K. Vijay as Executive Director of the Company, were approved at the Annual General Meeting ('AGM') of the Company held on 30<sup>th</sup> September 2022.

#### **Appointments and Resignations:**

The Board of Directors ('Board') on the recommendation of the Nomination and Remuneration Committee, had appointed Mr. Amitabha Guha, as Independent Director of the Company w.e.f. 6<sup>th</sup> May 2022. The appointment was approved by the Shareholders by way of Postal Ballot.

During the year, Mr A. K. Gupta, Managing Director resigned w.e.f. close of business on 31<sup>st</sup> August 2022. Further, Mr A. K. Vijay, Executive Director & Chief Financial Officer ('CFO') resigned from the position of CFO w.e.f. 1<sup>st</sup> April 2023 and Mr Hemant Bhuwania was appointed as CFO w.e.f. 1<sup>st</sup> April 2023. Accordingly, Mr Vijay continues to act as Executive Director of the Company.

Further, Mr Ravi Varma, Company Secretary & Compliance Officer resigned and Mr K. K. Rajgaria was appointed as Company Secretary & Compliance Officer w.e.f. 30<sup>th</sup> April 2023.

#### **Retire by rotation:**

Mr D.H. Kela, Executive Director retires by rotation and being eligible, has offered himself for re-appointment at the ensuing AGM of the Company.

#### **Proposed Re-appointment:**

The present tenure of Mr Utsav Parekh will expire on 3<sup>rd</sup> September 2023 and in view of his experience, expertise and valuable contribution, the Board on the recommendation of the Nomination and Remuneration Committee has approved his re-appointment for a period of 5 (five) years, subject to the approval of the Shareholders.

The above recommendation of the Board is being placed for the approval of the shareholders by way of postal ballot.

#### **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 14<sup>th</sup> March 2023 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 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**

At the 24<sup>th</sup> AGM held in the year 2022, Messrs L. B. Jha & Co., Chartered Accountants, Statutory Auditors of the Company, were appointed by the Shareholders to hold the office as such from the conclusion of 24<sup>th</sup> AGM until the conclusion of 29<sup>th</sup> AGM of the Company.

##### **Cost Auditors**

Your Company has appointed Messrs DGM & Associates, Cost Accountants, for conducting the Cost Audit for FY'23 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> May 2023 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'24 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'23 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.

### **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 risk 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.

Your Company is having a Risk Management Committee ('RMC') duly constituted by the Board of Directors of the Company. The composition of the RMC is provided in the Report on Corporate Governance which forms a part of 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) Slump Sale**

During the year the Board of Directors at its Meeting held on 14<sup>th</sup> March 2023, had given its approval to transfer, assign, restructure or convey the whole or substantially the whole of Rail EPC business comprising of Kalindee Rail and Bright Power units i.e. two business undertakings of the Company, by way of slump sale as defined under Section 2(42C) of the Income-tax Act, 1961 as a 'going concern', to two separate wholly owned subsidiaries of the Company.

The above recommendation of the Board is being placed for the approval of the shareholders by way of postal ballot.

#### **(f) Share Capital**

During the year, there was no change in the share capital of the Company. The Paid up share capital of the Company as at 31<sup>st</sup> March 2023 was ₹ 32,18,69,895.

#### **(g) Deposits**

During the FY'23, the Company has not accepted any Deposit under the provisions of the Act.

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

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.

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

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

**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/wp-content/uploads/2023/08/Annual\\_Return\\_22-23.pdf](https://www.texmaco.in/wp-content/uploads/2023/08/Annual_Return_22-23.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, there has been no change in the Policy.

The web link for accessing such policy is: [https://www.texmaco.in/wp-content/uploads/2023/01/Dividend\\_Distribution\\_Policy.pdf](https://www.texmaco.in/wp-content/uploads/2023/01/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 & Sustainability Report**

Business Responsibility & Sustainability 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 took place during the FY'23 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 web link for accessing such policy is: <https://www.texmaco.in/wp-content/uploads/2023/01/RPTP.pdf>

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

Your Directors state that:

- (a) in the preparation of the Annual Financial Statements for the financial year ended 31<sup>st</sup> March 2023, 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> May 2023  
Place: Kolkata

**S. K. Poddar**  
Chairman

## Annexure -A

# Annual Report on Corporate Social Responsibility (CSR)

[Pursuant to clause (o) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014]

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

Our projects and initiatives are guided by the CSR policy, and reviewed closely by the CSR Committee, institutionalised 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 upholding the highest standards of CSR. Your Company has continued its progress on community initiatives with renewed vigour and devotion.

### 2. Composition of CSR Committee:

Sl. No.	Name of Directors	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 <sup>#</sup>	Member	1	N.A.
4.	Mr. A.K. Vijay, Executive Director <sup>*</sup>	Member	1	1

<sup>#</sup> Ceased w.e.f. close of business on 31<sup>st</sup> August 2022

<sup>\*</sup> Appointed w.e.f. the conclusion of Board Meeting held on 7<sup>th</sup> November 2022.

### 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/wp-content/uploads/2023/01/Composition-of-Committee.pdf>

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

[https://www.texmaco.in/wp-content/uploads/2023/01/CSR\\_POLICY\\_TEXRAIL.pdf](https://www.texmaco.in/wp-content/uploads/2023/01/CSR_POLICY_TEXRAIL.pdf)

### 4. Provide the executive summary along with web-link(s) of Impact Assessment of CSR Projects carried out in pursuance of sub-rule (3) of rule 8, if applicable: **N.A.**

5. (a) Average net profit of the company as per section 135(5) – ₹(2023.96) Lakhs
- (b) Two percent of average net profit of the company as per section 135(5) - **NIL**
- (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. - **NIL**
- (d) Amount required to be set-off for the financial year, if any – ₹ **1.13 Lakhs**
- (e) Total CSR obligation for the financial year (b+c-d). – **NIL**

6. (a) Amount spent on CSR projects (both ongoing project and other than ongoing project): **₹21.39 Lakhs**  
 (b) Amount spent in Administrative Overheads – **NIL**  
 (c) Amount spent on Impact Assessment, if applicable – **N.A.**  
 (d) Total amount spent for the Financial Year (a+b+c) – **₹21.39 Lakhs**  
 (e) CSR amount spent or Unspent for the Financial Year –

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in Rs.)				
	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
₹21.39 Lakhs	N.A.		N.A.		

- (f) Excess amount for set-off, if any – **₹21.39 Lakhs**

Sl. No.	Particular	Amount (₹ in Lakhs)
i	Two percent of average net profit of the company as per section 135(5)	NIL
ii	Total amount spent for the Financial Year	21.39
iii	Excess amount spent for the Financial Year [(ii)-(i)]	21.39
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)]	21.39

7. Details of Unspent CSR amount for the preceding three Financial Years:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (₹ in Lakhs)	Balance Amount in Unspent CSR Account under section 135 (6) (₹ in Lakhs)	Amount spent in the Financial Year (₹ in Lakhs)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any.	Amount remaining to be spent in succeeding Financial Years. (in ₹)	Deficiency, if any
					Amount (₹ in Lakhs)	Date of transfer	
NIL							



8. Whether any capital assets have been created or acquired through CSR amount spent in the Financial Year : **No**

If Yes, enter the number of Capital assets created/ acquired : **N.A.**

Furnish the details relating to such asset(s) so created or acquired through CSR amount spent in the Financial Year:

Sl. No.	Short particulars of the property or asset (s) [including complete address and location of the property]	Pin code of the property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner		
					CSR Registration Number, if applicable	Name	Registered address
(1)	(2)	(3)	(4)	(5)	(6)		
NIL							

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) of the Act. 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) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Name	Designation	Age (Years)	Remuneration (₹)	Qualifications	Experience (Years)	Date of Commencement of Employment	Previous Employment

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

1. Poddar Saroj Kumar	Executive Chairman	77	3,84,87,818	B.Com (Hons)	54	01-01-2006	M/s. Poddar Heritage Investments Limited
2. Kamath Udyavar Vittal	Chief Executive – Rail EPC Division, Unit Bright Power	58	2,11,80,804	B.E.(Electrical)	36	01-04-2017 (on Merger of Bright power into the Company)	M/s.Square Automation
3. Kela Damodar Hazarimal	Executive Director	82	1,52,51,347	B.E. (Metallurgy)	57	14-11-2000	M/s. Hindusthan Engineering & Industries Limited
4. Kumaraswamy Sathyamurthy*	EVP (Operation PMG)	54	1,18,63,814	B.E (Mech)	28	15-12-2021	M/s.Bombardier Transportation
5. Mookerjee Indrajit	Executive Director & Vice Chairman	75	1,04,69,355	B.Tech (Hons)	51	02-04-2020	M/s. Lorch Welding Products Private Limited
6. Vijay Ashok Kumar	Executive Director	70	91,78,335	CA, CS	46	17-10-2001	M/s. Hindusthan Engineering & Industries Limited
7. Gupta Ashish Kumar <sup>†</sup>	Managing Director	52	86,74,498	B.Tech (Electrical)	30	17-11-2020	M/s. Tata Martrade International Logistics Limited
8. Kejriwal Prakash Chandra	Chief Financial Officer - Rail EPC Division, Unit Kalindee	54	76,07,107	CA	31	18-06-2011	M/s. Duncans Tea Limited
9. Bansal Nitin Kumar	Vice President – WDFC Project	48	71,42,523	B. Tech (Electrical)	26	02-05-2017	M/s. Ericsson India Private Limited
10. Gupta Rajeev	Vice President-Sales & Marketing	51	68,55,294	B.E(Mech), MBA (PSM)	30	04-04-2022	M/s. Jindal Stainless Corporate Management Services

\*Resigned w.e.f. 17<sup>th</sup> December 2022

†Resigned w.e.f. close of business on 31<sup>st</sup> August 2022

#### Notes:

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

## ANNEXURE - C

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

- a. The ratio of remuneration of each of the Directors and Key Managerial Personnel to the median remuneration of the employees of the Company for the financial year ended 31st March 2023 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	112:1	-
ii.	Mr Indrajit Mookerjee	Executive Director & Vice Chairman	31:1	30.74%
iii.	Mr A. K. Gupta <sup>#</sup>	Managing Director	25:1	-
iv.	Mr D. H. Kela	Executive Director	44:1	-
v.	Mr A. K. Vijay	Executive Director	27:1	3%
vi.	Mr D. R. Kaarthikeyan	Independent Director	2:1	N.A. (Sitting fees & Commission was paid in terms of the provisions of the Act.)
vii.	Mr Utsav Parekh	Independent Director	2:1	
viii.	Mr P. S. Bhattacharyya	Independent Director	2:1	
ix.	Mr Virendra Sinha	Independent Director	1:1	
x.	Ms Rusha Mitra	Independent Director	2:1	
xi.	Mr Akshay Poddar	Non-executive & Non-Independent Director	2:1	
xii.	Mr Amitabha Guha <sup>*</sup>	Independent Director	2:1	
xiii.	Mr Ravi Varma <sup>^</sup>	V. P. (Corp. Affairs) & Company Secretary	12:1	50%
b.	The percentage increase in the median remuneration of employees in the financial year ended March 2023.			16%
c.	The number of permanent employees on the Company as at 31 <sup>st</sup> March 2023:			2022
d.	- Median Remuneration and Average Remuneration of all employees have increased by: 16% and 8% respectively. - 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.			
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/wp-content/uploads/2023/01/REMUNERATION_POLICY_TexRail.pdf">https://www.texmaco.in/wp-content/uploads/2023/01/REMUNERATION_POLICY_TexRail.pdf</a>			

<sup>#</sup> Resigned w.e.f. close of business on 31<sup>st</sup> August 2022

<sup>\*</sup> Appointed w.e.f. 6<sup>th</sup> May 2022

<sup>^</sup> Resigned w.e.f. 30<sup>th</sup> April 2023

## 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 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 installed and commissioned. All Electrical heat treatment furnaces have been put / connected with 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 - NIL

### (C) Foreign exchange earnings ₹ 21,094.16 Lakhs and outgo ₹14,207.17 Lakhs.

## ANNEXURE - E

### Form No. MR-3

# SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2023

[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 2023 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 the 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 2023 according to the provisions of the following, in so far as they are applicable to the Company:

1. The Companies Act, 2013 ('the Act') and the rules made thereunder;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. The Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;
5. The following Regulations and Guidelines 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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act, 2013 and dealing with client;
6. The following other laws specially applicable to the Company:-
  - a) The Factories Act, 1948 read with Rules;
  - b) The Industrial Disputes Act, 1947 read with Rules;
  - c) The Environment (Protection) Act, 1986 read with Rules.

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

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

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

**We further report that:**

- the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. There were no changes in the composition of the Board of Directors that took place during the period under review except for resignation of Mr Ashish Kumar Gupta as Managing Director w.e.f close of business on 31<sup>st</sup> August 2022 and appointment of Mr Amitabha Guha as an Independent Director of the company w.e.f. 6<sup>th</sup> May 2022.
- Mr Hemant Bhuwania was appointed as the Chief Financial Officer ('CFO') of the Company w.e.f. 1<sup>st</sup> April 2023 in place of Mr A. K. Vijay, Executive Director & CFO, who had tendered his resignation from the position of CFO w.e.f. 1<sup>st</sup> April 2023 and accordingly, Mr Vijay continues to act as Executive Director of the Company.

Further, Mr Ravi Varma, Company Secretary & Compliance Officer had resigned and Mr K. K. Rajgaria was appointed as Company Secretary & Compliance Officer of the Company w.e.f. 30<sup>th</sup> April 2023.

- 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** during the year under review, the Board of Directors at its Meeting held on 14<sup>th</sup> March 2023 had given its approval to transfer, assign, restructure or convey the whole or substantially the whole of Rail EPC business comprising of Kalindee Rail and Bright Power units i.e. two business undertakings of the Company, by way of slump sale as defined under Section 2(42C) of the Income-tax Act, 1961 as a 'going concern', to two separate wholly owned subsidiaries of the Company.

**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.

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: F007040E000296054

Place: Kolkata

Dated: 12<sup>th</sup> May 2023

**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: F007040E000296054

Place: Kolkata

Dated: 12<sup>th</sup> May 2023

## 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'). 6 (six) Directors of the current strength of the Board are Independent Directors as on 31<sup>st</sup> March 2023. 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 Industries Limited	Non-Executive & Non Independent Director-Chairperson		
			Paradeep Phosphates Ltd	Non-Executive & Nominee Director- Chairperson		
Mr Indrajit Mookerjee (DIN: 01419627)	Executive Director & Vice - Chairman	6	-	-	-	1
Mr A. K. Gupta <sup>†</sup> (DIN: 07808012)	Managing Director	NA	NA	NA	NA	NA
Mr P. S. Bhattacharyya (DIN:00329479)	Independent	9	Tide Water Oil Co India Limited	Non-Executive & Independent Director	2	6
			Deepak Fertilisers and Petrochemicals Corporation Limited	Non-Executive & Independent Director		
			Ramkrishna Forgings 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 D. R. Kaarthikeyan (DIN:00327907)	Independent	6	Texmaco Infrastructure & Holdings Limited	Non-Executive & Independent Director	1	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		
Mr Utsav Parekh (DIN: 00027642)	Independent	12	SMIFS Capital Markets Limited	Non-Executive & Non-Independent Director-Chairperson	4	7
			Xpro India Limited	Non-Executive & Independent Director		
			Spencer's Retail Limited	Non-Executive & Independent Director		
			Eveready Industries India Ltd.	Non-Executive & Non-Independent Director		
			Jay Shree Tea & Industries Limited	Non-Executive Director & Independent Director		
			Firstsource Solutions Limited	Non-Executive Director & Independent Director		
Mr Virendra Sihna (DIN: 03113274)	Independent	4	Electrosteel Castings Limited	Non-Executive & Independent Director	-	2
			Andhra Paper Limited	Non-Executive & Independent Director		
Ms Rusha Mitra (DIN: 08402204)	Independent	9	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 Amitabha Guha <sup>^</sup> DIN: (02836707)	Independent	4	Xpro India Limited	Non-Executive & Independent Director	-	4
			Ramakrishna Forgings Ltd	Non-Executive & Independent Director		
Mr Akshay Poddar <sup>^</sup> (DIN: 00008686)	Non-Executive & Non-independent - Promoter	16	Texmaco Infrastructure & Holdings Limited	Non-Executive & Non Independent Director	1	3
			Adventz Securities Enterprises Limited	Non-Executive & Non Independent Director		
			Mangalore Chemicals & Fertilizers Limited	Non-Executive & Non Independent Director - Chairperson		
			Zuari Agro Chemicals Limited	Non-Executive & Non Independent Director		
Mr D. H. Kela (DIN: 01050842)	Executive	2	-	-	-	1
Mr A. K. Vijay (DIN: 01103278)	Executive	6	-	-	-	1

<sup>^</sup>Appointed w.e.f. 6<sup>th</sup> May 2022

<sup>^</sup>Resigned w.e.f. close of business on 31<sup>st</sup> August, 2022

<sup>^</sup>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 2023. 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 Ashish Kumar Gupta, Managing Director resigned from the Board w.e.f. the close of business on 31<sup>st</sup> August 2022 for pursuing greener pastures.

The attendance of the Directors at the Board Meeting and at the last Annual General Meeting held during the FY'23 are given below: -

Name of the Directors	Board Meeting Dates						AGM Date
	20 <sup>th</sup> May 2022	12 <sup>th</sup> August 2022	20 <sup>th</sup> October 2022	7 <sup>th</sup> November 2022	11 <sup>th</sup> February 2023	14 <sup>th</sup> March 2023	30 <sup>th</sup> September 2022
Mr S. K. Poddar (Chairman)	√	√	√	√	√	√	√
Mr D. R. Kaarthikeyan	√	√	√	√	√	√	√
Mr Utsav Parekh	√	√	√	√	√	√	√
Mr Akshay Poddar	√	√	√	√	√	√	√
Mr D. H. Kela	√	√	√	√	√	√	√
Mr A. K. Vijay	√	√	√	√	√	√	√
Mr Indrajit Mookerjee	√	√	√	√	√	√	√
Mr A. K. Gupta <sup>†</sup>	√	√	NA	NA	NA	NA	NA
Mr Virendra Sinha	√	√	√	√	√	√	√
Ms Rusha Mitra	√	√	√	√	√	√	√
Mr P. S. Bhattacharyya	√	√	√	√	√	×	√
Mr Amitabha Guha <sup>‡</sup>	√	√	√	√	√	×	√

<sup>†</sup>Appointed w.e.f. 6<sup>th</sup> May 2022

<sup>‡</sup>Resigned w.e.f. close of business on 31<sup>st</sup> August 2022

#### Skills/expertise/competencies identified by the Board: -

The Skills/expertise/competencies 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 D. H. Kela	√	√	√		√	√
Mr A. K. Vijay	√	√		√	√	√
Mr P. S. Bhattacharyya	√	√		√	√	
Mr Amitabha Guha	√			√	√	√

### 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 4 (four) Directors. The Company Secretary of the Company acts as the Secretary to the Audit Committee. During the FY'23, 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				
	20 <sup>th</sup> May 2022	12 <sup>th</sup> August 2022	7 <sup>th</sup> November 2022	11 <sup>th</sup> February 2023	14 <sup>th</sup> March 2023
Mr Utsav Parekh, <i>Chairperson, Independent</i>	√	√	√	√	√
Mr D. R. Kaarthikeyan, <i>Independent</i>	√	√	√	√	√
Mr Amitabha Guha <sup>®</sup> , <i>Independent</i>	NA	√	√	√	×
Mr A. K. Gupta <sup>†</sup> , <i>Executive</i>	√	√	NA	NA	NA
Mr Indrajit Mookerjee <sup>‡</sup> , <i>Executive</i>	NA	NA	NA	√	√

<sup>®</sup> Appointed w.e.f the conclusion of Board Meeting held on 20<sup>th</sup> May 2022.

<sup>†</sup> Ceased w.e.f close of business on 31<sup>st</sup> August 2022.

<sup>‡</sup> Appointed w.e.f the conclusion of Board Meeting held on 7<sup>th</sup> November 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'23, the Committee met 4 (four) 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			
	4 <sup>th</sup> May 2022	18 <sup>th</sup> May 2022	4 <sup>th</sup> November 2022	28 <sup>th</sup> March 2023
Mr Utsav Parekh, <i>Chairperson, Independent</i>	√	√	√	√
Mr Akshay Poddar, <i>Non-Executive &amp; Non-Independent</i>	√	√	√	√
Mr P. S. Bhattacharyya, <i>Independent</i>	√	√	√	√

##### 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 Weblink for accessing such policy is : [https://www.texmaco.in/wp-content/uploads/2023/01/REMUNERATION\\_POLICY\\_TexRail.pdf](https://www.texmaco.in/wp-content/uploads/2023/01/REMUNERATION_POLICY_TexRail.pdf)

The details of the remuneration paid to the Directors during the FY'23 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 D. R. Kaarthikeyan	5,15,000	2,00,000	7,15,000	-
Mr Utsav Parekh	6,15,000	2,00,000	8,15,000	-
Mr Virendra Sinha	2,90,000	2,00,000	4,90,000	-
Ms Rusha Mitra	3,15,000	2,00,000	5,15,000	-
Mr Akshay Poddar	3,40,000	2,00,000	5,40,000	2,64,820
Mr P. S. Bhattacharyya	3,25,000	2,00,000	5,25,000	-
Mr Amitabha Guha <sup>*</sup>	3,45,000	1,80,822	5,25,822	-

<sup>\*</sup>Appointed w.e.f. 6<sup>th</sup> May 2022

**ii) Executive Directors**

Name of the Directors	Designation	Salary (₹)	Perquisites and Allowances <sup>*</sup> (₹)	Retirement Benefits (₹)
Mr S. K. Poddar	Executive Chairman	3,00,00,000	84,87,818	As per Company's Rules
Mr Indrajit Mookerjee	Executive Director & Vice Chairman	67,80,000	36,89,355	
Mr A. K. Gupta <sup>§</sup>	Managing Director	28,00,000	58,74,498	
Mr D. H. Kela	Executive Director	1,03,08,000	49,43,347	
Mr A. K. Vijay	Executive Director	56,76,000	35,02,335	

<sup>§</sup>Ceased w.e.f. close of business on 31<sup>st</sup> August 2022

<sup>\*</sup>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'23, 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 10 <sup>th</sup> February 2023
Mr Akshay Poddar, <i>Chairperson, Non-Executive &amp; Non-Independent</i>	×
Mr D. H. Kela, <i>Executive</i>	√
Mr A. K. Vijay, <i>Executive</i>	√
Ms Rusha Mitra, <i>Independent</i>	√

Mr K. K. Rajgaria, 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'23, 82 (eighty two) 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.

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.

##### 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'23, 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 9 <sup>th</sup> February 2023
Mr D. H. Kela, <i>Chairperson, Executive</i>	√
Mr Utsav Parekh, <i>Independent</i>	√
Mr A.K. Vijay, <i>Executive</i> <sup>*</sup>	√
Mr A. K. Gupta, <i>Executive</i> <sup>*</sup>	NA

<sup>\*</sup> Appointed w.e.f. the conclusion of Board Meeting held on 7<sup>th</sup> November 2022.

<sup>\*</sup> Ceased w.e.f. close of business on 31<sup>st</sup> August 2022.

#### 7. Risk Management Committee:-

The role of the Risk Management Committee ('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.

##### Terms of Reference and Composition

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

The RMC comprises 3 (three) Directors. During the FY'23, the RMC met twice. The details of the Meeting of RMC 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> August 2022	13 <sup>th</sup> January 2023
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'23, a separate Meeting of the Independent Directors of the Company was held on 14<sup>th</sup> March 2023. All the Independent Directors 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 / associate. 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/wp-content/uploads/2023/01/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 K. K. Rajgaria, 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.

The Policy is also placed on the website of the Company. The web link for accessing such policy is: <https://www.texmaco.in/wp-content/uploads/2023/01/Whistle-Blower-Policy.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:- <https://www.texmaco.in/wp-content/uploads/2023/01/Annexure-10.pdf>

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.

This Policy is also placed on the website of the Company. The web link for accessing such policy is: <https://www.texmaco.in/wp-content/uploads/2023/01/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
2021-22	30 <sup>th</sup> September 2022 at 12 noon.	3	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
2020-21	24 <sup>th</sup> September 2021 at 11:00 a.m.	4	
2019-20	30 <sup>th</sup> September 2020 at 2:00 p.m.	6	

#### Whether Special Resolutions-

A. Were put through postal ballot last year -Yes

During the FY'23, the Company had put the Special Resolution relating to appointment of Mr Amitabha Guha (DIN: 02836707) as an Independent Director of the Company for approval by the Members Vide Postal Ballot Notice dated 20<sup>th</sup> May 2022.

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 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 20<sup>th</sup> May 2022. The process of postal ballot through electronic mode was completed on 22<sup>nd</sup> June 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 23<sup>rd</sup> June 2022.

The above mentioned Resolution has been duly approved by the Members of the Company with the requisite majority. The details of voting pattern of the postal ballot is as under:

Resolution	For / Against	Total No. of Members who voted	Total No. of Shares for which valid votes casted	Percentage of votes to the total no. of valid votes
Appointment of Mr Amitabha Guha (DIN: 02836707) as an Independent Director of the Company	Voted in favour	349	217048822	99.96
	Voted against	45	76322	0.04

B. Are proposed to be conducted through postal ballot – Yes (Approval to transfer, assign, restructure or convey the whole or substantially the whole of Rail EPC business comprising of Kalindee Rail and Bright Power units by way of slump sale & Re-appointment of Mr Utsav Parekh as an Independent Director of the Company w.e.f. 4<sup>th</sup> September 2023)



**15. Disclosures:-**

During the FY'23, 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. 1.40 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 2023 as per the criteria specified in the SEBI circular no. SEBI/ HO/ DDHS/ CIR/ P/2018/144 dated 26<sup>th</sup> 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.

**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).

**18. General Shareholder Information:-**

AGM: Date, Time & Venue	<b>Monday, 25<sup>th</sup> September 2023 at 1:00 p.m. (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 2023 to 31 <sup>st</sup> March 2024 First Quarter Results – First week of August 2023 Second Quarter Results – First week of November 2023 Third Quarter Results – First week of February 2024 Results for the year ending 31 <sup>st</sup> March 2024- By Last week of May 2024
Date of Book Closure	<b>Tuesday, 19<sup>th</sup> September 2023 to Monday, 25<sup>th</sup> September 2023 (both days inclusive).</b>
Dividend Payment Date	Mid October 2023

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 2023 to 31<sup>st</sup> March 2024.</p>												
CIN of the Company	L29261WB1998PLC087404												
Stock Code – National Stock Exchange of India Limited BSE Limited	TEXRAIL 533326												
Demat ISIN No. for NSDL / CDSL	INE 621L01012												
Credit Ratings obtained by the Company	<p>The Company has obtained Credit Rating from CARE Ratings Limited</p> <table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Instrument Type</th> <th>Rating</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Long Term Bank Facilities</td> <td>CARE BBB+; Stable</td> </tr> <tr> <td>2</td> <td>Short Term Bank Facilities</td> <td>CARE A3+</td> </tr> <tr> <td>3</td> <td>Long Term/ Short Term Bank Facilities</td> <td>CARE BBB+; Stable / CARE A3+</td> </tr> </tbody> </table>	Sl. No.	Instrument Type	Rating	1	Long Term Bank Facilities	CARE BBB+; Stable	2	Short Term Bank Facilities	CARE A3+	3	Long Term/ Short Term Bank Facilities	CARE BBB+; Stable / CARE A3+
Sl. No.	Instrument Type	Rating											
1	Long Term Bank Facilities	CARE BBB+; Stable											
2	Short Term Bank Facilities	CARE A3+											
3	Long Term/ Short Term Bank Facilities	CARE BBB+; Stable / CARE A3+											

High / Low market prices of the Company's Equity Shares of Re.1/- each traded on the National Stock Exchange of India Ltd. and BSE Limited during the period April 2022 to March 2023 are furnished below:

Period	The National Stock Exchange of India Ltd.		BSE Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2022	58.80	41.80	58.90	41.50
May 2022	50.90	38.55	50.85	38.60
June 2022	47.40	36.70	47.35	36.65
July 2022	45.75	41.10	45.70	41.10
August 2022	52.90	39.90	52.90	39.90
September 2022	56.15	43.85	56.15	43.85
October 2022	52.00	46.15	51.65	46.20
November 2022	65.25	48.30	65.30	48.35
December 2022	62.10	47.80	62.10	47.10
January 2023	61.65	52.55	61.65	52.65
February 2023	57.30	43.00	57.45	43.10
March 2023	48.20	40.60	48.10	40.49

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

In terms of the Listing Regulations, as amended from time to time, transfer, transmission and transposition of Securities shall be effected only in dematerialised form. Further, in terms of SEBI Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated 25<sup>th</sup> January 2022, the Company shall issue shares in demat form while processing service requests for transmission, issue of duplicate certificates, transposition, renewal, splitting, consolidation of share certificate, etc.

### Distribution of Shareholding as on 31<sup>st</sup> March 2023:-

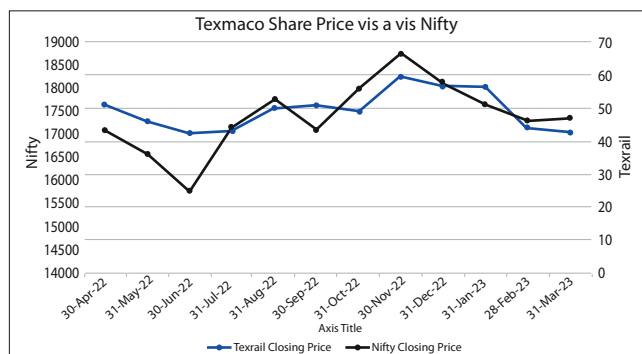
No. of Equity Shares	No. of Folios	%	No. of Equity Shares	%
Upto 5000	111898	97.71	39991744	12.42
5001 to 10000	1324	1.16	10036267	3.12
10001 to 20000	628	0.55	9263162	2.88
20001 to 30000	227	0.20	5701372	1.77
30001 to 40000	119	0.10	4183576	1.30
40001 to 50000	82	0.07	3860121	1.20
50001 to 100000	129	0.11	9117410	2.83
100001 and above	113	0.10	239716243	74.48
<b>Grand Total</b>	<b>114520</b>	<b>100.00</b>	<b>321869895</b>	<b>100.00</b>

### Shareholding Pattern as on 31<sup>st</sup> March 2023:-

Category	No. of Equity Shares	%
Promoters	188922142	58.70
Banks, Insurance Cos., and FIs	150483	0.04
Mutual Funds	22389763	6.95
NRI / OCB/FIIs	9295536	2.89
Bodies Corporate	13253264	4.12
Indian Public	82126998	25.52
Others	5731709	1.78
<b>Total</b>	<b>321869895</b>	<b>100.00</b>

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	99	29382
2.	number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	90	28875
3.	number of shareholders to whom shares were transferred from suspense account during the year;	90	28875
4.	aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year;	9	507
5.	that the voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.	Yes	



**Dematerialisation of Equity Shares as on 31<sup>st</sup> March 2023 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. 321,118,239 Equity Shares of the Company representing 99.77 % of the Company's Equity Share Capital are in the dematerialised form on NSDL and CDSL as on 31<sup>st</sup> March 2023.

Further, in terms of SEBI Circular No. SEBI/HO/MIRSD/MIRSD-PoD-1/P/CIR/2023/37 dated 16<sup>th</sup> March 2023, Members holding shares in physical form are requested to furnish their PAN, KYC Details, Nomination, Contact Details, Bank Account details and Specimen Signature for their corresponding folio numbers by 30<sup>th</sup> September 2023 to avoid freezing of their folios by the RTA and restrictions thereof, as mentioned in the said Circular.

**Statutory Auditors:-**

During the FY'23, the Company and its subsidiaries had paid ₹ 37.04 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 Executive Director(s), 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.

**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.

<b>Address for Correspondence</b>	Shareholders may contact: <b>Mr K. K. Rajgaria, Company Secretary &amp; Compliance Officer</b> at the Registered Office of the Company for any assistance. Telephone No: (033) 2569-1500 E-mail : <a href="mailto:kishor.rajgaria@texmaco.in">kishor.rajgaria@texmaco.in</a> Note: Shareholders holding Equity Shares in Electronic mode should address all their correspondence concerning their respective Depository Participants directly with them.
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**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
31.03.2022	30.09.2022	02.11.2029
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

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 2023 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 2023.

**(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 Authority.

The aforementioned certificate is attached to this Report.

**21. EDs and CFO Certification:-**

The 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 D. H. Kela, Executive Director of the Company is due for retirement by rotation and is eligible for re-appointment at the ensuing Annual General Meeting ('AGM'). The Board has recommended the reappointment of Mr Kela as the Director of the Company subject to the approval of the shareholders of the Company.

Brief particulars regarding Mr Kela is given in the Notice calling AGM of the Company.

## Declaration by the Executive 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**

Place: Kolkata  
Dated: 12<sup>th</sup> May 2023

**D. H. Kela**  
Executive Director

**A. K. Vijay**  
Executive Director

## 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 2023 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**

**D. H. Kela**  
Executive Director

**A. K. Vijay**  
Executive Director

**Hemant Bhuwania**  
CFO

Place: Kolkata  
Dated: 12<sup>th</sup> May 2023

## 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 2023 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 Directors	DIN	Date of appointment in the Company
1.	S. K. Poddar	00008654	25-09-2010
2.	D. R. Kaarthekeyan	00327907	02-09-2011
3.	Rusha Mitra	08402204	17-02-2021
4.	Utsav Parekh	00027642	04-09-2018
5.	Virendra Sinha	03113274	17-02-2021
6.	P. S. Bhattacharyya	00329479	01-01-2022
7.	Indrajit Mookerjee	01419627	09-09-2019
8.	A. K. Gupta*	07808012	17-11-2020
9.	Akshay Poddar	00008686	02-09-2011
10.	D. H. Kela	01050842	01-01-2010
11.	A. K. Vijay	01103278	01-01-2015
12.	Amitabha Guha#	02836707	06-05-2022

\* Ceased w.e.f. the close of business on 31<sup>st</sup> August 2022

# Appointed w.e.f. 6<sup>th</sup> May 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 SR & 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: F007040E000296813

Place: Kolkata

Date: 12<sup>th</sup> May 2023

## Auditor's Certificate on Corporate Governance

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

1. We, L. B. Jha & Co., Chartered Accountants, the Statutory Auditors of Texmaco Rail & Engineering Limited ('the Company'), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2023 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)

**(Ranjan Singh)**  
Partner  
(Membership number: 305423)  
UDIN: 23305423BHAHCC9442

Place: Kolkata  
Date: 12<sup>th</sup> May 2023



## Annexure - G

# Business Responsibility & Sustainability Reporting

### SECTION A: GENERAL DISCLOSURES

#### I. Details

1.	Corporate Identity Number (CIN) of the Listed Entity	L29261WB1998PLC087404
2.	Name of the Listed Entity	Texmaco Rail & Engineering Limited
3.	Year of incorporation	25th June, 1998
4.	Registered office address	Belgharia, Kolkata – 700056
5.	Corporate address	Belgharia, Kolkata – 700056
6.	E-mail	texrail_cs@texmaco.in
7.	Telephone	033 2569 1500
8.	Website	<a href="http://www.texmaco.in">www.texmaco.in</a>
9.	Financial year for which reporting is being done	1st April, 2022 to 31st March, 2023
10.	Name of the Stock Exchange(s) where shares are listed	BSE Limited National Stock Exchange Limited
11.	Paid-up Capital	₹ 32,18,69,895/-
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report	Mr. K. K. Rajgaria Company Secretary & Compliance Officer Contact No. 033 2569 1500 E-mail: <a href="mailto:texrail_cs@texmaco.in">texrail_cs@texmaco.in</a>
13.	Reporting boundary-Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Disclosures made in this report are on a consolidated basis

#### II. Product/Services

14. Details of business activities (accounting for 90% of the Turnover):

S.No.	Description of Main Activity	Description of Business Activity	% of Turnover of the entity
1.	Heavy Engineering Division	Freight Car and Components, Hydro Mechanical Equipment(HME), Bridge & other Steel Structure(BSD)	57
2.	Steel Foundry Division	Steel Castings	10
3.	Rail EPC Division	Rail Electrification, Rail Track laying, Signaling & Telecommunication etc.	33

15. Products/ Services sold by the entity(accounting for 90% of the entity's Turnover):

S.No.	Product / Service	NIC Code	% of total Turnover contribute
1	Freight Car and Components, Hydro Mechanical Equipment (HME), Bridge & other Steel Structure (BSD),	302	57
2	Steel Castings	243	10
3	Rail EPC projects in the area of Rail Electrification, Track laying, Signaling & Telecommunication etc.	439	33

### III. Operations

16. Number of locations where plants and/ or operations / offices of the entity are situated:

Location	Number of Plants	Number of Offices	Total
National	6	5	11
International	-	1	1

17. Markets served by the entity:

a. Number of Locations

Locations	Number
National (No. of States & Union territories)	PAN India
International (No. of Countries)	16

b. What is the contribution of exports as a percentage of the total turnover of the entity? **9.4%**

c. A brief on types of customers: **Government, B2B (OEM, Construction etc.)**

### IV. Employees

18. Details as at the end of Financial Year 2022-2023:

a. **Employees and workers (including differently abled)**

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	%(C/A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	1077	1023	94.98	54	5.02
2.	Other than Permanent (E)	128	125	97.66	3	2.34
<b>3.</b>	<b>Total Employees (D+E)</b>	<b>1205</b>	<b>1148</b>	<b>95.27</b>	<b>57</b>	<b>4.73</b>
<b>WORKERS</b>						
4.	Permanent(F)	817	814	99.63	3	0.37
5.	Other than Permanent (G)	3639	3629	99.72	10	0.27
<b>6.</b>	<b>Total Workers (F+G)</b>	<b>4456</b>	<b>4443</b>	<b>99.70</b>	<b>13</b>	<b>0.29</b>

b. **Differently abled Employees and workers:**

S.No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	%(C/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent(D)	5	5	100	-	-
2.	Other than Permanent (E)	-	-	-	-	-
<b>3.</b>	<b>Total Differently Abled Employees (D+E)</b>	<b>5</b>	<b>5</b>	<b>100</b>	<b>-</b>	<b>-</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent(F)	-	-	-	-	-
5.	Other than Permanent (G)	1	1	100	-	-
<b>6.</b>	<b>Total Differently Abled Workers (F+G)</b>	<b>1</b>	<b>1</b>	<b>100</b>	<b>-</b>	<b>-</b>

19. Participation/ Inclusion/ Representation of women

	Total (A)	No. and percentage of Female	
		No. (B)	% (B/A)
Board of Directors*	11	1	9
Key Management Personnel <sup>#</sup>	2	-	-

\*Includes Executive Directors

<sup>#</sup>Includes CFO and Company Secretary

## 20. Turnover rate of permanent employee and workers

	FY' 23 (Turnover rate)			FY'22 (Turnover rate)			FY'21 (Turnover rate)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	13.55%	3.75%	13.87%	23.64%	6.64%	24.04%	13.41%	7.11%	13.28%
Permanent Workers	4.17%	-	4.17%	6.45%	-	6.45%	0.21%	-	0.21%

**V. Holding, Subsidiary and Associate Companies (including Joint Ventures)**

## 21. (a) Names of holding / subsidiary / associate companies / joint ventures

S.No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding / subsidiary / associate / joint venture	% of shares held by listed entity	Does the entity indicated at column A, participated in the Business Responsibility Initiatives of the listed entity? (Yes/no)
1.	Belur Engineering Private Limited	Subsidiary	100	No
2.	TexmacoTranstak Private Limited	Subsidiary	51	No
3.	Texmaco Rail Electrification Limited	Subsidiary	100	No
4.	Panihati Engineering Udyog Private Limited	Subsidiary	100	No
5.	Belgharia Engineering Udyog Private Limited	Subsidiary	100	No
6.	Texmaco Rail Systems Private Limited	Subsidiary	51	No
7.	Texmaco Defence Systems Private Limited	Associate	41	No
8.	Touax Texmaco Railcar Leasing Private Limited	Joint Venture	50	No
9.	Wabtec Texmaco Rail Private Limited	Joint Venture	40	No

**VI. CSR Details**

22. (i) Whether CSR is applicable as per Section 135 of Companies Act, 2013: **Yes**  
(ii) Turnover (in ₹): **2243.28 crore (Standalone)**  
(iii) Net Worth (in ₹): **1345.33 crore (Standalone)**

**VII. Transparency and Disclosure Compliances**

## 23. Complaints / Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct:

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in place (Yes/No) (if yes, then provide web-link for grievance redress policy)	FY' 2022-2023			FY' 2021-2022		
		Number of Complaints filed during the year	Number of Complaints pending resolution at close of the year	Remarks	Number of Complaints filed during the year	Number of Complaints pending resolution at close of the year	Remarks
Communities	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Investors (other than shareholders)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Shareholders	Yes	82	NIL	Nil	15	NIL	The complaints were largely on account of procedural requirements like non receipt of annual report etc. and were not of serious nature
Employees and workers	Yes	Nil	Nil	Nil	Nil	Nil	Nil
Customers	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Value Chain Partners	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Other (please specify)	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Relevant policies can be accessed at [www.texmaco.in](http://www.texmaco.in)

24. Overview of the entity's material responsible business conduct issues :

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along-with its financial implications, as per the following format: -

S.No.	Material Issue Required	Indicate whether risk or opportunity (R/O)	Rational for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Energy efficiency and energy management	Risk	Since the operations are highly energy intensive and resorting to more energy efficient measures including adoption of non-conventional and renewable energy options would help the Company to reduce cost of operations	The Company is looking to deploy renewable energy resources including solar power generation avenues	Negative
2	Government's increased focus on infrastructure development especially rail infrastructure	Opportunity	<p>The Government continues its focus on investments in rail infrastructure, with the objective of reducing logistics cost, in line with the global benchmarks.</p> <p>The Railways Industry will see investments growing. The GOI is also focusing on reducing carbon foot print, which will result in more freight on rails and also increase in urban mobility through metro, light metro etc. The Company foresees positive impact of these initiatives on its operations.</p> <p>Also with the new logistics policy and endeavors of GOI, the Company expects sharp spurt in opportunities and corresponding benefits.</p>	NA	Positive
3	Talent Attraction and Retention	Opportunity	Company that offers a positive work environment by providing work life balance and opportunities for professional growth is more likely to attract top talent in the industry. This can give the company a competitive advantage, as it will have a skilled and motivated workforce that can help drive innovation and growth.	NA	Positive
4	Corporate Governance and Regulatory Compliance	Risk	Corporate governance or regulatory issues can negatively impact the investor confidence, long-term business continuity and value creation.	We have taken various measures to enhance our governance practices and ensuring regulatory compliances.	Negative

**SECTION B: MANAGEMENT AND PROCESS DISCLOSURES**

This section is aimed at helping business demonstrate the structure, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy /policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
b. Has the policy been approved by the Board? (Yes/No)	Yes								
c. Web Link of the policies, if available	View restricted to employees, hence not disseminated on Website of the Company.								
2. Whether the entity has translated the policy into procedures. (Yes/No)	Yes								
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Yes								
4. Name of the national and international codes/ certifications/ labels/ standards (e.g. Forest Stewardship council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	Policies and procedures are aligned to standards like: ISO 45001 (Occupational Health & Safety Management System), ISO 9001 (Quality Management System), ISO 14001 (Environment Management System) etc. Plants are certified in ISO standards such as ISO 9001, ISO 14001 & ISO 45001.								
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	The Company is in the process of setting up its goal and targets towards the nine principles of BRSR.								
6. Performance of the entity against the specific commitments, goals and targets along with reasons in case the same are not met.	The performance of the Company on Environment, Social and Governance measures are provided in the respective principles of this report.								
<b>Governance, leadership and oversight</b>									
7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements.	ESG is undoubtedly the most crucial performance yardstick for any progressive entity in the 21st century. The Company is mindful of its role and responsibilities in this regard and will strive to factor in ESG considerations into its governance and decision-making processes.  Our endeavor would be to lay down definitive ESG targets with specific timelines for achievement so as to bring about value creation to all our stakeholders through sustained ESG performance.								
8. Details of the highest authority responsible for implementation and oversight of the business responsibility policies.	Board of Directors								
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	Board of Directors								

10. Details of Review of NGRBCs by the Company.

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board / Any other Committee.									Frequency (Annually / Half yearly/ Quarterly / Any other- please specify)								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies and follow up action	Policies have been approved by the Board, Board committees, Senior management of the Company to comply with the regulatory requirements. Division and department leaders frequently evaluate our policies or, if necessary, undertake urgent evaluations. During this review, the efficacy of the policies is assessed and any necessary modifications to the policies and procedures are implemented.																	
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	The company is in compliance with applicable laws and regulations. The Board of Directors reviews the status of compliance of all the applicable laws on a quarterly basis.																	
11. Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9	The evaluation/assessment of the policies of the Company is done internally both at the management level and the Board level.								

12. If answer to this question (1) above is “No” i.e. not all Principles are covered by a policy, reason to be stated:

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)	Not applicable, as all principles are covered by respective policies								
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									
The entity does not have the financial or human and technical resources available for the task (Yes/ No)									
It is planned to be done in the next financial year (Yes/No)									
Any other reason (please specify)									

**SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE**

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

**PRINCIPLE 1 Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable**

**Essential Indicators**

1. Percentage coverage by training and awareness programs on any of the principles during the financial year:

Segment	Total Number of training and awareness programmes held	Topics / Principles covered under the training and its impact	% age of persons in respective category covered by the awareness programmes
Board of Directors and Key Managerial Personnel	5 (as part of Board Meetings)	Updates and awareness related to: <ul style="list-style-type: none"> <li>Regulatory requirements</li> <li>Strategy update</li> <li>Industry outlook and changes</li> <li>Business update</li> <li>Code of Conduct</li> </ul> are conducted for the Board of Directors & KMPs.	100

Employees other than BoD and KMPs	19	Training on Safety, IMS, QMS, NDT, Welding, Quality, HSE, Kaizen, PMS, Technical, Leadership, Skill development etc.	72
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The Company conducts various SOPs and shop-floor training for employees and workers which are not tracked currently.

2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions, in the financial year, in the following format.

#### Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Penalty / Fine					
Settlement			NIL		
Compounding fee					

#### Non-Monetary

	NGRBC Principle	Name of the regulatory/ enforcement agencies/judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred? (Yes/No)
Imprisonment					
Punishment			NIL		

3. Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non- monetary action has been appealed.

Case Details	Name of the regulatory / enforcement agencies / judicial institutions
	Not Applicable

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

**Yes**, the Company has 'Zero tolerance' of any practice that may be classified as corruption, bribery or giving or receipt of bribes and the same has been mentioned in its code of conduct. The objective of this policy is to serve as a guide for all directors, executives, employees and associated persons for ensuring compliance with applicable anti-bribery laws, rules and regulations. The existing policy like Code of Conduct (including Whistle Blower Policy), rules and regulations adopted by the Company are in conformity with the legal and statutory framework on anti- bribery and anti-corruption legislation prevalent in India. This policy is applicable to all individuals working at all levels and grades, including Board Members and Senior Managerial Personnel, other employees and such other person acting on behalf of the Company. The Policy reflects the Commitment of the Company and its maintaining highest ethical standards while undertaking open and fair business practices and culture, and implementing and enforcing systems to detect, counter and prevent bribery and other corrupt business practices.

The Company also communicates, creates awareness, and disseminates its Policies to all its employees through various modes, apart from the awareness sessions conducted by the units heads at each plant/unit level.

Relevant policies are available at [www.texmaco.in](http://www.texmaco.in)

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption:

**There has been no cases involving disciplinary action taken by any law enforcement agency on the changes of bribery/corruption against directors / KMPs/ employees / workers that have been brought to the Company's attention.**

	<b>FY' 2022-2023 (Current Financial Year)</b>	<b>FY' 2021-2022 (Previous Financial Year)</b>
Directors	Nil	Nil
KMPs	Nil	Nil
Employees	Nil	Nil
Workers	Nil	Nil

6. Details of complaints with regard to conflict of interest:

	<b>FY' 2022-2023</b>		<b>FY' 2021-2022</b>	
	<b>Number</b>	<b>Remarks</b>	<b>Number</b>	<b>Remarks</b>
Number of complaints received in relation to issues of conflict of interest of the Directors	Nil	N.A.	Nil	N.A.
Number of complaints received in relation to issues of conflict of interest of the KMPs	Nil	N.A.	Nil	N.A.

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest. **Not Applicable**

**Leadership Indicators**

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

<b>Total number of awareness programmes held</b>	<b>Topics / principles covered under the training</b>	<b>% age of value chain partners covered (by value of business done with such partners) under the awareness programmes</b>
NIL		

2. Does the entity have processes in place to avoid / manage conflict of interest involving members of the Board? (Yes/ No) if yes provide details of the same.

**Yes**, the Company has a Code of Conduct for Board of Directors and Senior Management Personnel which provides clear guidelines for avoiding and disclosing actual or potential conflict of interest with the Company. The Company has processes on management of conflict of interests involving members of the Board which would take place during the course of normal business activities. The Company receives an annual declaration from its Board of Directors and Senior Management Personnel on the entities they are interested in, and ensures approvals as required under the applicable laws are taken prior to entering into transactions with each entities, if any, and are entered in normal course of business and on arm's length basis.

**PRINCIPLE 2 Businesses should provide goods and services in a manner that is sustainable and safe.**

1. Percentage of R & D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

	<b>FY' 2022-2023</b>	<b>FY' 2021-2022</b>	<b>Details of improvements in environmental and social impacts</b>
R & D	-	-	The Company ensures to put process in place to track the R&D related expenses and Capex investment in specific technologies, as and when required.
Capex	-	-	



2. a. Does the entity have procedures in place for sustainable sourcing?

**Yes**, the Company has a procedure for sustainable sourcing where all the new and existing supply chain partners are mandatorily evaluated on environment, health & safety and sustainability parameters before on boarding. The Company has all the quality and inspection system in place to ensure that all goods and services provided by the Company are safe and sustainable throughout their life cycle. The Company places a high premium on techno commercial aspects and the Company's procedures with regard to finalizing vendors emphasizes on safe working practices, technical certifications etc. The selection procedure of the Company's transport vendors (Trucks and Containers) involves scrutiny at various levels like age of vehicle / container fleet, well laid out systems of mandatory inspections, and safe driving procedures. Raw materials, components, stores and packing materials are generally procured from vendors close to the manufacturing units, wherever feasible.

b. If yes, what percentage of inputs were sourced sustainably?

The Company procure items as per Customer Specification and prefer Vendors close to units/place of performance, wherever feasible.

3. Describing the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E- waste (c) Hazardous waste and other waste.

The Company does not have any specific product to reclaim at the end of life. It is the Company endeavor to continually look for ways to reduce and recycle waste. 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.

In terms of disposal of E-Waste, the Company did a joint survey in its all works with a renowned PRO i.e. Hulladek Recycling Pvt. Ltd. On the basis of this survey, the Company have identified all type of E-Waste generated throughout the process. Now, the Company is in the process to develop the E-Waste disposal procedure as per E- Waste Management Rule 2022 so that all type of identified E-Waste can be routed through this system, and the Company can dispose it with the authorized recycler / PRO i.e. Hulladek.

In terms of Hazardous Waste Management, the Company have authorization of Hazardous Waste and according to this, have identified all types of hazardous waste generated throughout the process. This Hazardous Waste is supposed to be disposed through PCB authorized common treatment storage and disposal facility (WBWML). For the same, after all necessary documentation the Company is in the position to dispose of identified hazardous waste.

4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes/No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

The Company has created a strict system and have continue screening programs for raw material introduction for new project and in various stages, check the accountabilities responsible for sustainability. The Company focuses on minimizing and eliminating restricted raw materials from the products produced. The Company aims in making safer place for workers as well as environment making World a better and beautiful place to thrive.

**Leadership Indicators**

1. Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format? **None**

NIC Code Service	Name of Product /	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide the web link.
NA					

2. If there are any significant social or environmental concerns and / or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along-with action taken to mitigate the same.

The company believes that as a responsible organization its products should conform to the highest level of safety and sustainability standards. The company believes that long time 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. While taking cognizance of the environmental risks and concerns is a part of the company's endeavor towards responsible product stewardship. The company has all the quality and inspection systems in place to ensure that all goods and services provided by the company are safe sustainable throughout their life cycle.

Name of product / Service	Description of the risk / concern	Action Taken
NIL		

3. Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry). **N.A.**
4. Of the products and packaging reclaimed at end-of-life products, amount (in metric tonnes) recycled, and safely disposed, as per the following format:

Raw materials, components, stores and packing materials are generally procured from vendors close to the site/manufacturing units. The company has Zero tolerance policy on safety compromise. In addition, with an endeavor to boost the “Make in India” initiative, the company ensures that, which again helps in the growth of the local vendors and society and further contributes to the country's GDP. Local resourcing reduces costs, and provides local employment benefits. 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 also places high credence to sustainability and safety in its supply chain management.

	FY' 2022-2023			FY'2021-2022		
	Re-used	Recycled	Safely Disposed	Re- used	Recycled	Safely Disposed
Plastics (including packaging)	Nil	Nil	718 kgs	Nil	Nil	747 kgs
E-waste	Nil	Nil	83 kgs	Nil	Nil	253 kgs
Hazardous waste ( Lub Oil, Paint Filter & Drum, Cotton Waste)	Nil	Nil	Nil, 93 pcs, 114 kgs	Nil	Nil	280 Ltrs, 206 pcs, 74 kgs
Other waste (Non Ferrous)	Nil	Nil	93 kgs	Nil	Nil	107 kgs

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.  
Adequate practices are adopted in order to mitigate the impact of other waste generations and these wastes are disposed of in due compliance with the applicable rules and regulations in general and specifically in tandem with local requirements, if any.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
-	-

**PRINCIPLE 3 Businesses should respect and promote the well-being of all employees, including those in their value chains.**

**Essential Indicators**

1. a.Details of measures for the well-being of employees:

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/ A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
	<b>Permanent &amp; Other than Permanent employees</b>										
Male	1148	573	49.9	1148	100	-	-	-	-	1148	100
Female	57	16	28.1	57	100	57	100	-	-	57	100
<b>Total</b>	<b>1205</b>	<b>589</b>	<b>51.8</b>	<b>1205</b>	<b>100</b>	<b>57</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>1205</b>	<b>100</b>

## b. Details of measures for the well-being of workers:

Category	% of Workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
	<b>Permanent Workers</b>										
Male	814	814	100	814	100	-	-	-	-	814	100
Female	3	3	100	3	100	3	100	-	-	3	100
<b>Total</b>	<b>817</b>	<b>817</b>	<b>100</b>	<b>817</b>	<b>100</b>	<b>3</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>817</b>	<b>100</b>
	<b>Other than Permanent Workers</b>										
Male	3629	3629	100	3629	100	-	-	-	-	3629	100
Female	10	10	100	10	100	10	100	-	-	10	100
<b>Total</b>	<b>3639</b>	<b>3639</b>	<b>100</b>	<b>3639</b>	<b>100</b>	<b>10</b>	<b>100</b>	<b>-</b>	<b>-</b>	<b>3639</b>	<b>100</b>

## 2. Details of retirement benefits, for Current FY and Previous FY.

Benefits	FY 2022-2023			FY 2021-2022		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No. of workers covered as a % of total employees	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Y	100	100	Y
Gratuity	100	100	Y	100	100	Y
ESI*	39.47	100	Y	39.67	100	Y
Others- please specify	Apart from above, the Company also provides leave encashment and super annuation benefits					

\* It includes only those employees and workers who are eligible for ESI.

## 3. Accessibility of workplaces

Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

**Yes**, most of the office buildings and operation locations are accessible to differently abled employees and workers, as per requirements of the Rights of persons with Disabilities Act, 2016.

## 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

The Company is committed to provide equal employment opportunities without any discrimination on the grounds of age, colour, origin, nationality, disability, religion, race, caste, gender, sex etc. The Company believes that diversity at workplace is an instrument for economic growth, sustainable competitive advantage and societal progress.

## 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent Employee		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	NA		NA	
Female				
Total				

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and worker? If yes, give details of the mechanism in brief

	<b>Yes/No (If yes, then give details of the mechanism in brief)</b>
Permanent Workers	We conduct periodic welfare meeting, safety committee meeting, for effective grievance redressal and ensuring a healthy workplace environment. Unit meetings are periodically held for both contractual and non-contractual workers and employees to discuss any concerns or grievances.  We have a robust 'Whistle Blower Policy' in place which acts as a mechanism for employees, workers and senior management to approach the Compliance Officer or the Chairman of the Audit Committee in situations of misconduct or breach of code of conduct and any other grievances which hamper the functioning of the organization. This policy ensures responsible whistle blowing through efficient redressal and disciplinary action.  We strive to ensure transparency and effective redressal through open communication and access for all employees and workers to voice their concerns to the senior management.  Besides the above we also have a Prevention of Sexual Harassment (POSH) Policy to ensure a safe and secure working environment.
Other than Permanent Workers	
Permanent Employees	
Other than Permanent Employees	

- 7 Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY ' 2022-2023			FY' 2021-2022		
	Total employees / workers in respective	No. of employees / category (A) workers in respective category, who are part of association(s)	% (B / A)	Total employees/ workers in respective category (C)	No. of employees/ workers in respective category, who are part of or Union (B) association(s) or Union (D)	% (D / C)
Total Permanent Employees	1205	-	-	1250	-	-
- Male	1148	-	-	1210	-	-
- Female	57	-	-	40	-	-
Total Permanent workers	817	612	74.91	942	737	78.24
- Male	814	609	74.82	939	734	78.17
- Female	3	3	100.00	3	3	100.00

8. Details of training given to employees and workers:

Category	FY' 2022-2023					FY 2021-2022				
	Total (A)	On Health and safety Measures		On Skill upgradation		Total (D)	On Health and safety		On Skill upgradation measures	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
Male	1148	580	50.5	580	50.5	1210	610	50.4	610	50.4
Female	57	26	45.6	26	45.6	40	15	37.5	15	37.5
Total	1205	606	50.3	606	50.3	1250	625	50.0	625	50.0
<b>Workers</b>										
Male	814	367	45	367	45	939	270	29	270	29
Female	3	-	-	-	-	3	-	-	-	-
Total	817	367	45	367	45	942	270	29	270	29

## 9. Details of performance and career development reviews of employees and worker:

Category	FY'2022-2023			FY' 2021-2022		
	Total (A)	No. (B)	% (B / A)	Total (C)	No. (D)	% (D / C)
<b>Employees</b>						
Male	1148	1148	100	1210	1210	100
Female	57	57	100	40	40	100
<b>Total</b>	<b>1205</b>	<b>1205</b>	<b>100</b>	<b>1250</b>	<b>1250</b>	<b>100</b>
<b>Workers</b>						
Male	N.A.					
Female						
<b>Total</b>						

## 10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? **(Yes/ No)**. If yes, the coverage such system?

**Yes**, occupational health and safety management system has been implemented by the entity. It covers the entire operations, project sites, manufacturing units, industrial production facilities and offices. The Company's health and safety management system are based on ISO 45001, the International standard for Occupational Health and Safety.

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

The Company has in place systematic risk management process to identify and control all the hazards in manufacturing units, project sites etc. The Company's risk management process is applied through five steps (Identification, Assessment, Mitigation, Monitoring and Reporting) and all the Construction Engineers, design and planning engineers, production in charges are involved in risk assessments and the risk management process, All the identified risks and risk mitigation plans are required to be documented, approved and communicated to all relevant parts involved in the activity.

As mentioned above, the Company is having certification of ISO 45001 for Occupational Health & Safety. According to this standard, the Company is implementing complete Occupational Health and Safety Management System. And for identification of work-related hazards and risk assessment the Company is using Hazard Identification & Risk Assessment tool. In this tool user are mapping entire work process and along with associated hazard and probable risk and as per risk matrix chart calculate the severity of risk. On the basis of severity of risk corrective and preventive action defined which is followed by Operational control procedure and if required Job Hazard Analysis (JHA)/ Job Safety Analysis (JSA) has been done in high risk zone.

- c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)

**Yes**, the Company has processes for workers to report work related hazards and to remove themselves from such risks. There are processes and mechanism whereby employees and workmen raise their safety related concerns both directly and anonymously, and the Company is inclined to take action on the same, if required.

As per ISO 45001 standard there is a provision of consultation & participation of the workmen. The Company conducts safety committee meeting on quarterly basis where workers are equally participating and raising their concern, if any. Apart from this there is a provision of safety suggestion which is routed through line in-charge where any worker can give their suggestion and it is taken care by their line in-charge including group of workers to resolve the issue, if any.

- d. Do the employees/ worker of the entity have access to non-occupational medical and healthcare services? **(Yes/ No)**

**Yes**, medical centres and first aid facilities are available for both employees and workers. Moreover, employees & workers also have access to various benefits provided under ESI & EDLI coverage, as applicable.

We are running health care services through Arogyam drive. In this service we provide concessional/free medical consultations for Allopathy & Homeopathy both for workers and their families also.

11. Details of safety related incidents, in the following format:

<b>Safety Incident/Number</b>	<b>Category</b>	<b>FY' 2022-2023</b>	<b>FY' 2021-2022</b>
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	4.97	2.23
Total recordable work-related injuries	Employees	-	-
	Workers	62	20
No. of fatalities	Employees	-	-
	Workers	1	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	10

12. Describe the measures taken by the entity to ensure a safe and healthy workplace.

The Company's plants, facilities and manufacturing equipment are designed based on careful consideration of statutory and non statutory requirements, for healthy and safety workplace, applicable Indian and International Standards. One of the key focus areas remains safety of employees and minimize the manual interfaces with machines. The health and safety management systems is based on ISO 45001, the International Standard for Occupational Health and safety. The Company has a systematic processes for identification of work- related hazards.

The Company is having defined framework for implementing health and safety at workplace. i.e. Safety Training Management, Risk Assessment System, Emergency Preparedness Plan, Permit to Work system, Safety Performance Monitoring System, Accident/Incident Management System, Fire Safety Management System, PPEs Management System, Occupational Health Centre Management System, Employee Health Management System and Statutory and Legal Compliance.

13. Number of Complaints on the following made by employees and workers:

	<b>FY' 2022-2023</b>			<b>FY' 2021-2022</b>		
	<b>Filed during the year</b>	<b>Pending resolution at the end of year</b>	<b>Remarks</b>	<b>Filed during the year</b>	<b>Pending resolution at the end of year</b>	<b>Remarks</b>
Working Conditions	-	-	-	-	-	-
Health & Safety	-	-	-	-	-	-

14. Assessments for the year:

	<b>% of plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Health and safety practices	50
Working Conditions	50

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

Internal review are conducted on a periodic basis. Corrective and preventive measures are taken based on the findings. Detailed investigations are carried out for all accidents to identify the root causes and to understand the measures required to prevent recurrence. Accidents, if any, and investigation findings with corrective and preventive measures are disseminated across the organisations to make all the employees and workers alert and stay safe.

## Leadership Indicators

- Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N).

The Company covers employees & workers under ESI & PF as per requirement of applicable Statute.

- Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners.

The Company is committed to ensure that all its vendors/ contractors comply with applicable laws and regulations regarding the deduction and deposit of statutory dues. It takes its legal and ethical obligations seriously and expects its vendors/ contractors to adhere to the same. Before processing invoice payments to contract labour supply agencies, we ensure that the agencies comply with their statutory compliance obligations, such as timely remitting payments for Provident Fund, ESI/ Workman Compensation Insurance, Professional Tax and Labour Welfare Fund, if applicable. To facilitate compliance, the Company withholds the agency's invoice payment partly until they have paid the relevant statutory compliance dues in accordance with the appropriate regulations. This procedure ensures that vendors/ contractors meet their legal requirements before receiving their payments, demonstrating our commitment of ensuring fulfilment of statutory payment requirements

- Provide the number of employees / workers having suffered high consequence work related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

	Total no. of affected employees/ workers		No. of employees/workers that are rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	FY'2022-2023	FY' 2021-2022)	FY'2022-2023	FY' 2021-2022
Employees	Nil	Nil	Nil	Nil
Workers	1	10	Nil*	10

\*There were no surviving member in the family

- Does the entity provide transition assistance programs to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/ No)

The Company continually invests in human capital development which includes building skills and capabilities that are contemporary while providing employees with a diversity of experiences. A noteworthy initiative of the 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. These enhance the employability of the workforce and enable a smooth transition to alternate opportunities where sought. The Company provides the pension benefits for those members of staff who qualify. Workers are provided pension benefits covered under the relevant statute.

- Details on assessment of value chain partners

	% of value chain partners (by value of business done with such partners) that were assessed
Health and safety practices	Nil, we co-ordinate with our value chain partners for compliance to applicable health & safety practices & working condition.
Working Conditions	

- Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

The Company's guidelines are shared with the value chain partners.

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its Stakeholders.**

**Essential Indicators**

1. Describe the processes for identifying key stakeholder groups of the entity.

The 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 Company understands that the stakeholders are one amongst various 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, wherever required.

The Company considers Stakeholders as an important and integral part of the Company and acknowledges its duty towards them, as they provide practical and financial and much needed support in other spheres to the business. Internal and external stakeholder engagement and partnership is essential to the Company's growth and the Company recognises same well.

2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

<b>Stakeholder Group</b>	<b>Whether Identified as Vulnerable &amp; Marginalized Group (Yes/No)</b>	<b>Channels of communication</b> (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website, Other)	<b>Frequency of engagement (Annually/ Half yearly/ Quarterly / others – please specify)</b>	<b>Purpose and scope of engagement including key topics and concerns raised during such engagement</b>
Investors	No	General meetings, investor calls etc.,	Event based	Transparency, disclosure
Local community	No	One to one meetings, various public hearings	Regular	Addressing concerns, seeking co-operation, taking care of health and safety issues
Suppliers	No	Email, meetings	On need basis	Mutual engagement, address concerns, exchange of ideas
Customers	No	Email, meetings, conferences	On need basis	Resolution of grievances, product promotion, exchange of ideas, interactive engagement
Industry Association	No	Conferences, Emails	Event based	Transparency, collective representation
Regulators	No	Letters, emails, conferences	Event based	Transparency, Disclosure, compliance, Constructive engagement
Employees	No	Annual meets, regular unit level interactions, annual appraisal, celebration of events	As and when required	Empathy, trainings, caring, addressing concerns, to encourage increased participation



### Leadership Indicators

1. Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.

The Board engages with the stakeholders through executives looking after the respective functions. The EDs and the senior management team of the Company regularly update the Board and various Board Committees on relevant issues. These updates are provided during the Board meetings and the Committee meetings.

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

**Yes**, stakeholder groups, especially the workmen and employees are consulted for identification of environmental and social issues. The Company conducts its operations keeping in mind the concerns of the communities around its plant operations based on the inputs and feedback received from community representatives and employees.

3. Provide details of instances of engagement with, and actions taken to, address the concerns of vulnerable/ marginalized stakeholder groups.

Various CSR activities undertaken by the company is testimony to its commitment to addressing the concerns of vulnerable stakeholder groups. The Company used to indulge in CSR activities even prior to introduction of CSR related provisions on mandatory basis.

### PRINCIPLE 5 Businesses should respect and promote human rights.

#### Essential Indicators

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY'2022-2023			FY'2021-2022		
	Total (A)	No. of employees/ workers covered (B)	% (B / A)	Total (C)	No. of employees / workers covered (D)	% (D / C)
<b>Employees</b>						
Permanent	1148	580	50.5	1210	610	50.4
Other than permanent	57	26	45.6	40	15	37.5
<b>Total Employees</b>	<b>1205</b>	<b>606</b>	<b>50.3</b>	<b>1250</b>	<b>625</b>	<b>50.0</b>
<b>Workers</b>						
Permanent	814	367	45	939	270	29
Other than permanent	3	-	-	3	-	-
<b>Total Workers</b>	<b>817</b>	<b>367</b>	<b>45</b>	<b>942</b>	<b>270</b>	<b>29</b>

## 2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY'2022-2023					FY'2021-2022				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B / A)	No. (C)	% (C / A)		No. (E)	% (E / D)	No. (F)	% (F / D)
<b>Employees</b>										
<b>Permanent &amp; Other than Permanent</b>										
Male	1148	-	-	1148	100	1210	-	-	1210	100
Female	57	-	-	57	100	40	-	-	40	100
<b>Workers</b>										
<b>Permanent</b>										
Male	814	-	-	814	100	939	-	-	939	100
Female	3	-	-	3	100	3	-	-	3	100
<b>Other than Permanent</b>	-	-	-	-	-	-	-	-	-	-
Male	All employees and contractors have been paid more than or equal to minimum wages in accordance with the laws where the Company operates.									
Female										

## 3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category
Board of Directors (BoD)	11	8,15,000	1	5,15,000
Key Managerial Personnel	1	44,17,594	-	-
Employees other than BoD and KMP	1,143	3,44,700	57	2,21,735
Workers	814	2,33,772	3	2,18,825

## 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

**No.** The Company does not have a single focal point for addressing the human rights issues. However, the respective HR head is responsible for addressing the same. Any person who has any concerns relating to Human Rights can raise the concerns as per the detailed mechanism provided in the Whistle Blower Policy of the Company without fear of being retaliated or discriminated.

## 5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

The 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 country. The policies of the Company are in line with national standards and relevant international standards for its operation 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 Company on code of conduct and CSR recognizes the key aspect 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.

## 6. Number of Complaints on the following made by employees and workers:

	FY'2022-2023			FY'2021-2022		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year.	Pending resolution at the end of year	Remarks
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced Labour/Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other human rights related issues	-	-	-	-	-	-

## 7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

The Company has a Whistle Blower Policy wherein the employees report, without fear of retaliation, any wrong practices, unethical behaviour or non-compliance which may have a detrimental effect on the organisation. The Company is committed to a workplace free of harassment, including sexual harassment at workplace, and has zero tolerance for unacceptable conduct. The Company encourages reporting of any harassment concerns and is responsive to complaints about harassment or other unwelcome or offensive conduct. Internal Complaints Committee have been constituted to enquire into complaints of sexual harassment and to recommend appropriate action, wherever required.

8. Do human rights requirements form part of your business agreements and contracts? **(Yes/No)**

**Yes.** All the business agreement and contracts which are entered/to be entered into by the Company with any party include relevant clauses on the affirmation of applicable regulatory requirements which include human rights as well.

## 9. Assessments for the year:

	<b>% of your plants and offices that were assessed (by entity or statutory authorities or third parties)</b>
Child labour	100% Internal assessment
Forced/involuntary labour	100% Internal assessment
Sexual harassment	100% Internal assessment
Discrimination at workplace	100% Internal assessment
Wages	100% Internal assessment
Others – human rights related issues	100% Internal assessment

## 10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

The Company has not assessed any risks whether internally or as an outcome of external intervention. Currently, there are adequate systems in place to address the concerns that may arise, though unlikely, in future.

#### Leadership Indicators

## 1. Details of a business process being modified / introduced as a result of addressing human rights grievances/complaints.

**Not Applicable**, as there were no Human Rights related complaints during FY 2022-23.

## 2. Details of the scope and coverage of any Human rights due-diligence conducted.

The Company has a Whistle Blower Policy wherein the employees report, without fear of retaliation, any wrong practices, unethical behaviour or non-compliance may have a detrimental effect on the organisation. The Company is committed to a

workplace free of harassment, including sexual harassment at the workplace, and has zero tolerance for such unacceptable conduct. The Company encourages reporting of any harassment concerns and is responsive to complaints about harassment or other unwelcome or offensive conduct.

- Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

The Company is committed to ensure that its premises and offices are accessible to everyone including visitors as per the requirement of Rights of Person with Disabilities Act, 2016. Wherever required, temporary or permanent ergonomic changes are made to ensure differently abled visitors do not face any challenge while accessing the Company's premises

- Details on assessment of value chain partners: No assessment has been done by the Company for value chain partners. Currently the disclosures and information given by the value chain partners are relied upon.

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Sexual harassment	Nil
Discrimination at workplace	
Child Labour	
Forced Labour/Involuntary Labour	
Wages	
Others – please specify	

- Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above. **Not Applicable**

**PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment**

**Essential Indicators**

- Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

<b>Parameter</b>	<b>FY'2022-2023</b>	<b>FY'2021-2022</b>
Total electricity consumption (approx.) (A)	217223.88 GJ	162678.24 GJ
Total fuel consumption (approx.) (B)	64919.17 GJ	53382.45 GJ
Energy consumption through other sources (C)	-	-
<b>Total energy consumption (A+B+C)</b>	282143.05 GJ	216060.69 GJ
Energy intensity per rupee of turnover (Total energy consumption/ turnover in rupees)	1.09 GJ per lakh	1.19 GJ per lakh
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate, if any, independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

- Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any. **None**

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY'2022-2023	FY'2021-2022
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	-	-
(ii) Groundwater	17160 KL	15912 KL
(iii) Third party water	-	-
(iv) Seawater / desalinated water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)</b>	17160 KL	15912 KL
<b>Total volume of water consumption (in kilolitres)</b>	17160 KL	15912 KL
<b>Water intensity per rupee of turnover</b> (Water consumed / turnover)	0.07 KL per lakh	0.09 KL per lakh
<b>Water intensity</b> (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate, if any, independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **No**

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation. **Not yet**

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

**Not Available.** The Company is in the process of calculating air emissions, which is a regular affair as it has various manufacturing and performance locations and as perceived to be a regular affair.

Note: Indicate, if any, independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **None**

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

**Not Available.** The Company is in the process of calculating the Scope 1 and Scope 2 GHG emissions.

Note: Indicate, if any, independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **None**

7. Does the entity have any project related to reducing Green House Gas emission? If Yes, then provide details. **None**

The Company has installed 50 KW solar panels thereby directly reducing scope 2 emissions.

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY'2022-2023	FY'2021-2022
<b>Total Waste generated</b>		
Plastic waste (A)	718 kgs	747 kgs
E-waste (B)	83 kgs	253 kgs
Bio-medical waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery waste (E)	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	Paint filter – 93 pcs Cotton waste - 114 kgs	Lub oil 280Ltr. Paint filter – 206 pcs Cotton waste - 74 kgs

Other Non-hazardous waste generated (H). Please specify, if any. (Break-up by composition i.e. by materials relevant to the sector)	Non-ferrous – 93 kgs	Non-ferrous – 107 kgs
Total (A+B + C + D + E + F + G + H)	1008 kgs + 93 pcs	1181 kgs + 206 pcs + 280 ltr
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
Total	-	-
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations		-
Total *	1008 kgs + 93 pcs	1181 kgs + 206 pcs + 280 ltr

\*Through authorized agencies of West Bengal Pollution Control Board

Note: Indicate, if any, independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **None**

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

It is the Company's endeavour to continually look for ways to reduce waste. The Company is disposing wastes through authorized agencies of West Bengal Pollution Control Board.

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S.No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
<b>NA</b>			

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year: **None**

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
<b>NA</b>					

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, and Environment Protection Act and Rules there under (Y/N). If not, provide details of all such non-compliances, in the following format: **Yes**

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the non-compliance	Any fines / penalties / action taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
			NA	

### Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY'2022-2023	FY'2021-2022
<b>From renewable sources</b>		
Total electricity consumption (A)	188.44 GJ	170.49 GJ
Total fuel consumption (B)	-	-
Energy consumption through other sources (C)	-	-
<b>Total energy consumed from renewable sources (A+B+C)</b>	188.44 GJ	170.49 GJ
<b>From non-renewable sources</b>		
Total electricity consumption (D)	217035.44 GJ	162507.75 GJ
Total fuel consumption (E)	64919.17 GJ	53382.45 GJ
Energy consumption through other sources (F)	-	-
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	281954.61 GJ	215890.20 GJ

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **None**

2. Provide the following details related to water discharged:

No treatment	The Company is in the process of calculating and recording water discharge.
With treatment – please specify level of treatment	
<b>Total water discharged (in kilolitres)</b>	

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **None**

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres): **N.A.**

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **None**

4. Please provide details of total Scope 3 emissions & its intensity, in the following format:

Parameter	Unit	FY'2022-2023	FY'2021-2022
<b>Total Scope 3 emissions</b> (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	The Company has not calculated the Scope 3 emissions. It is in the process of collecting the relevant information and it is expected that from the next disclosure onwards details regarding scope 3 emissions should be available.	
<b>Total Scope 3 emissions per rupee of turnover</b>			
<b>Total Scope 3 emission intensity</b> (optional) – the relevant metric may be selected by the entity.			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency. **None**

- With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along-with prevention and remediation activities. **N.A.**
- If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format:

S. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along-with summary)	Outcome of the initiative
	Nil	N.A.	N.A.

- Does the entity have a business continuity and disaster management plan? Give details in 100 words/ web link. **The policy is under formulation.**
- Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard. **The assessment is under process.**
- Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts. **The assessment is under process.**

**PRINCIPLE 7 Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

- Number of affiliations with trade and industry chambers/ associations.
- List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to.

S. No.	Name of the trade and industry chambers/ associations	Reach of trade and industry chambers/ associations (State/National)
1	Confederation of Indian Industries	National
2	Indian Institute of Foundry men	National



2. Provide details of corrective action taken or underway on any issues related to anticompetitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
No adverse order was received by the Company from regulatory authorities during the financial 2022-2023. Hence, no corrective action was required to be taken.		

### Leadership Indicators

1. Details of public policy positions advocated by the entity:

S. No.	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of Review by Board (Annually/Half yearly/ Quarterly / Others – please specify)	Web Link, if available
NIL					

The 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. The Company's collaboration with industrial / commercial associations and academia demonstrates its approach towards addressing sustainability challenges faced by the society. The Company has its deliberations in several business & industrial associations at the national and international levels to put forth the larger interests of the Industry. The Company ensures that these platforms are effectively utilized with an intention of mutual learning and contribution in development of processes and to address key issues which effect the industry.

### PRINCIPLE 8 Businesses should promote inclusive growth and equitable development

#### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of project	SIA Notification No.	Date of notification	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
NIL					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format: **None**, since nature of business operation of the Company does not require any such steps to be undertaken.

S. No.	Name of Project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R PAFs in the FY (In INR)	Amounts paid to
NIL						

3. Describe the mechanisms to receive and redress grievances of the community.

Grievance Redressal Mechanism is an important aspect of assuring the Company's strong relation with the community as it provides social license to operate and execute the community initiatives projects. As part of the Company's grievance Redressal mechanism, the Company proactively meets the community representatives and marginal stakeholders. The Company have deployed local employees who regularly visit the community and interact with people to gauge and address community concerns. If any issue, which stands unresolved or needs management intervention, stands escalated to the respective business heads and resolved accordingly.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY'2022-2023	FY'2021-2022
Directly sourced from MSMEs/ small producers	The Company is in the process of setting up system to collate data.	
Sourced directly from within the district and neighboring districts		

**Leadership Indicators**

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
None	N.A.

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
-	-	-	-

- 3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalized /vulnerable groups? (Yes/No) **Yes**
- (b) From which marginalized /vulnerable groups do you procure? **MSMEs, local vendors, etc.**
- (c) What percentage of total procurement (by value) does it constitute? **Not Available**

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual Property based on traditional knowledge	Owned/ Acquired (Yes/No)	Benefit shared (Yes / No)	Basis of calculating benefit share
1	Trademarks	Nil		
2	Patents			

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved. **None**

Name of authority	Brief of the Case	Corrective action taken
N.A.		

6. Details of beneficiaries of CSR Projects:

S. No.	CSR Project	No. of persons benefitted from CSR Projects	% of beneficiaries from vulnerable and marginalized groups
1.	Health	348	55% (approx.)
2.	Education	748	75% (approx.)

### PRINCIPLE 9 Businesses should engage with and provide value to their consumers in a responsible manner.

#### Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

The Company treats customer complaints with utmost importance and believe that it needs to be agile, transparent and solution-oriented to resolve them efficiently and satisfactorily. There's an effective complaint handling procedure that facilitates prompt logging, investigation, resolution and closure. It is ensured that all the complaints are closed to the fullest customer satisfaction. The Company grants right to information to its customers. It is ensured that product information provides adequate information relating to safety, operation and maintenance of the products created/services provided to its customers.

To understand customers better, the Company follows several modes of engagement such as customer's surveys, direct feedback, visits by manager's/ plant personnel and production facilities visit organised for customers. The Company also conducts one-to-one meetings with customers in order to enable efficient communication and Redressal of customer's grievances, if any.

2. Turnover of products and/ services as a percentage of turnover from all products/service that carry information about:

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not Applicable as the Company does not have specific consumer product or product range.
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY'2022-2023		Remarks	FY'2021-2022		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	Nil	Nil	N.A.	Nil	Nil	N.A.
Advertising	Nil	Nil	N.A.	Nil	Nil	N.A.
Cyber-security	Nil	Nil	N.A.	Nil	Nil	N.A.
Delivery of essential services	Nil	Nil	N.A.	Nil	Nil	N.A.
Restrictive Trade Practices	Nil	Nil	N.A.	Nil	Nil	N.A.
Unfair Trade Practices	Nil	Nil	N.A.	Nil	Nil	N.A.
Other	Nil	Nil	N.A.	Nil	Nil	N.A.

The Company has not received any consumer complaints with respect to above parameters during the financial year 2022-2023 and 2021-2022.

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	Nil	N.A.
Forced recalls	Nil	N.A.

There have been no instances of product recall (voluntary or forced) on account of safety issues during the financial year 2022-2023.

5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

**Yes**, the Company has a policy on cyber security and risk related to data privacy, which is available on the Company's website at [www.texmaco.in](http://www.texmaco.in).

6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services. **None**

**Leadership Indicators**

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).  
The information relating to work and businesses are available on the Company's website at [www.texmaco.in](http://www.texmaco.in).

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.  
All Businesses of the Company comply with the regulations and relevant voluntary codes concerning marketing communications, advertisements, etc. The Company's communications are aimed at enabling consumers to make informed purchase decisions. It is ensured that product information provides adequate information relating to safety, operation and maintenance of the products to the consumers. The Company also makes efforts to educate consumers on responsible usage of its products and services.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.  
The Company has a robust mechanism to ensure that consumers are informed of any potential risks of disruption or discontinuation of its essential services. There has been no instance of discontinuation or disruption in any of the services during this year. However, we will ensure that the consumers/dealers are informed about potential discontinuation/disruption well in advance through various channels which shall include press release, stock exchange intimation and utilising all other channel of communication.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No).  
Customer satisfaction is the Company's goal, driving it to ensure its products deliver information that continually meet customer requirements. To understand customers better, the Company follows several modes of engagement such as direct feedback, visits by managers / plant personnel and production facilities visit organised for customers. These modes help the 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.

5. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along-with impact: **NIL**
- b. Percentage of data breaches involving personally identifiable information of customers: **NIL**

# 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 2023, 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 (herein after referred to as "Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, 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>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>
<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, 2023 the Company</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> </ul>

Key Audit Matter	Procedures Performed
<p>has an amount of ₹18,618.86 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>	<ul style="list-style-type: none"> <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> <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 financial statements in accordance with Ind AS 37.</li> </ul>

#### Other Information

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

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

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, management is responsible for assessing the Company's ability to

continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

10. The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibility for the Audit of the Financial Statements**

11. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
13. We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
16. Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope



of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

#### Report on Other Legal and Regulatory Requirements

17. 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.
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.
  - (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 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.
  - (d) 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.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 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 of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (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 company examined by us, the total managerial remuneration paid as reflected in the financial statements for the year ended 31st March 2023 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:
  - 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.

- f. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

**(Ranjan Singh)**  
Partner  
Membership No. 305423  
UDIN:23305423BHABHU2633

Place: Kolkata  
Date: 12.05.2023

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

[Referred to in paragraph 17 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 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	
	iii) Panihati	835.13	2006		Promoter	2006	
	<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.	2.1	2001	Promoter		2001		
iii) Flat at 1st Floor, 1/115, Gariahat Road, Kolkata-700068 Area -1318 Sq Ft.	14.59	2007	Promoter		2007		
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.

- (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 has been initiated during the year or are pending against the Company as at March 31, 2023 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. The terms and conditions of these loans in our opinion are not prima-facie prejudicial to the interests of the Company.

(A) the aggregate amount during the year, and balance outstanding at the balance sheet date with respect to such loans to subsidiaries and associates are given as follows –

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)
Associate	7.96	298.66

- (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

(₹ in lakhs)

Particulars	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans			
- Repayable on demand (A)	-	-	-
- Agreement does not specify any terms or period of repayment (B)	-	-	3359.06
<b>Total (A+B)</b>	<b>-</b>	<b>-</b>	<b>3359.06</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 2023 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
Central Sales Tax Act	CST	245.02	2003-04 to 2005-06	Addl. Commissioner
Central Sales Tax Act	CST	1,312.44	2006-07 & 2009-10	Appellate and Revisional Board.
MP VAT Act, 2002	Entry Tax	2.53	AY 2009-10	Appellate Authorities, Bhopal
Goods and Services Tax Act	Service Tax	11.1	Oct 16 to June 17	Deputy Commissioner, East – II, Division CGST, Gurugram
Finance (Service Tax) Act, 1994	Service Tax	7.11	FY 2014-18 (Oct.2014 Onwards to June 17)	GST Audit II
Finance (Service Tax) Act, 1994	Service Tax	25.69	2012-13 to 2017-18	Commissioner (Appeal), KOL
Finance (Service Tax) Act, 1994	Service Tax	5,734.46	2005-2011	Calcutta High Court
Customs Act, 1962	Custom	111.67	01/12/1998 to 13/08/2003	Central Excise, Commissioner
The Customs Act,1986	Custom	75.99	2002-03 to 2006-07	Commissioner of Customs (Appeals)
Central Sales Tax Act	Sales Tax	79.92	2017-18	Assistant Commissioner Sales Tax
Goods and Services Tax Act	GST	177.27	2019-20	High Court
Goods and Services Tax Act	GST	210.09	2017-18	High Court
Goods and Services Tax Act	GST	279.15	2018-19	High Court
West Bengal Value Added Tax Act, 2003	Sales Tax	75.25	2012-13	Senior Joint Commissioner, Commercial Taxes, Kolkata South Circle
West Bengal Value Added Tax Act, 2003	Sales Tax	15.75	2014-15	Deputy Commissioner, Commercial Taxes, Ballygunge Charge, Kolkata
Tamil Nadu VAT Act,2006	Sales Tax	175.39	AY 2010-11 to 2012-13	Commercial Tax officer (Enforcement) Group-1, Office the Asst. Commissioner (CT) (Enforcement) Cuddalore
Maharashtra Value Added Tax Act 2002	Sales Tax	362.78	2012-13 to 2017-18	Dy. Commissioner of Sales, Tax Mumbai
Odisha VAT ACT 2004	Sales Tax	6.51	2013-14 to 2016-17	Sales Tax, Bhubaneshwar-III Circle
The Central Excise Act, 1944	Excise	1,008.91	1995-96 to 2007-08	Supreme Court
The Central Excise Act, 1944	Excise	162.35	2015-16 to 2017-18	The Assistant Commissioner of Central GST & CX
The Central Excise Act, 1944	Excise	686.19	1986-87 to 2014-15	Appeal filed before the CESTAT
The Chhattisgarh Value Added Tax Act, 2005	VAT	49.64	2015-16 to 2016-17	Assessment Commissioner Raipur
Value Added Tax Act	Vat	95.78	2021-22	Section 11 of U P Trade Tax Act

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	3.13	AY 2009-10	Second Appellate Authorities, Bhopal
Value Added Tax Act	Vat	33.03	AY 2009-10	Appellate Authorities, Bhopal
Value Added Tax Act	Vat	4,578.23	2008-09 to 2009-10	Appellate and Revisional Board.
Value Added Tax Act	Vat	2,679.55	2012-13 to 2017-18	West Bengal Taxation Tribunal.
Value Added Tax Act	Vat	204.71	2003-04 to 2005-06	Addl. Commissioner
The West Bengal VAT Act, 2003	Vat	12.63	AY 2012-13	Appellate Authorities, West Bengal
Income Tax Act, 1961	Income Tax	34.84	AY 2009-10	High Court, Bombay
Income Tax Act, 1961	Income Tax	161.75	AY 2010-11 to 2017-18	CIT Appeal
	<b>Total</b>	<b>18,618.86</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 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 not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under this clause is not applicable.
- (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 realization 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

**(Ranjan Singh)**

Place: Kolkata  
Date: 12.05.2023

Partner  
Membership No: 305423  
UDIN: 23305423BHABHU2633

**ANNEXURE- B TO THE INDEPENDENT AUDITOR'S REPORT To the Members of TEXMACO RAIL & ENGINEERING LIMITED**  
[Referred to in paragraph 18 (f) of the Independent Auditor's Report of even date]

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

1. We have audited the internal financial controls over financial reporting of Texmaco Rail & Engineering Limited ("the Company") as of 31st March, 2023 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
  - a) 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;
  - b) 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
  - c) 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 2023, 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.

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

Chartered Accountants  
(Registration number: 301088E)

**(Ranjan Singh)**

Place: Kolkata

Date: 12.05.2023

Partner

Membership number 305423  
UDIN:23305423BHABHU2633

# Balance Sheet

as at 31st March, 2023

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
<b>I ASSETS</b>			
<b>(1) Non-current Assets</b>			
(a) Property, Plant & Equipment	1.01	33,669.59	33,148.11
(b) Right-of-Use Assets	1.02a	194.85	43.34
(c) Capital work-in-progress	1.02b	928.45	249.44
(d) Investment Property	1.02c	2,804.11	2,893.93
(e) Other Intangible Assets	1.03	46.20	49.68
(f) Financial Assets			
(i) Investments	1.04	9,231.82	7,118.39
(ii) Bank Balance	1.05	3,379.14	1,411.07
(iii) Others	1.06	740.29	902.36
(g) Deferred Tax Assets (Net)	1.07	5,992.80	6,880.80
(h) Other Non current Assets	1.08	1,221.72	424.23
		<b>58,208.97</b>	<b>53,121.35</b>
<b>(2) Current Assets</b>			
(a) Inventories	1.09	67,627.21	36,103.90
(b) Financial Assets			
(i) Investments	1.10	17.60	16.70
(ii) Trade Receivables	1.11	78,489.32	56,994.22
(iii) Cash & cash equivalents	1.12	3,043.28	5,561.71
(iv) Bank balances other than (iii) above	1.13	12,224.81	11,659.04
(v) Loans	1.14	4,724.40	5,485.71
(c) Current Tax Assets (Net)	1.15	5,745.02	5,215.37
(d) Other Current Assets	1.16	1,03,968.71	92,032.63
		<b>2,75,840.35</b>	<b>2,13,069.28</b>
		<b>3,34,049.32</b>	<b>2,66,190.63</b>
<b>TOTAL ASSETS</b>			
<b>II EQUITY AND LIABILITIES:</b>			
<b>1 Equity</b>			
(a) Equity Share capital	1.17	3,218.70	3,218.70
(b) Other Equity	1.18	1,31,314.52	1,29,441.34
<b>2 Non-current Liabilities :</b>			
(a) Financial Liabilities			
(i) Borrowings	1.19	16,359.44	4,765.81
(ii) Lease liabilities	1.19a	119.66	-
(b) Provisions	1.20	878.57	855.42
(c) Other non current liabilities	1.21	9,023.59	11,524.08
		<b>26,381.26</b>	<b>17,145.31</b>
<b>3 Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	1.22	81,890.23	66,214.04
(ii) Lease liabilities	1.22a	30.70	-
(iii) 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		56,828.93	31,138.89
(iv) Other financial liabilities	1.24	3,585.65	3,338.39
(b) Other current liabilities	1.25	28,933.34	13,137.27
(c) Provisions	1.26	1,865.99	2,556.69
		<b>1,73,134.84</b>	<b>1,16,385.28</b>
		<b>3,34,049.32</b>	<b>2,66,190.63</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			
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

**Ranjan Singh**

Partner

Membership No.305423

F2/2, Gillander House

8, Netaji Subhas Road

Kolkata- 700 001

Dated: 12th May, 2023

**K. K. Rajgaria**

Company Secretary

**Hemant Bhuwania**

C.F.O

**Directors**

S. K. Poddar

Utsav Parekh

Indrajit Mookerjee

D. H. Kela

A.K. Vijay

# Statement of Profit and Loss

 for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Note No.	Year Ended 31.03.2023	Year Ended 31.03.2022
I Revenue From operations	1.27	2,24,327.74	1,62,173.59
II Other Income	1.28	3,777.19	3,148.77
<b>III Total Income (I +II)</b>		<b>2,28,104.93</b>	<b>1,65,322.36</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	1.29	1,73,909.24	1,11,724.67
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	1.30	(12,324.51)	(2,301.91)
Employee benefit expense	1.31	13,005.71	12,603.35
Finance costs	1.32	11,617.40	10,024.12
Depreciation and amortization expense	1.33	3,502.91	3,580.75
Other expenses	1.34	35,522.52	26,449.47
<b>Total expenses</b>		<b>2,25,233.27</b>	<b>1,62,080.45</b>
V Profit/ (loss) before tax		2,871.66	3,241.91
VI Exceptional items		-	-
<b>VII Profit(loss) before tax</b>		<b>2,871.66</b>	<b>3,241.91</b>
<b>VIII Tax Expenses</b>			
a) Current Tax		-	32.00
b) MAT Credit Entitlement		(46.08)	(32.00)
c) Deferred Tax		934.08	1,368.87
d) Income Tax Paid Related to Earlier Years		-	43.59
		<b>888.00</b>	<b>1,412.46</b>
<b>IX Profit/(loss) for the period</b>		<b>1,983.66</b>	<b>1,829.45</b>
<b>X Other comprehensive income</b>	1.35		
A (i) Items that will not be reclassified to profit or loss		(47.99)	1,212.25
B (i) Items that will be reclassified to profit or loss		259.38	(210.65)
		<b>211.39</b>	<b>1,001.60</b>
<b>XI Total Comprehensive Income for the period</b>		<b>2,195.05</b>	<b>2,831.05</b>
<b>XII Earnings per equity share (face value of 1 each)</b>	1.41		
a) Basic		0.62	0.67
b) Diluted		0.62	0.67
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

**Ranjan Singh**

Partner

Membership No.305423

F2/2, Gillander House

8, Netaji Subhas Road

Kolkata- 700 001

Dated: 12th May, 2023

**K. K. Rajgaria**

Company Secretary

**Hemant Bhuwania**

C.F.O

**Directors**

S. K. Poddar

Utsav Parekh

Indrajit Mookerjee

D. H. Kela

A.K. Vijay

# Statement of Cash Flow

 for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
<b>A) Cash Flows from Operating Activities:</b>		
Net Profit before Taxation & Exceptional Items	2871.66	3241.91
Adjustments for:		
Depreciation	3,502.91	3,580.75
Interest Paid	11,617.40	10,024.12
Bad Debt Written off	497.77	231.45
Provision and Excess Liabilities Written Back / Off (Net)	(1.94)	(1.46)
Interest Received	(1,672.35)	(1,237.66)
Income From Investments	(99.28)	(158.50)
Profit on Sale of Investments-Current (Net)	-	(22.30)
Gain on Fair Value of bonds / Mutual	(0.90)	(0.69)
Loss / (Profit) on Sale of Property, Plant and Equipment (Net)	(22.08)	(10.30)
	<b>13,821.53</b>	<b>12,405.41</b>
<b>Operating Profit before Working Capital Changes &amp; Exceptional Items</b>	<b>16,693.19</b>	<b>15,647.32</b>
(Increase) / Decrease in Trade & Other Receivables	(33,705.44)	3,703.33
(Increase) / Decrease in Inventories	(31,523.31)	(5,175.60)
Increase / (Decrease) in Trade Payables & Other Liabilities	38,461.56	(9,625.48)
	<b>(26,767.19)</b>	<b>(11,097.75)</b>
<b>Cash Generated from Operations</b>	<b>(10,074.00)</b>	<b>4,549.57</b>
Direct Taxes Paid	(529.65)	(2,154.79)
Cash Flow before Exceptional Items	<b>(10,603.65)</b>	2,394.78
Exceptional Items	-	-
<b>Net Cash (used)/ generated from Operating Activities</b>	<b>(10,603.65)</b>	<b>2,394.78</b>
<b>B) Cash Flows from Investing Activities</b>		
Sale / (Purchase) of Property, Plant & Equipments	(5,274.37)	(1,575.93)
(Purchase) / Sale of Investments (Net)	(2,145.11)	6,886.70
Bank Deposits (Includes having original maturity more than three months)	(2,533.84)	(3,774.93)
Interest Received	2,245.90	674.85
Dividend Received	99.28	158.50
<b>Net Cash (used) / generated from Investing Activities</b>	<b>(7,608.14)</b>	<b>2,369.19</b>
<b>C) Cash Flows From Financing Activities</b>		
Receipt / (Payment) of Long Term Borrowings	11,593.63	1,151.05
Receipt / (Payment) of Short Term Borrowings	15,676.19	(8,096.63)
Increase in Share Capital	-	715.27
Increase in Securities Premium	-	15,397.74
Repayment of Lease Liability	(1.14)	-
Interest Paid	(11,511.15)	(10,147.79)
Dividend Paid	(323.55)	(250.53)
<b>Net Cash generated/ (used) in Financing Activities</b>	<b>15,433.98</b>	<b>(1,230.89)</b>
<b>D) Changes in Foreign Currency Translation arising from Foreign Operations</b>	259.38	(210.65)
Net Decrease in Cash and Cash Equivalents	(2,518.43)	3,322.43
Cash and Cash Equivalents at the beginning of the period	5,561.71	2,239.28
Cash and Cash Equivalents at the end of the period	3,043.28	5,561.71
<b>Note:</b>		
(1) Details of Cash and Equivalents as on		
Balances with banks		
Current Accounts	2,989.90	5,520.57
Cheques on hand	0.06	-
Cash in hand	53.32	41.14
	<b>3,043.28</b>	<b>5,561.71</b>

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

In Terms of our Report of even date attached herewith.

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

Chartered Accountants

Firm Registration No: 301088E

**Ranjan Singh**

Partner

Membership No.305423

F2/2, Gillander House

8, Netaji Subhas Road

Kolkata- 700 001

Dated: 12th May, 2023

**K. K. Rajgaria**

Company Secretary

**Hemant Bhuwania**

C.F.O

**Directors**

S. K. Poddar

Utsav Parekh

Indrajit Mookerjee

D. H. Kela

A.K. Vijay

# Statement of Changes in Equity

 for the year ended 31st March, 2023

## a. Equity Share Capital

(₹ in lakhs)

Particulars	Issued, Subscribed Paid up Capital
<b>Balance as at 01.04.2021</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>
Add: Change in Equity Share Capital during the year	-
<b>Balance as at 31.03.2023</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, 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>1,11,462.89</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>1,29,441.34</b>
Income for the year	-	-	-	-	1,983.66	-	-	1,983.66
Other Comprehensive Income for the year	-	-	-	-	-	(31.68)	259.38	227.70
Issue of Equity Shares under Rights Issue	-	-	-	-	-	-	-	-
Adjustments for Rights Issue expenses	-	-	-	-	-	-	-	-
Dividend on Equity Shares	-	-	-	-	(321.87)	-	-	(321.87)
Remeasurement of the net defined benefit plan	-	-	-	-	-	-	-	-
Realised Profit on sale of equity shares transferred from equity instrument through other comprehensive income	-	-	-	-	-	(16.31)	-	(16.31)
Transfer to / from Retained Earnings	-	-	-	-	(16.31)	16.31	-	-
Transfer to / from General Reserve	-	-	200.00	-	(200.00)	-	-	-
Transfer to/from Share option outstanding account	-	-	1184.38	(1184.38)	-	-	-	-
<b>Balance as at 31st March, 2023</b>	<b>1,626.60</b>	<b>62,977.60</b>	<b>49,005.30</b>	<b>-</b>	<b>17,489.05</b>	<b>57.30</b>	<b>158.67</b>	<b>1,31,314.52</b>

In terms of our Report of even date attached herewith.

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

Chartered Accountants

Firm Registration No: 301088E

**Ranjan Singh**

Partner

Membership No.305423

F2/2, Gillander House

8, Netaji Subhas Road

Kolkata- 700 001

Dated: 12th May, 2023

**K. K. Rajgaria**

Company Secretary

**Hemant Bhuwania**

C.F.O

**Directors**

S. K. Poddar

Utsav Parekh

Indrajit Mookerjee

D. H. Kela

A.K. Vijay

# Notes to Financial Statement

## A. CORPORATE INFORMATION

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

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

## B. SIGNIFICANT ACCOUNTING POLICIES

### (i) Statement of Compliance

These financial statements have been prepared in accordance with IndAS 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 it's 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 INDAS requires the management to

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

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

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

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

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

#### Valuation of deferred tax assets

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

### (iv) Property, plant and equipment

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

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

The Company, based on technical assessment made by technical expert and management estimate, depreciates Building and Plant & Equipment over estimated useful lives which are different from the useful

# Notes to Financial Statement

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

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

## 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.

## (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.

# Notes to Financial Statement

## (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 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;



# Notes to Financial Statement

- 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

Revenue from contract with customers is recognised when a performance obligation is satisfied by transferred of promised goods or services to a customer.

For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.

The progress is measured in terms of a proportion of actual cost incurred to date, to the total estimated cost attributable to the performance obligation.

The company transfers controls of a goods or service over time and therefore satisfies a performance obligation and recognise revenue over a period of time if one of following criteria is met:

- (i) The customer simultaneously consumes the benefits of Company's performance or
- (ii) The customer controls the assets as it is being created/enhanced by the company's performance or
- (iii) There is no alternative use of assets and the company has either explicit or implicit rights of payment considering legal precedents.

Transaction price is the amount of consideration to which company expects to be entitled in exchange for transferring goods or services to a customer. The company includes Variable consideration as part of transaction price when there is basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms

agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price.

### Significant judgements are used in:

1. Determining the revenue to be recognised in case of performance obligation satisfied over a period of time, revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.
2. Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.
3. Determining the method to be applied to arrive at the variable consideration requiring an adjustment to the price.

For contracts where the aggregate of contract cost incurred to-date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract assets and termed as "unbilled revenue". For contracts where the progress billing exceeds the aggregate of contract cost incurred to-date plus recognised profits (or minus recognised losses as the case may be), the surplus is shown as contract liability and termed as "Advances from customer". The amounts billed on the customer for work performed and are unconditionally due for payment i.e only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by customers pending completion of performance milestone is disclosed as part of contract asset and is classified as trade receivables when it became due for payment.

Impairment loss (termed as provision for impairment loss in financial statement) is recognised in the statement of Profit & Loss to the extent the carrying amount of the contract assets exceeds the remaining performance obligations (after deducting the costs that relate directly to fulfil such remaining performance obligations).

## c. Other Income

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

Interest Income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate

# Notes to Financial Statement

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.

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

# Notes to Financial Statement

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.

## (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

#### Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the present value of lease payments to be made over the lease term, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease agreement period of underlying assets.

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

#### Lease Liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over

the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

### 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

# Notes to Financial Statement

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 recognize at the date of sale of the relevant products, at the management's best estimate of the expenditure -required to settle the Company's warranty obligation.

### b. Onerous contracts

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

### c. Contingent liabilities

Contingent liability is a possible obligation that arises from past events and the existence of which

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

### d. Contingent Assets

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

## (xix) Cash & Cash Equivalents

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

## (xx) Borrowing Cost

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

## (xxi) Segment Reporting

a) Based on the organizational structures and its Financial Reporting System, the Company has classified its operation into three business segments namely Heavy Engineering Division and Steel

# Notes to Financial Statement

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 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

# Notes to Financial Statement

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.

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as follows:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a

definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The company has evaluated the amendment and there is no impact on its standalone financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemptions so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The company has evaluated the amendment and there is no impact on its standalone financial statements.

# Notes to Financial Statement

## Note 1.01 Property, Plant and Equipment

(₹ in lakhs)

Description of Assets	Gross Block				Depreciation				Net Block
	As at 01.04.2022	Additions during the year	Sales / Adjustments	As at 31.03.2023	As at 01.04.2022	During the year	Sales / Adjustments	As at 31.03.2023	As at 31.03.2023
<b>Property, Plant &amp; Equipment:</b>									
Land	1,465.62	-	107.45	1,358.17	111.07	-	101.12	9.95	1,348.22
Buildings	10,651.74	1,680.64	0.02	12,332.36	1,886.67	335.81	-	2,222.48	10,109.88
Roads	196.49	-	-	196.49	130.46	13.10	-	143.56	52.93
Railway Sidings	304.98	24.42	-	329.40	69.13	15.98	-	85.11	244.29
Plant & Machinery	33,536.84	2,001.34	98.41	35,439.77	12,275.90	2,668.73	49.86	14,894.77	20,545.00
Electrical Machinery	666.66	70.68	-	737.34	321.81	52.15	-	373.96	363.38
Office Equipments	1,000.75	42.74	121.34	922.15	767.82	101.70	120.27	749.25	172.90
Furniture & Fittings	641.56	21.99	17.70	645.85	362.47	51.16	6.25	407.38	238.47
Vehicles	987.82	141.28	165.08	964.02	379.02	126.46	135.98	369.50	594.52
<b>Total</b>	<b>49,452.46</b>	<b>3,983.09</b>	<b>510.00</b>	<b>52,925.55</b>	<b>16,304.35</b>	<b>3,365.09</b>	<b>413.48</b>	<b>19,255.96</b>	<b>33,669.59</b>
<b>Note: 1.02</b>									
a) Right to Use	45.37	178.14	(1.13)	224.64	2.03	27.64	(0.12)	29.79	194.85
b) Capital Work in Progress (CWIP)	249.44	1,229.01	550.00	928.45	-	-	-	-	928.45
c) Investment Property	3,638.16	-	-	3,638.16	744.23	89.82	-	834.05	2,804.11
<b>Total</b>	<b>3,932.97</b>	<b>1,407.15</b>	<b>548.87</b>	<b>4,791.25</b>	<b>746.26</b>	<b>117.46</b>	<b>(0.12)</b>	<b>863.84</b>	<b>3,927.41</b>
<b>Note: 1.03</b>									
<b>Intangible Assets:</b>				-					
Software	537.44	16.89	-	554.33	487.76	20.36	(0.01)	508.13	46.20
<b>Total</b>	<b>537.44</b>	<b>16.89</b>	<b>-</b>	<b>554.33</b>	<b>487.76</b>	<b>20.36</b>	<b>(0.01)</b>	<b>508.13</b>	<b>46.20</b>
<b>Grand Total</b>	<b>53,922.87</b>	<b>5,407.13</b>	<b>1,058.87</b>	<b>58,271.13</b>	<b>17,538.37</b>	<b>3,502.91</b>	<b>413.35</b>	<b>20,627.93</b>	<b>37,643.20</b>

## Previous Year

(₹ 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 to Use	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>

# Notes to Financial Statement

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

(₹ in lakhs)

Particulars	As on 31st March 2023					As on 31st March 2022				
	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	773.06	11.57	25.83	117.99	928.45	11.66	31.04	139.53	67.21	249.44
Project temporarily suspended	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>773.06</b>	<b>11.57</b>	<b>25.83</b>	<b>117.99</b>	<b>928.45</b>	<b>11.66</b>	<b>31.04</b>	<b>139.53</b>	<b>67.21</b>	<b>249.44</b>

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

Particulars	Description of item of property	Gross carrying value (₹)	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
<b>Property, Plant &amp; Equipment</b>	<b>Land</b>						
	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.
	Sodepur	56.16	1999	Texmaco Ltd. now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	1999 & 2000	Held in the name of Pre-demerged entity.
	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>						
	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
	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
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	
<b>Investment Property</b>	<b>Land</b>						
	Sodepur	35.32	2020	Texmaco Ltd., now known as Texmaco Infrastructure & Holdings Ltd.	Promoter	2020	Held in the name of Pre-demerged entity.



# Notes to Financial Statement

## Note 1.04 Non-Current Investments

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>OTHER THAN TRADE INVESTMENTS</b>		
<b>Fully paid-up</b>		
<b>Investments in Equity Instruments (Quoted)</b>		
Texmaco Infrastructure & Holdings Ltd. 1,99,809 (2022: 1,99,809) Shares of ₹1 each	98.50	114.39
Chambal Fertilisers & Chemicals Ltd. 10,000 (2022: 10,000) Shares of ₹10 each	26.41	42.21
<b>Investments in Equity Instruments of Subsidiary Company (Unquoted)(At Cost)</b>		
Belur Engineering Pvt. Ltd. 1,00,000 (2022: 1,00,000) Shares of ₹10 each	10.00	10.00
Texmaco Transtrak Pvt. Ltd. 5,101 (2022: 5,101) Shares of ₹10 each	0.51	0.51
Texmaco Rail Systems Pvt. Ltd. 20,400 (2022: 10,200) Shares of ₹10 each	2.04	1.02
Texmaco Rail Electrification Ltd. 20,000 (2022: 20,000) Shares of ₹10 each	2.00	2.00
Panihati Engineering Udyog Pvt. Ltd. (Formerly Known as Texmaco Engineering Udyog Pvt. Ltd.) 10,000 (2022: 10,000) Shares of ₹10 each	1.00	1.00
<b>Investments in Equity Instruments of Associate Company (Unquoted)(At Cost)</b>		
Texmaco Defence System Pvt. Ltd. 41,000 (2022: 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 (2022: 1,26,49,999) Shares of ₹10 each	1,264.99	1,264.99
Wabtec Texmaco Rail Pvt. Ltd. 32,81,700 (2022:32,81,700) Shares of ₹10 each	328.17	328.17
<b>Investments in CCD of Joint Ventures (Unquoted)(At Cost)</b>		
Touax Texmaco Railcar Leasing Pvt. Ltd. 74,94,100 (2022: 53,50,000) CCD of ₹100 each	7,494.10	5,350.00
<b>TOTAL NON CURRENT INVESTMENTS</b>	<b>9,231.82</b>	<b>7,118.39</b>
i) Aggregate amount of quoted investments	124.91	156.60
ii) Market Value of quoted investments	124.91	156.60
iii) Aggregate amount of unquoted investments	9,106.91	6,961.79

## Note 1.05 Bank Balance (Non-Current)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Margin Money	3,379.14	1,411.07

## Note 1.06 Other Non-Current Financial Assets

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Security Deposits	401.24	631.50
(b) Term Deposit of more Than Twelve Months Maturity	220.01	217.81
(c) Interest Accrued on Deposits & Others	119.04	53.05
<b>Total</b>	<b>740.29</b>	<b>902.36</b>

# Notes to Financial Statement

## Note 1.07 Deferred Tax Assets (net)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Deferred Tax Assets</b>		
(a) Carried Forward Losses	3,373.28	3,693.47
(b) Provisions & others	1,817.70	2,718.63
(c) MAT Credit	4,985.00	4,938.92
(d) Compensated absences	193.94	169.43
(e) Gratuity	114.38	133.60
<b>Total Deferred Tax Assets</b>	<b>10,484.30</b>	<b>11,654.05</b>
<b>Deferred Tax Liabilities</b>		
(a) Property, Plant and equipment	(4,491.50)	(4,773.25)
<b>Total Deferred Tax Liabilities</b>	<b>(4,491.50)</b>	<b>(4,773.25)</b>
<b>Net deferred tax assets</b>	<b>5,992.80</b>	<b>6,880.80</b>

## Note 1.08 Other Non-Current Asset

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Capital Advances	826.93	155.76
(b) Prepaid Expenses	394.79	268.47
<b>Total</b>	<b>1,221.72</b>	<b>424.23</b>

## Note 1.09 Inventories

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Raw Material and Components	30,365.75	13,234.19
(b) Work in Progress	24,203.83	16,845.09
(c) Finished Goods	6,466.11	1,500.34
(d) Stores and Spares	4,133.95	2,304.43
(e) Goods in transit(Raw Materials and Component)	2,457.57	2,219.85
<b>Total</b>	<b>67,627.21</b>	<b>36,103.90</b>

Inventories are secured against first charge on working capital facility.

## Note 1.10 Current Investments

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Investments in Mutual Funds (Unquoted) at Fair Value</b>		
Axis Treasury Advantage Fund Growth 645 (2022: 645) Units of ₹1000 each	17.60	16.70
<b>TOTAL CURRENT INVESTMENTS</b>	<b>17.60</b>	<b>16.70</b>
i) Aggregate amount of quoted investments	-	-
ii) Market Value of quoted investments	-	-
iii) Aggregate amount of unquoted investments	17.60	16.70

# Notes to Financial Statement

## Note 1.11 Trade Receivables

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Secured, considered good	-	-
(b) Unsecured, considered good	78,489.32	56,994.22
(c) Unsecured, Credit Impaired	2,520.74	4,875.35
	<b>81,010.06</b>	<b>61,869.57</b>
Allowance for bad and doubtful debts	(2,520.74)	(4,875.35)
<b>Total</b>	<b>78,489.32</b>	<b>56,994.22</b>

- (i) The above includes ₹16,228.18 Lakhs as retention money (2022: ₹15,862.45 Lakhs) which are recoverable on completion of the project as per the relevant contract.
- (ii) Trade Receivable are secured against first charge on working capital facility
- (iii) The Company provide allowance in trade recivables based on historic credit loss expreince, current economic conditions and events and future observable data and information. The expected credit loss allowance is computed based on the ageing of the recievables.

Ageing of Trade Receivable Particulars	31st March, 2023						Total
	Outstanding for following periods from due date of payment						
	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	10885.34	48009.45	3261.14	5254.23	813.27	10265.89	78489.32
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	2,520.74	2,520.74
<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>10,885.34</b>	<b>48,009.45</b>	<b>3,261.14</b>	<b>5,254.23</b>	<b>813.27</b>	<b>12,786.63</b>	<b>81,010.06</b>
Less: Allowance for bad and doubtful debts	-	-	-	-	-	(2,520.74)	(2,520.74)
<b>Net Debtors</b>	<b>10,885.34</b>	<b>48,009.45</b>	<b>3,261.14</b>	<b>5,254.23</b>	<b>813.27</b>	<b>10,265.89</b>	<b>78,489.32</b>

Ageing of Trade Receivable Particulars	31st March,2022						Total
	Outstanding for following periods from due date of payment						
	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>

# Notes to Financial Statement

## Note 1.12 Cash and Cash Equivalents

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Balances with banks		
(a) In current accounts	2,989.90	5,520.57
(b) Cheques/ Pay order in hand	0.06	-
(c) Cash in hand	53.32	41.14
<b>Total</b>	<b>3,043.28</b>	<b>5,561.71</b>

Cash and cash equivalents include Cash in Hand, Cheques/Draft in Hand &amp; Cash at Bank

## Note 1.13 Bank balances other than above

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Unpaid Dividend Account	14.64	16.32
(b) Term Deposit of upto Twelve Months Maturity	1.40	12.71
(c) Margin Money	12,208.77	11,630.01
<b>Total</b>	<b>12,224.81</b>	<b>11,659.04</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 31.03.2023	As at 31.03.2022
<b>I Unsecured Considered Good</b>		
(a) Loan to Subsidiaries & Associates	3,359.05	3,391.09
(b) Interest accrued on Loans	1,270.25	1,909.79
(c) Advance to Employee	95.10	184.83
	<b>4,724.40</b>	<b>5,485.71</b>
<b>II Unsecured, Credit Impaired</b>		
Loan to Body Corporates	275.00	275.00
Less :Allowance for Loan to Body Corporate	(275.00)	(275.00)
<b>Total</b>	<b>4,724.40</b>	<b>5,485.71</b>

## Note 1.15 Current Tax Assets (Net)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Advance Payment of Income Tax (net of provision)	5,745.02	5,215.37
<b>Total</b>	<b>5,745.02</b>	<b>5,215.37</b>

# Notes to Financial Statement

## Note 1.16 Other Current Assets

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Security Deposits	2,616.43	1,082.35
(b) Advance to Parties	9,313.86	6,270.66
(c) Other Advances	1,506.60	1,855.77
(d) Prepaid Expenses	1,094.32	1,024.48
(e) Balances with Government Dept	17,838.93	18,316.47
(f) Contractually reimbursable expenses	1,908.83	1,908.83
(g) Unbilled Debtors	69,689.74	61,574.07
<b>Total</b>	<b>1,03,968.71</b>	<b>92,032.63</b>

## Note 1.17 Equity Share Capital

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Authorised Share Capital</b>		
197,00,00,000 Equity shares at par value of ₹1/- each (As at 31st March 2022: 197,00,00,000 equity share of ₹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 ₹1/- each (As at 31st March 2022: 32,18,69,895 equity share of ₹1/- each)	3,218.70	3,218.70
<b>Total</b>	<b>3,218.70</b>	<b>3,218.70</b>

- (i) The Company has only one class of shares referred to as equity shares having a par value of ₹1 each holder of equity shares is entitled to one vote per share.
- (ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders
- (iii) Reconciliation of numbers of Issued, Subscribed and Paid-up Capital

(₹ in lakhs)

Particulars	As at 31.03.2023 No . Of Shares	As at 31.03.2022 No . Of Shares
Number of Shares at the beginning of the year	32,18,69,895	25,03,43,252
Add: Allotment under Right Issue	-	7,15,26,643
Number of Shares at the end of the year	32,18,69,895	32,18,69,895

- (iv) After the reporting date, dividend of 15 paise (2022: 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 to Financial Statement

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

(₹ in lakhs)

Name of Shareholders	As at 31.03.2023		As at 31.03.2022	
	No. of Shares	% Holding	No. of Shares	% Holding
Texmaco Infrastructure & Holdings Ltd.	5,85,00,000	18.17	5,85,00,000	18.17
Zuari International Ltd.	6,37,68,926	19.81	6,37,68,926	19.81
Saroj Kumar Poddar*	2,77,01,367	8.61	2,75,51,367	8.56
Adventz Finance Pvt. Ltd.	2,50,76,949	7.79	2,43,76,949	7.57
HDFC Trustee Company Ltd. A/C HDFC Balanced Advantage Fund	-	-	1,74,67,565	5.43

\*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.

(vi) Details of shareholdings by Promoter / Promoter Group

(₹ in lakhs)

Promoter / Promoter Group Name	As At 31.03.2023		As At 31.03.2022		% Change During The Year*
	No. of Shares	% Holding	No. of Shares	% Holding	
1 Saroj Kumar Poddar (as A Karta)	10,710	0.00	10,710	0.00	-
2 Saroj Kumar Poddar (as A Trustee - Saroj And Jyoti Poddar Holdings Private Trust)	37,92,857	1.18	37,92,857	1.18	-
3 Shradha Agarwala	20,693	0.01	20,693	0.01	-
4 Jyotsna Poddar (as An Individual)	1,04,032	0.03	1,04,032	0.03	-
5 Saroj Kumar Poddar (as An Individual)	2,38,97,800	7.42	2,37,47,800	7.38	0.63%
6 Anisha Berlia	46,574	0.01	46,574	0.01	-
7 Aashti Agarwala	20,693	0.01	20,693	0.01	-
8 Eureka Traders Pvt. Ltd.	530	0.00	530	0.00	-
9 Indrakshi Trading Company Pvt. Ltd.	30,000	0.01	30,000	0.01	-
10 Master Exchange & Finance Ltd.	15,760	0.00	15,760	0.00	-
11 Premium Exchange And Finance Ltd.	1,88,090	0.06	1,88,090	0.06	-
12 Zuari International Ltd.	6,37,68,926	19.81	6,37,68,926	19.81	-
13 Zuari Industries Ltd.	7,65,988	0.24	7,65,988	0.24	-
14 Jeewan Jyoti Medical Society	1,60,500	0.05	1,60,500	0.05	-
15 Adventz Finance Pvt. Ltd.	2,50,76,949	7.79	2,43,76,949	7.57	2.87%
16 Duke Commerce Ltd.	75,14,000	2.33	75,14,000	2.33	-
17 Greenland Trading Pvt. Ltd.	35,000	0.01	35,000	0.01	-
18 Texmaco Infrastructure & Holdings Ltd.	5,85,00,000	18.18	5,85,00,000	18.18	-
19 Abhishek Holdings Pvt. Ltd.	280	0.00	280	0.00	-
20 Adventz Securities Enterprises Ltd.	38,09,140	1.18	38,09,140	1.18	-
21 New Eros Tradecom Ltd.	7,38,800	0.23	7,38,800	0.23	-
22 Akshay Poddar	2,64,820	0.08	14,820	0.00	1686.91%
23 Puja Poddar	1,60,000	0.05	1,60,000	0.05	-
<b>Total</b>	<b>18,89,22,142</b>	<b>58.70</b>	<b>18,78,22,142</b>	<b>58.34</b>	<b>0.59%</b>

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

# Notes to Financial Statement

## Note 1.18 Other Equity

(₹ in lakhs)

Particulars	As at 31.03.2023 No . Of Shares	As at 31.03.2022 No . Of Shares
<b>(i) Other Reserves</b>		
<b>Share Options Outstanding Account</b>		
Balance as per last Account	1,184.38	1,184.38
Less: Transferred to General Reserve	(1,184.38)	-
	<b>-</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	62,977.60	47,579.86
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>62,977.60</b>
<b>(iv) General Reserve</b>		
Balance as at the beginning of the year	47,620.92	47,420.92
Add: Transfer from Share Option Outstanding Account	1,184.38	-
Add: Transferred from Statement of Profit and Loss	200.00	200.00
	<b>49,005.30</b>	<b>47,620.92</b>
<b>(v) Reserves Representing Unrealised Gains/Losses</b>		
(a) Equity Instruments through Other Comprehensive Income	88.98	2,638.83
Addition during the year	(31.68)	1,237.93
Less: Realised Profit on Sale of Equity Shares Transferred to Retained Earnings	-	(3,787.78)
	<b>57.30</b>	<b>88.98</b>
(b) Remeasurements of the net defined benefit Plans		
Balance as at the beginning of the year	-	-
Addition during the year	(16.31)	(25.68)
Less : Transferred to Retained Earning	16.31	25.68
	-	-
<b>(vi) Exchange differences on translating the Financial Statements of a Foreign Operation</b>		
Balance as at the beginning of the year	(100.71)	109.94
Addition during the year	259.38	(210.65)
	<b>158.67</b>	<b>(100.71)</b>
<b>(vii) Retained Earnings</b>		
Surplus at the beginning of the year	16,043.57	10,902.36
Add : Profit for the year	1,983.66	1,829.45
Add : Transferred from Remeasurements of the net defined benefit Plans	(16.31)	(25.68)
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	(321.87)	(250.34)
	<b>17,489.05</b>	<b>16,043.57</b>
<b>Total</b>	<b>1,31,314.52</b>	<b>1,29,441.34</b>

# Notes to Financial Statement

## Note 1.18 Other Equity (Contd.)

- (i) **General Reserve:** The General Reserve is used from time to time to transfer profit Retained Earnings for appropriation purpose. As the General Reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to profit & loss.
- (ii) **Reserve for Equity Instrument through Other Comprehensive Income (OCI):** This reserve represents the cumulative gain or loss arising on net revaluation of equity instruments measured at fair value through OCI, net of amounts reclassified to the Retained Earnings when those assets have been disposed off.
- (iii) **Capital Reserves:** The Company recognises profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to Capital Reserve.
- (iv) **Security Premium:** Security Premium Reserve issued to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.
- (v) **Foreign currency monetary items translation difference reserve:** Exchange differences arising on settlement and remeasurement of long term foreign currency monetary items are accumulated in "Foreign Currency Monetary items Translation Difference Account" and amortised over the maturity period or upto the date of settlement of such monetary items, which is earlier, and charged to the Statement of Profit and Loss.
- (vi) **Retained Earnings:** Retained Earnings refers to the portion of net income which is retained by the corporation to be reinvested in its core business. Similarly if the Company has a loss then that loss is retained and called retained losses or accumulated losses. Retained Earnings and Losses are cumulative from year to year with losses offsetting earnings.

## Note 1.19 Borrowings (Non Current)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Secured</b>		
<b>From banks</b>		
(a) Term Loan	16,301.23	4,730.76
(b) Car Loan	58.21	35.05
<b>Total</b>	<b>16,359.44</b>	<b>4,765.81</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 time line mentioned in sanction letter.
- ii) Term Loans includes loan of ₹3,672 lakhs secured primarily by an exclusive charge over rent receivable for the Lessee and has collateral security by way of an exclusive charge over immovable property against which the rent is receivable.
- iii) Corporate Loan from Bank is secured by the way of first pari-passu on stock, book debts, other current assets (both present and future) and land and buildings of Agarpara and Belgharia along with second charge on the movable fixed assets of that particular division.
- iv) Certain 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 1.19a Lease Liabilities (Non Current)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Lease liabilities	119.66	-

Refer to Note No. 1.44 of Financial Statements

## Note 1.20 Provisions (Non Current)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Provision for Leave	393.31	365.96
(b) Provision for Gratuity	301.27	305.47
(c) For Warranty and others	183.99	183.99
<b>Total</b>	<b>878.57</b>	<b>855.42</b>

The Company accounts for leave and gratuity based on Actuary Valuation



# Notes to Financial Statement

## Note 1.21 Other Non Current Liabilities

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Advances from Customers	8,785.03	11,249.61
Security Deposit (Prepaid - Rent Liability)	238.56	274.47
<b>Total</b>	<b>9,023.59</b>	<b>11,524.08</b>

## Note 1.22 Borrowings (Current)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Secured</b>		
<b>(a) From Banks</b>		
Cash Credit	57,198.85	49,976.38
Short Term Loan	4,000.00	4,000.00
<b>(b) Current maturities of long-term debt</b>		
Term Loan	5,505.31	1,647.65
Car Loan	14.91	11.09
<b>Un-Secured</b>		
<b>(a) From Other Parties</b>		
(i) Loans from related parties	7,271.16	4,878.92
(ii) Inter-Corporate Deposits	7,900.00	5,700.00
<b>Total</b>	<b>81,890.23</b>	<b>66,214.04</b>

- (i) Cash Credit facilities of respective divisions are secured by hypothecation of pari-passu first charge on stock, book debts and other current assets of that particular division (both present and future).
- (ii) Cash Credit facility for Steel Foundry Division (Raipur) are further secured by first charge on the fixed assets of their respective divisions (both present and future).
- (iii) Cash Credit facility Rail EPC Divisions is further secured by first pari-passu charge on the movable fixed assets of their respective division (both present and future).
- (iv) 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.
- (v) Cash Credit Facility of HED/SF (Kolkata) Division are secured by Pari-Passu on land and buildings of Agarpara and Belgharia along with second charge on the movable fixed assets of this division.

## Note 1.22a Lease Liabilities (Current)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Lease liabilities	30.70	-

Refer to Note No. 1.44 of Financial Statements

# Notes to Financial Statement

## 1.23 Trade Payables

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Trade payables		
Dues to Micro Enterprise and Small Enterprises	-	-
Dues of Creditors other than Micro Enterprise and Small Enterprises	56,828.93	31,138.89
	<b>56,828.93</b>	<b>31,138.89</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 dues owned by the Company to Micro and Small Enterprises, which are outstanding for more than 45 days as at 31st March, 2023 and 31st March, 2022. 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 Particulars	As on 31st March, 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Other Creditors	51,369.46	1,497.91	1,456.57	2,504.99	56,828.93
(iii) Disputed dues –MSME	-	-	-	-	-
(iv) Disputed dues -Others	-	-	-	-	-

(₹ in lakhs)

Ageing of Trade Payable Particulars	As on 31st March, 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(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	-	-	-	-	-

# Notes to Financial Statement

## Note 1.24 Other Financial Liabilities

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>(a) Interest Accrued</b>		
Interest accrued but not due on borrowings	518.13	411.88
Unclaimed / Unpaid dividends	14.64	16.32
<b>(b) Others</b>	-	-
Liabilities for Expenses	1,287.55	1,191.12
Amount Due to Employee	674.24	1,464.81
Others Misc. Payable	1,081.21	229.19
Creditors for Capital Advance	9.88	25.07
<b>Total</b>	<b>3,585.65</b>	<b>3,338.39</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, 2023

## Note 1.25 Other Current Liabilities

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Advances from Customers	23,957.45	7,803.26
(b) TDS and other taxes payable	509.98	637.89
(c) PF, ESI amount Payable	153.47	124.60
(d) Security Deposits	2,922.45	2,454.68
(e) Other Liabilities	1,389.99	2,116.84
<b>Total</b>	<b>28,933.34</b>	<b>13,137.27</b>

## Note 1.26 Provisions(Current)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Provision for Gratuity	26.06	76.86
(b) Provision for leave	161.69	118.89
(c) Provision for Contract Loss Provision	36.57	35.63
(d) Provision for Expenses	1,641.67	2,325.31
<b>Total</b>	<b>1,865.99</b>	<b>2,556.69</b>

The Company accounts for leave and gratuity based on Actuary Valuation

## Note 1.27 Revenue From Operations

(₹ in lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
(a) Sale of products	1,85,275.64	1,04,508.34
(b) Sale of services	72,917.45	74,913.37
(c) Other operating revenues	1,831.36	2,019.87
<b>Gross Revenue from Operations</b>	<b>2,60,024.45</b>	<b>1,81,441.58</b>
Less: Inter Segment Revenue	(35,696.71)	(19,267.99)
<b>Net Revenue from Operation</b>	<b>2,24,327.74</b>	<b>1,62,173.59</b>

# Notes to Financial Statement

## Note 1.28 Other Income

(₹ in lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
<b>(a) Interest Income</b>		
From Bank	583.56	335.33
From Others	1,088.79	902.33
<b>(b) Dividend Income</b>		
Income from Non-Current Investments	99.28	158.50
<b>(c) Other Non-Operating Income</b>		
Net gain on Sale of Current Investments	-	22.30
Compensation Against Old Refugee Settlement Area	487.37	-
Miscellaneous Receipts and Income	441.88	570.99
Sundry Credit Balance Adjusted	16.91	29.82
Profit on sale of PPE (Net)	22.08	10.30
Rent Received	1,013.56	932.08
Provision & Excess Liabilities Written Back	1.94	1.46
Insurance Claim Received	20.92	184.97
Gain on fair valuation of Bonds/Mutual	0.90	0.69
<b>Total</b>	<b>3,777.19</b>	<b>3,148.77</b>

## Note 1.29 Cost of Materials Consumed

(₹ in lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Opening Stock of Raw Materials	5,380.71	3764.67
Add: Raw materials Purchased and Departmental Transfers etc.	1,30,327.71	82470.78
	<b>1,35,708.42</b>	<b>86235.45</b>
Less: Closing Stock of Raw Materials	12,738.50	5380.71
	<b>1,22,969.92</b>	<b>80854.74</b>
Consumption of Components (Including Job Processing and Contract Labour Charges ₹6,504.28 lakhs, Previous Year ₹4,938.27 lakhs)	86,636.03	50137.92
Less Inter Segment Revenue	(35,696.71)	(19,267.99)
	<b>1,73,909.24</b>	<b>1,11,724.67</b>

# Notes to Financial Statement

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

(₹ in lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
<b>Opening 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>
<b>Less : Closing Stock</b>		
Finished Goods	6,466.11	1,500.34
Work-in-Progress	24,203.83	16,845.09
	<b>30,669.94</b>	<b>18,345.43</b>
(Increase) / Decrease in Stock	(12,324.51)	(2,301.91)

## Note 1.31 Employee Benefit Expenses

(₹ in lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
a) Salaries ,Wages and Bonus	11,584.14	11,220.19
b) Contribution to provident and other funds		
i) Provident Fund and Pension Fund	785.61	735.33
ii) Superannuation Fund	30.82	28.90
iii) Gratuity	20.76	61.62
c) Staff Welfare Expenses	545.23	490.76
d) VRS Expenses	39.15	66.55
<b>Total</b>	<b>13,005.71</b>	<b>12,603.35</b>

## Note 1.32 Finance Costs

(₹ in lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
(a) Interest		
i) Banks	8,024.22	4,994.86
ii) Others	755.42	2,946.43
(b) Other borrowing costs	2,837.76	2,082.83
<b>Total</b>	<b>11,617.40</b>	<b>10,024.12</b>

## Note 1.33 Depreciation and Amortization Expense

(₹ in lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
(a) Depreciation on Tangible Assets	3,482.55	3,548.11
(b) Depreciation on Intangible Assets	20.36	32.64
<b>Total</b>	<b>3,502.91</b>	<b>3,580.75</b>

# Notes to Financial Statement

## Note 1.34 Other Expenses

(₹ in lakhs)

Particulars	Year Ended 31.03.2023		Year Ended 31.03.2022
Consumption of stores and spares part		13,797.48	7,999.95
Power and Fuel		7,037.07	5,544.63
Rent		748.16	762.75
Repairs to buildings		502.61	574.95
Repairs to machinery		486.69	485.55
Repairs to others		173.22	110.43
Insurance		702.48	371.85
Rates and Taxes excluding taxes on Income		494.20	385.87
Freight, Packing and Transport (Net)		1,355.39	859.38
Erection Expenses		4,500.01	4,815.19
Drawings and Designs		1.92	4.40
Royalty & Knowhow		0.41	0.68
Research & Development		-	71.62
Selling Agents Commission		2.84	24.08
Selling Expenses		318.27	284.04
Director's Sitting Fees		27.45	28.20
Director's Commission		13.81	13.59
Payments to the Auditor		51.79	43.60
As Auditor	23.65		19.60
For Tax Audit	6.95		4.75
For Quarterly Review	13.50		5.70
For Fees for Other Services (incl for issuing various certificates)	4.70		11.17
To Cost Auditor	1.95		1.95
For Reimbursement of out of pocket expenses	1.04		0.43
Donation		500.00	2.07
CSR Expenses		21.39	7.68
Miscellaneous Expenses		4,436.03	3,312.13
Sundry Debit Balance Adjusted		-	4.50
Allowance for bad & doubtful debts/Advances		226.52	597.34
Bad Debt/Impairment /Loss of unbilled Revenue	3,026.19	-	5,561.37
Less: Allowance for bad & doubtful debts	(2,528.42)	497.77	(5,329.92)
Capital Advance Inventories written off		-	42.48
Net (gain)/loss on foreign currency transaction		(372.99)	(128.94)
Unbilled revenue/Contractually reimbursable expenses written off	-	-	1281.42
Less: Credit Impaired	-	-	(1281.42)
<b>Total</b>		<b>35,522.52</b>	<b>26,449.47</b>

## Note on CSR Expense:

(₹ in lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
(i) Amount required to be spent by the Company during the year	-	6.55
(ii) Amount of expenditure incurred	21.39	7.68
(iii) Shortfall at the end of year	NA	NA
(iv) Total of previous year shortfall	NA	NA
(v) Reason of shortfall	NA	NA
(vi) Nature of CSR activities	Health & Education	Health & Education
Detail of related party transactions, e.g.,contribution to a		
(vii) Trust controlled by the company in relation to CSR	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 to Financial Statement

## Note 1.35 Other Comprehensive Income

(₹ in lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
<b>(A) Items that will not be reclassified to profit or loss</b>		
(i) Remeasurements of the defined benefit plans	(16.31)	(25.68)
(ii) Equity Instruments through Other Comprehensive Income;	(31.68)	1,237.93
<b>Total</b>	<b>(47.99)</b>	<b>1,212.25</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	259.38	(210.65)
<b>Total</b>	<b>259.38</b>	<b>(210.65)</b>

## Note 1.36 Commitments and Contingent Liabilities

(₹ in lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
<b>(A) Commitments</b>		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advance)	2,938.38	441.90
<b>(B) Contingent Liabilities (not provided for) in respect of:</b>		
(a) Bank / Corporate Guarantees given in the normal course of Business.	1,21,838.86	83,870.21
(b) Bonds issued to Custom Department	92.20	92.20
(c) Claims under dispute (Excise, Service Tax, Income Tax and others)	18,618.86	12,603.84
(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 IndAS37 Provisions, Contingent Liabilities and Contingent Assets.

(₹ in lakhs)

Particulars	Opening Provision as on 1.4.2022	Utilized during the year	Reversed during the year	Provision during the year	Closing provision as on 31.03.2023
(a) Site warranty period maintenance	183.99	-	-	-	183.99
(b) Others	2,325.31	-	1,405.29	721.65	1,641.67
<b>Total</b>	<b>2,509.30</b>	<b>-</b>	<b>1,405.29</b>	<b>721.65</b>	<b>1,825.66</b>
Previous Year	2,607.81	976.04	-	877.53	2,509.30

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 ₹721.65 lakhs (Previous Year ₹877.53 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, 2023 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 to Financial Statement

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

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

## Note 1.40 Related party Disclosure

### (a) Name of the related parties and relationship as per Ind AS 24, where transaction exists.

	Relationship	Parties where control Exist	Parties where control Exist
		2022-23	2021-22
<b>A</b>	Key Management Personnel	Mr. Saroj Kumar Poddar Executive Chairman  Mr. Indrajit Mookerjee, Executive Director & Vice Chairman  Mr. Ashish Kumar Gupta, Managing Director (Resigned w.e.f. 31st August'2022) –  Mr. D. R. Kaarthikeyan, Independent Director  Mr. Amitabha Guha, Independent Director (Appointed w.e.f: 06thMay'2022) –  Mr. Utsav Parekh, Independent Director  Mr. Virendra Sinha, Independent Director  Ms. Rusha Mitra, Independent Director  Mr. Partha Sarathi Bhattacharyya, Independent Director  Mr. Ashok Kr. Vijay, Executive Director (Finance) & CFO (Redesignated as Executive Director w.e.f 01st April'2023  Mr. Damodar Hazarimal Kela Executive Director & CEO (SF) (Redesignated as Executive Director w.e.f. 01st April'2023)  Mr. Akshay Poddar, Non – Executive Director	Mr. Saroj Kumar Poddar Executive Chairman  Mr. Indrajit Mookerjee, Executive Director & Vice Chairman (w.e.f: 01st January'2022)  Mr. Ashish Kumar Gupta Managing Director (w. e. f. 01st January'2022)  Mr. A. C. Chakrabortti, Independent Director (Resigned w.e.f 07th February'2022)  Mr. D. R. Kaarthikeyan, Independent Director  –  Mr. Sunil Mitra, Independent Director (Resigned w.e.f 09th 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: 01st Jan'2022)  Mr. Ashok Kr. Vijay, Executive Director (Finance) & CFO  Mr. Damodar Hazarimal Kela Executive Director & CEO (SF)  Mr. Akshay Poddar, Non – Executive Director



# Notes to Financial Statement

Relationship	Parties where control Exist	Parties where control Exist
	2022-23	2021-22
	Mr. Hemant Bhuwania (Appointed as CFO w.e.f 01st April'2023)  Mr. Kishor Kumar Rajgaria (Appointed as Company Secretary w.e.f.01st May'2023)  Mr. Ravi Varma Company Secretary (Resigned w.e.f. 30th April'2023)	–  –  Mr. Ravi Varma Company Secretary
<b>B</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 (Grand Daughter of Mr. S.K.Poddar)  Ms. Aashti Agarwal (Grand Daughter of Mr. S.K.Poddar)	Ms. Jyotsna Poddar (Wife of Mr. S.K.Poddar)  Ms. Puja Poddar (Daughter in Law of Mr. S.K.Poddar)  Ms. Shradha Agarwal (Daughter of Mr. S.K.Poddar)  Ms. Anisha Kumari Agarwal (Grand Daughter of Mr. S.K.Poddar)  Ms. Aashti Agarwal (Grand Daughter of Mr. S.K.Poddar)
<b>C</b> 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)  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)
<b>D</b> Associate	Texmaco Defence Systems Pvt. Ltd. (41% of Capital held by Company)	Texmaco Defence Systems Pvt. Ltd. (41% of Capital held by Company)
<b>E</b> 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	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 JVB  right – Vijaywargi JV  Bright – Kalindee JV  Bright – Texmaco JV

## Notes to Financial Statement

	Relationship	Parties where control Exist	Parties where control Exist
		2022-23	2021-22
		ISC Projects- Texmaco JV Kalindee ASIS JV Tata Projects – Kalindee JV Texmaco Rahee JV	ISC Projects- Texmaco JV Kalindee ASIS JV Tata Projects – Kalindee JV Texmaco Rahee JV
<b>F</b>	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 International Ltd. (Formerly known as Zuari Investment Ltd.) Zuari Industries 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 Investment 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 31/03/2023
<b>Remuneration Paid</b>							
- Mr. Saroj Kumar Poddar	– (--)	– (--)	– (--)	– (--)	384.88 (423.83)	384.88 (423.83)	-- (--)
- Mr. Indrajit Mookerjee	– (--)	– (--)	– (--)	– (--)	104.69 (80.24)	104.69 (80.24)	-- (--)
- Mr. A.K. Vijay	– (--)	– (--)	– (--)	– (--)	91.78 (89.67)	91.78 (89.67)	-- (--)
- Mr. D. H. Kela	– (--)	– (--)	– (--)	– (--)	152.51 (168.51)	152.51 (168.51)	-- (--)
- Mr. Ashish Kr. Gupta	– (--)	– (--)	– (--)	– (--)	86.74 (170.26)	86.74 (170.26)	-- (--)

# Notes to Financial Statement

(₹ in lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2023
- Mr. Ravi Varma	- (--)	- (--)	- (--)	- (--)	44.18 (29.40)	44.18 (29.40)	-- (--)
- Mr. D.R. Kaarathikeyan (Sitting Fees & Commission)	- (--)	- (--)	- (--)	- (--)	7.15 (7.15)	7.15 (7.15)	-- (--)
- Mr. Sunil Mitra (Sitting Fees & Commission)	- (--)	- (--)	- (--)	- (--)	- (4.34)	- (4.34)	-- (--)
- Mr. Utsav Parekh (Sitting Fees & Commission)	- (--)	- (--)	- (--)	- (--)	8.15 (7.00)	8.15 (7.00)	-- (--)
- Mr. Akshay Poddar (Sitting Fees & Commission)	- (--)	- (--)	- (--)	- (--)	5.40 (4.50)	5.40 (4.50)	-- (--)
- Mr. A. C. Chakrabortti (Sitting Fees & Commission)	- (--)	- (--)	- (--)	- (--)	- (8.37)	- (8.37)	-- (--)
- Ms. Rusha Mitra (Sitting Fees & Commission)	- (--)	- (--)	- (--)	- (--)	5.15 (4.65)	5.15 (4.65)	-- (--)
- Mr. Partha Sarathi Bhattacharyya (Sitting Fees & Commission)	- (--)	- (--)	- (--)	- (--)	5.25 (1.14)	5.25 (1.14)	-- (--)
- Mr. Virendra Sinha (Sitting Fees & Commission)	- (--)	- (--)	- (--)	- (--)	4.90 (4.65)	4.90 (4.65)	-- (--)
- Mr. Amitabha Guha (Sitting Fees & Commission)	- (--)	- (--)	- (--)	- (--)	5.26 (--)	5.26 (--)	-- (--)
<b>Investment</b>							
- Touax Texmaco Railcar Leasing Pvt. Ltd.	- (--)	- (--)	- (--)	2,144.10 (1,683.17)	- (--)	2,144.10 (1,683.17)	8,759.09 (6,614.99)
- Texmaco Infrastructure & Holdings Ltd.	-15.88 (--)	- (--)	- (--)	- (--)	- (--)	-15.88 (--)	98.51 (114.39)
- 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.	- (--)	1.02 (0.02)	- (--)	- (--)	- (--)	1.02 (0.02)	2.04 (1.02)
- Texmaco Rail Electrification Ltd.	- (--)	- (--)	- (--)	- (--)	- (--)	- (--)	2.00 (2.00)
- Texmaco Engineering Udyog Pvt. Ltd.	- (--)	- (--)	- (--)	- (--)	- (--)	- (--)	1.00 (1.00)
- Texmaco Defence Systems Pvt. Ltd.	- (--)	- (--)	- (--)	- (--)	- (--)	- (--)	4.10 (4.10)
<b>Loans &amp; Advances Given</b>							
- Belur Engineering Pvt. Ltd.	- (--)	-40.00 (--)	- (--)	- (--)	- (--)	-40.00 (--)	2,700.00 (2,740.00)
- Texmaco Transtrak Pvt. Ltd.	- (--)	- (--)	- (--)	- (--)	- (--)	- (--)	360.40 (360.40)

# Notes to Financial Statement

(₹ in lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2023
- Texmaco Defence Systems Pvt. Ltd.	- (--)	- (--)	7.96 (30.95)	- (--)	- (--)	7.96 (30.95)	298.66 (290.70)
- Bright-Vijaywargi-JV	- (--)	- (--)	- (--)	-24.57 (-39.71)	- (--)	-24.57 (-39.71)	41.82 (66.39)
- Bright- Kalindee-JV	- (--)	- (--)	- (--)	-35.18 (-23.67)	- (--)	-35.18 (-23.67)	-12.14 (-47.32)
- Bright- Texmaco-JV	- (--)	- (--)	- (--)	-116.34 (-52.90)	- (--)	-116.34 (-52.90)	-77.16 (-193.50)
<b>Loans &amp; Advances Received/Repaid</b>							
- Adventz Finance Pvt. Ltd.	2,052.00 (-2,802.00)	- (--)	- (--)	- (--)	- (--)	2,052.00 (-2,802.00)	2,370.00 (318.00)
- Adventz Securities Enterprises Ltd.	-31.00 (-1,044.00)	- (--)	- (--)	- (--)	- (--)	-31.00 (-1,044.00)	-- (31.00)
- Zuari Management Services Ltd.	371.49 (--)	- (--)	- (--)	- (--)	- (--)	371.49 (--)	3,971.49 (3,600.00)
- Zuari International Ltd.	- (-8,070.00)	- (--)	- (--)	- (--)	- (--)	- (-8,070.00)	930.00 (930.00)
- Zuari Sugar and Power Ltd.	- (-1,150.00)	- (--)	- (--)	- (--)	- (--)	- (-1,150.00)	-- (--)
- Mr. Saroj Kumar Poddar	- (--)	- (--)	- (--)	- (--)	- (-1,500.00)	- (-1,500.00)	-- (--)
- Pench Valley Coal Company Ltd.	- (-20.00)	- (--)	- (--)	- (--)	- (--)	- (-20.00)	-- (--)
<b>Dividend Paid</b>							
- Mr.Saroj Kumar Poddar	- (--)	- (--)	- (--)	- (--)	27.55 (20.19)	27.55 (20.19)	-- (--)
- Ms Jyotsna Poddar	0.10 (0.07)	- (--)	- (--)	- (--)	- (--)	0.10 (0.07)	-- (--)
- Ms. Puja Poddar	0.16 (0.12)	- (--)	- (--)	- (--)	- (--)	0.16 (0.12)	-- (--)
- Mr. Akshay Poddar	- (--)	- (--)	- (--)	- (--)	0.01 (0.01)	0.01 (0.01)	-- (--)
- Ms. Shradha Agarwal	0.02 (0.01)	- (--)	- (--)	- (--)	- (--)	0.02 (0.01)	-- (--)
- Ms. Aashti Agarwal	0.02 (0.01)	- (--)	- (--)	- (--)	- (--)	0.02 (0.01)	-- (--)
- Ms. Anisha Kumari Agarwal	0.05 (0.03)	- (--)	- (--)	- (--)	- (--)	0.05 (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)	-- (--)
- Abhishek Holdings Pvt. Ltd.	0.00 (0.00)	- (--)	- (--)	- (--)	- (--)	0.00 (0.00)	-- (--)

# Notes to Financial Statement

(₹ in lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2023
- Adventz Securities Enterprises Ltd.	3.81 (3.81)	- (-)	- (-)	- (-)	- (-)	3.81 (3.81)	-- (-)
- Adventz Finance Pvt. Ltd.	24.38 (17.98)	- (-)	- (-)	- (-)	- (-)	24.38 (17.98)	-- (-)
- Adventz Investments Co. Pvt. Ltd.	- (3.04)	- (-)	- (-)	- (-)	- (-)	- (3.04)	-- (-)
- Duke Commerce Ltd.	7.51 (7.51)	- (-)	- (-)	- (-)	- (-)	7.51 (7.51)	-- (-)
- Eureka Traders Pvt. Ltd.	0.00 (0.00)	- (-)	- (-)	- (-)	- (-)	0.00 (0.00)	-- (-)
- 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 Industries Ltd.	0.77 (-)	- (-)	- (-)	- (-)	- (-)	0.77 (-)	-- (-)
-Zuari International Ltd.	63.77 (25.06)	- (-)	- (-)	- (-)	- (-)	63.77 (25.06)	-- (-)
- Zuari Global Ltd.	- (4.04)	- (-)	- (-)	- (-)	- (-)	- (4.04)	-- (-)
- Mr. A.K. Vijay	- (-)	- (-)	- (-)	- (-)	0.05 (0.05)	0.05 (0.05)	-- (-)
- Mr. Ravi Varma	- (-)	- (-)	- (-)	- (-)	0.01 (0.01)	0.01 (0.01)	-- (-)
<b>Dividend Received</b>							
Texmaco Infrastructure & Holdings Ltd.	0.15 (4.70)	- (-)	- (-)	- (-)	- (-)	0.15 (4.70)	-- (-)
Wabtec Texmaco Rail Pvt. Ltd.	- (-)	- (-)	- (-)	98.45 (98.45)	- (-)	98.45 (98.45)	-- (-)
<b>Others</b>							
- Adventz Finance Pvt. Ltd. (Rent Paid)	16.52 (15.73)	- (-)	- (-)	- (-)	- (-)	16.52 (15.73)	-- (-)
- Adventz Finance Pvt. Ltd. (Interest Paid)	216.05 (491.14)	- (-)	- (-)	- (-)	- (-)	216.05 (491.14)	140.59 (4.07)
- Adventz Securities Enterprises Ltd. (Interest Paid)	0.86 (117.70)	- (-)	- (-)	- (-)	- (-)	0.86 (117.70)	-- (40.37)
- Zuari Management Services Ltd. (Interest Paid)	531.19 (486.00)	- (-)	- (-)	- (-)	- (-)	531.19 (486.00)	-- (328.35)

# Notes to Financial Statement

(₹ in lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2023
- Zuari Sugar and Power Ltd. (Interest Paid)	- (87.77)	- (--)	- (--)	- (--)	- (--)	- (87.77)	-- (0.82)
- Zuari International Ltd. (Interest Paid)	148.75 (1,080.09)	- (--)	- (--)	- (--)	- (--)	148.75 (1,080.09)	122.87 (57.74)
- Pench Valley Coal Company Ltd (Interest Paid)	- (1.98)	- (--)	- (--)	- (--)	- (--)	- (1.98)	-- (--)
- Mr. Saroj Kumar Poddar (Interest Paid)	- (--)	- (--)	- (--)	- (--)	432.31 (120.82)	432.31 (120.82)	432.31 (--)
- High Quality Steels Ltd. (Services Received)	436.44 (563.48)	- (--)	- (--)	- (--)	- (--)	436.44 (563.48)	48.74 (51.01)
- Lionel India Ltd. (Services Received)	190.39 (131.42)	- (--)	- (--)	- (--)	- (--)	190.39 (131.42)	19.67 (25.25)
- Lionel India Ltd. (Rent Received)	7.37 (7.37)	- (--)	- (--)	- (--)	- (--)	7.37 (7.37)	-- (4.68)
- Lionel Edwards Ltd. (Services Received)	24.65 (17.58)	- (--)	- (--)	- (--)	- (--)	24.65 (17.58)	-- (--)
- Zuari Management Services Ltd. (Services Received)	275.29 (164.49)	- (--)	- (--)	- (--)	- (--)	275.29 (164.49)	17.53 (16.29)
- Texmaco Infrastructure & Holdings Ltd. (Rent Received)	0.72 (0.72)	- (--)	- (--)	- (--)	- (--)	0.72 (0.72)	-- (--)
- Texmaco Infrastructure & Holdings Ltd. (Rent Paid)	27.84 (45.83)	- (--)	- (--)	- (--)	- (--)	27.84 (45.83)	8.27 (36.40)
- Wabtec Texmaco Rail Pvt. Ltd. (Sale of Goods)	- (--)	- (--)	- (--)	1,299.85 (466.64)	- (--)	1,299.85 (466.64)	351.83 (--)
- Wabtec Texmaco Rail Pvt. Ltd. (Purchase of Goods)	- (--)	- (--)	- (--)	36.35 (1,095.31)	- (--)	36.35 (1,095.31)	-- (73.91)
- Wabtec Texmaco Rail Pvt. Ltd. (Sale of Services/Rent)	- (--)	- (--)	- (--)	137.44 (146.16)	- (--)	137.44 (146.16)	-- (0.23)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Sale of Goods & Services)	- (--)	- (--)	- (--)	39.43 (119.61)	- (--)	39.43 (119.61)	0.07 (69.43)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Rent Received)	- (--)	- (--)	- (--)	5.05 (4.84)	- (--)	5.05 (4.84)	-- (0.44)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Deposit Against Order)	- (--)	- (--)	- (--)	2,508.93 (-24.56)	- (--)	2,508.93 (-24.56)	2,508.93 (--)
- TouaxT exmaco Railcar Leasing Pvt. Ltd. (Interest receivable against CCD given)	- (--)	- (--)	- (--)	712.71 (528.54)	- (--)	712.71 (528.54)	641.44 (1,337.94)
- Belur Engineering Pvt. Ltd (Rent Received)	- (--)	0.05 (0.05)	- (--)	- (--)	- (--)	0.05 (0.05)	-- (--)
- Belur Engineering Pvt. Ltd (Rent Paid)	- (--)	330.56 (330.56)	- (--)	- (--)	- (--)	330.56 (330.56)	-- (--)
- Belur Engineering Pvt. Ltd (Interest received against ICD given)	- (--)	292.96 (294.55)	- (--)	- (--)	- (--)	292.96 (294.55)	-- (--)
- Texmaco Defence Systems Pvt. Ltd. (Rent Received)	- (--)	- (--)	0.05 (0.05)	- (--)	- (--)	0.05 (0.05)	-- (--)

# Notes to Financial Statement

(₹ in lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2023
- Texmaco Defence Systems Pvt. Ltd. (Interest Received)	-	-	35.86	-	-	35.86	119.19
	(--)	(--)	(33.92)	(--)	(--)	(33.92)	(86.92)
- Texmaco Transtrak Pvt. Ltd. (Rent Received)	-	-	-	-	-	-	17.08
	(--)	(4.68)	(--)	(--)	(--)	(4.68)	(17.08)
- Texmaco Transtrak Pvt. Ltd. (Interest Received)	-	39.64	-	-	-	39.64	143.52
	(--)	(39.64)	(--)	(--)	(--)	(39.64)	(107.84)
- Texmaco Rail Systems Pvt. Ltd. (Interest Received)	-	0.01	-	-	-	0.01	-
	(--)	(--)	(--)	(--)	(--)	(--)	(--)
- 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)	-	-	-	492.32	-	492.32	409.78
	(--)	(--)	(--)	(2,369.11)	(--)	(2,369.11)	(459.91)
- JMC-GPT-Vijaywargi-Bright Power JV (Sale of Goods & Services)	-	-	-	-	-	-	93.82
	(--)	(--)	(--)	(-28.39)	(--)	(-28.39)	(93.82)
- JMC-Vijaywargi-Bright Power JV (Sale of Goods & Services)	-	-	-	-	-	-	262.24
	(--)	(--)	(--)	(-46.16)	(--)	(-46.16)	(262.24)
- Bright-Kalindee JV (Sale of Goods & Services)	-	-	-	545.00	-	545.00	826.94
	(--)	(--)	(--)	(320.79)	(--)	(320.79)	(385.31)
- Bright-Texmaco JV (Sale of Goods & Services)	-	-	-	3,814.87	-	3,814.87	638.73
	(--)	(--)	(--)	(6,012.02)	(--)	(6,012.02)	(532.75)
- ISC Projects -Texmaco JV (Sale of Goods & Services)	-	-	-	781.77	-	781.77	39.53
	(--)	(--)	(--)	(1,396.93)	(--)	(1,396.93)	(441.79)
- 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)	-	-	-	166.67	-	166.67	345.18
	(--)	(--)	(--)	(899.04)	(--)	(899.04)	(569.35)
- Kalindee Cobra JV (Amount paid by the company on behalf of others)	-	-	-	-	-	-	--
	(--)	(--)	(--)	(15.77)	(--)	(15.77)	(--)
- Kalindee IL & FS JV (Sale of Goods)	-	-	-	-	-	-	1,346.48
	(--)	(--)	(--)	(--)	(--)	(--)	(1,346.48)
- Kalindee IL & FS JV (Amount paid on behalf of the company)	-	-	-	-	-	-	1.17
	(--)	(--)	(--)	(1.17)	(--)	(1.17)	(1.17)
- Kalindee Kapoor Railcon JV (Sale of Goods)	-	-	-	279.19	-	279.19	1,026.09
	(--)	(--)	(--)	(804.19)	(--)	(804.19)	(773.05)
- Kalindee Kapoor Railcon JV (Amount paid on behalf of the company)	-	-	-	12.54	-	12.54	--
	(--)	(--)	(--)	(2.32)	(--)	(2.32)	(--)
- Kalindee Karthik JV (Sale of Goods)	-	-	-	57.55	-	57.55	433.45
	(--)	(--)	(--)	(10.48)	(--)	(10.48)	(363.91)
- Kalindee Karthik JV (Amount paid on behalf of the company)	-	-	-	1.21	-	1.21	--
	(--)	(--)	(--)	(0.23)	(--)	(0.23)	(--)

# Notes to Financial Statement

(₹ in lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2023
- Kalindee Rahee JV (Amount paid by the company on behalf of others)	- (--)	- (--)	- (--)	4.91 (12.29)	- (--)	4.91 (12.29)	420.70 (677.29)
- Kalindee URC JV (Sale of Goods)	- (--)	- (--)	- (--)	8.68 (49.11)	- (--)	8.68 (49.11)	167.10 (167.91)
- Kalindee VNC JV (Amount paid by the company on behalf of others)	- (--)	- (--)	- (--)	77.34 (14.24)	- (--)	77.34 (14.24)	1,697.64 (1,638.78)
- GMR TPL KRNL JV (Sale of Goods)	- (--)	- (--)	- (--)	570.10 (325.12)	- (--)	570.10 (325.12)	1,026.09 (777.00)
- Tata Projects- Kalindee JV (Sale of Goods)	- (--)	- (--)	- (--)	173.53 (521.21)	- (--)	173.53 (521.21)	32.91 (49.10)
- Texmaco-Rahee JV (Sale of Goods)	- (--)	- (--)	- (--)	157.60 (1,475.92)	- (--)	157.60 (1,475.92)	-- (--)
- Texmaco-Asis JV (Sale of Goods)	- (--)	- (--)	- (--)	890.22 (153.88)	- (--)	890.22 (153.88)	46.91 (986.93)
<b>Corporate Guarantee Given</b>							
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Against Sale of Wagons)	- (--)	- (--)	- (--)	1,331.19 (-1,144.21)	- (--)	1,331.19 (-1,144.21)	2,851.85 (1,520.66)
<b>Corporate Guarantee Received</b>							
- Belur Engineering Pvt. Ltd. (Against Term Loan Facility)	- (--)	- (-800)	- (--)	- (--)	- (--)	- (-800)	4,000.00 (4,000.00)

Note: Figures in brackets are for previous financial year.



# Notes to Financial Statement

## Note 1.41 Earning Per Share – The Numerator and Denominator used to Calculate Basic/ Diluted Earning Per Share

(₹ in lakhs)

Particulars		2022-23	2021-22
Net Profit for the period from ordinary activities attributable to equity shareholders (Excluding Preference Share Dividend) – used as numerator.	₹ in Lakhs	1,983.66	1,829.45
Weighted average number of Equity share outstanding used as denominator for Basic earning per share.	Number	32,18,69,895	27,38,58,861
Weighted Average Number of Equity share used on denominator for Diluted Earning Per Share	Number	32,18,69,895	27,38,58,861
(A) Basic Earnings per share (face value of ₹1/- each)	₹	0.62	0.67
(B) Diluted Earnings per share (face value of ₹1/- each)	₹	0.62	0.67

## 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 Limited in Touax Texmaco Railcar Leasing Pvt. Ltd is 1,26,49,999 equity shares, whereas number of equity shares held by Touax Rail India Limited is 1,26,50,001.

The company's share in assets, liabilities, income and expense in the above jointly controlled entities as at and for the year ended March 31, 2023, is as follows:

(₹ in lakhs)

Name of Joint Venture	Company's share in				
	Assets	Liabilities	Income	Expenses	Profit/ (Loss) after Tax
Touax Texmaco Railcar Leasing Pvt. Ltd	15,709.88 (15,461.36)	6,400.59 (8,166.09)	2,278.14 (2,058.97)	1,198.52 (1,161.49)	982.64 (711.29)
Wabtec Texmaco Rail Pvt. Ltd	1,981.56 (1,329.85)	991.83 (687.57)	3,083.25 (1,470.66)	2,486.78 (1,324.59)	444.62 (119.56)

Note: Figures in bracket are of previous year figure

# Notes to 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, 2023.

### Defined Benefit Plans- As per Actuarial valuation as on 31st March 2023

(₹ in lakhs)

SI No.	Particulars	Funded Gratuity 2022-23	Funded Gratuity 2021-22	Unfunded Leave 2022-23	Unfunded Leave 2021-22
<b>A</b>	<b>Amount Recognised in Balance Sheet</b>				
	Present Value of defined benefit obligations	2,461.18	2,449.41	554.98	484.84
	Fair Value of Plan Assets	2,272.29	2,362.96	-	-
	Net asset / (liability) recognized in Balance Sheet	(188.89)	(86.45)	(554.98)	(484.84)
<b>B</b>	<b>Change in Present Value of Obligations</b>				
	Present Value of Obligation as at the beginning of the year	2,449.41	2,793.15	484.84	499.72
	Current Service Cost	200.09	197.66	89.48	67.22
	Interest (Income) / Cost	171.02	179.22	33.70	31.87
	Re- measurement (or Actuarial) (Gain)/Loss arising from :-				
	change in demographic assumptions	-	(3.58)	-	-
	change in financial assumptions	(27.04)	(59.81)	(8.21)	(14.86)
	experience variance (i.e.Actual experience vs. assumptions)	91.56	(108.95)	56.70	(2.68)
	Past Service Cost	-	-	-	-
	Benefits Paid	(423.86)	(548.28)	(101.53)	(96.43)
	Acquisition Adjustment	-	-	-	-
	Present Value of Obligation as at the end of the year	2,461.18	2,449.41	554.98	484.84
<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	2,362.96	2,552.04	-	-
	Investment Income	165.67	165.23	-	-
	Employer's Contribution	104.51	89.52	-	-
	Employee's Contribution	-	-	-	-
	Benefits paid	(346.75)	(460.20)	-	-
	Return on plan assets, excluding amount recognised in net interest expense	(14.10)	16.37	-	-
	Fair Value of Plan Assets at the end of the year	2,272.29	2,362.96	-	-
<b>D</b>	<b>Expenses Recognised in the Income Statement</b>				
	Current Service Cost	200.09	197.66	89.48	67.22
	Past Service Cost	-	-	-	-
	Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	5.34	13.99	33.70	31.87
	change in demographic assumptions	-	-	-	-
	change in financial assumptions	-	-	(8.21)	(14.86)
	experience variance (i.e.Actual experience vs assumptions)	-	-	56.70	(2.68)
	Re-measurement (or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-	-	-
	Expenses Recognised in the Income Statement	205.43	211.65	171.67	81.55

# Notes to Financial Statement

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

(₹ in lakhs)

SI No.	Particulars	Funded Gratuity 2022-23	Funded Gratuity 2021-22	Unfunded Leave 2022-23	Unfunded Leave 2021-22
<b>E</b>	<b>Other Comprehensive Income</b>				
	Actuarial (gains) / losses arising from change in demographic assumptions	-	(3.58)	-	-
	change in financial assumptions	(27.04)	(59.81)	-	-
	experience variance (i.e. Actual experience vs assumptions)	91.56	(108.95)	-	-
	Return on plan assets, excluding amount recognised in net interest expense	14.10	(16.38)	-	-
	Components of defined benefit costs recognised in other comprehensive income	78.62	(188.72)	-	-
<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	
	2023	2022	2023	2022
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	
	2023	2022	2023	2022
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 to 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 to 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 rates)
<b>Gratuity</b>					
Increase/ (Decrease) in Liability	31.03.2023	(5,040.54)	(4,813.90)	(4,892.24)	(4,708.44)
Increase/ (Decrease) in Liability	31.03.2023	(105.61)	119.67	24.65	(209.29)
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)
<b>Leave</b>					
Increase/ (Decrease) in Liability	31.03.2023	(1,301.53)	(1,229.46)	(1,249.22)	(1,025.31)
Increase/ (Decrease) in Liability	31.03.2023	118.10	189.68	163.24	(83.57)
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)

### 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)

Financial Assumptions	Gratuity		Leave	
	2023	2022	2023	2022
1 Year	795.94	808.29	170.43	118.33
2 to 5 years	921.73	894.11	183.11	161.89
6 to 10 years	880.04	879.60	196.78	191.50
More than 10 years	1,105.31	988.76	355.10	315.07

### J Risk Exposure

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

# Notes to Financial Statement

## Note 1.44 Leases:

The Company has taken Computers & Software on lease rental for its business operations. The agreement has a lease term of 5 years, having the option to extend the lease after the expiry of such a time. The Company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Company is restricted from assigning and subleasing the leased assets.

Set out below are the carrying amounts of Right of Use assets recognized and movement during the year.

(₹ in lakhs)

Particulars	31.03.2023	31.03.2022
Carrying value of right of use assets at the beginning of the reporting date	43.34	44.01
Addition during the year	179.27	-
Depreciation	27.76	0.67
Carrying value of right of use assets at the end of the reporting date	194.85	43.34

Set out below are the carrying amounts of lease liabilities and the movement during the year.

(₹ in lakhs)

Particulars	31.03.2023
Lease liabilities at the beginning of the reporting date	-
Addition during the year	172.49
Accretion of Interest	11.57
Rent	(33.70)
Closing lease liabilities	150.36
Lease liabilities included in the statement of financial position	
Short Term	30.70
Long Term	119.66

The effective interest rate for lease liabilities is 9% with maturity between 5 years.

Impact of Statement of Profit and Loss.

Particulars	31.03.2023
Depreciation expense	27.76
Interest expenses	11.57

Impact of Statement of Cash Flows:

Particulars	31.03.2023
Payment of principal portion of lease liabilities	33.35
Payment of interest portion of lease liabilities	-

## Note 1.45 Amount Remitted during the year on Account of Dividend (as Certified by the Management)

Particulars	2022-23	2021-22
Number of Non-resident Shareholders	1,022	1083
Number of Equity Shares held	21,02,721	28,87,912
Dividend remitted (₹ in Lakhs)	2.10	0.01
Year of Dividend paid	2021-22	2020-21

# Notes to Financial Statement

## Note 1.46 Value of Raw Materials and stores consumed (including Components)

(₹ in lakhs)

Particulars	2022-23	%	2021-22	%
Imported	13,846.50	6.20%	9,739.36	7.01%
Indigenous	2,09,556.93	93.80%	1,29,253.25	92.99%
<b>Total</b>	<b>2,23,403.43</b>	<b>100%</b>	<b>1,38,992.61</b>	<b>100%</b>

## Note 1.47 Value of Imports on C.I.F. Basis

(₹ in lakhs)

Particulars	2022-23	2021-22
Raw Materials	5.50	5,176.45
Components, Spare Parts and Stores	13,840.48	2,931.40
<b>Total</b>	<b>13,845.98</b>	<b>8,107.85</b>

## Note 1.48 Analysis of Raw Material Consumed

(₹ in lakhs)

Particulars	2022-23	2021-22
M.S. & C.I. Scrap	14,585.05	4,822.10
Plates & Sheets	93,703.02	69,629.68
Rounds, Bars & Flats	7,546.83	828.25
Structural	7,135.02	5,574.71
<b>Total</b>	<b>1,22,969.92</b>	<b>80,854.74</b>

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

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

## Note 1.51 Expenditure in Foreign Currency

(₹ in lakhs)

Particulars	2022-23	2021-22
R & D Expenses	-	5.70
Travelling and Others	89.39	65.83
Fees & Subscription	254.45	4.03
General Charges (Charity & Donation, AAR Audit Fee)	17.35	-
<b>Total</b>	<b>361.19</b>	<b>75.56</b>

## Note 1.52 Income in Foreign Exchange

(₹ in lakhs)

Particulars	2022-23	2021-22
Export of Goods (F.O.B.)	21,094.16	9,669.70

# Notes to Financial Statement

## Note 1.53 Details of Inventory of Work in Progress

(₹ in lakhs)

Particulars	2022-23	2021-22
<b>Work-in- Process</b>		
Heavy Engineering Division	11,358.99	8,890.69
Steel Foundry Division	12,409.28	7,333.02
Rail EPC	435.56	621.37
<b>Total</b>	<b>24,203.83</b>	<b>16,845.08</b>

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

(₹ in lakhs)

Particulars	2022-23	2021-22
(a) - Un-hedged foreign currency exposure as at 31st March 2023 – Payables. USD: 17,70,260.67 (Previous Year: USD:2,46,709)	1,454.62	186.99
(b) - Un-hedged foreign currency exposure as at 31st March 23 – Receivable. - AUD:7,67,565.83,USD:NIL,Euro:12,68,291.63,JPY:5,98,20,313 and NRS:1,30,40,722.04 (Previous Year: AUD: 10,72,401 USD: 60,31,500, Euro: 21,09,837, JPY: 11,78,82,156 and NRS: 1,30,40,722)	2,008.02	7,586.01

## Note 1.55 Details of Income/ Expenses Disclosed on Net Basis

(₹ in lakhs)

SI No	Particulars	2022-23	2021-22
<b>1</b>	<b>Profit/ Loss on sale of Property, Plant &amp; Equipment</b>		
	Profit	22.08	12.48
	Loss -	2.18	
	<b>Net</b>	<b>22.08</b>	<b>10.30</b>
<b>2</b>	<b>Profit on sale of current investment</b>		
	Mutual Funds & Others		
	Profit	-	22.30
	Loss -	-	
	<b>Net</b>	<b>-</b>	<b>22.30</b>

# Notes to Financial Statement

## Note 1.56 Disclosure pursuant to Ind AS 111– Joint Arrangements

Name of Joint venture	Description of Interest/ (Description of Job)	Country of Residence
Kalindee Kartik JV	Jointly controlled operations (civil work and signaling at Sini Jharkhand, SE Railway) – 80%	India
Kalindee Kapoor Railcon JV	i. Jointly controlled operations (civil work and signaling at Rani Keshwaganj and Rajasthan) – 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 West Bengal, India) – 70% ii) Jointly controlled operations (Ballastless Track work at Nagpur Metro division of MMRC in the state of Maharsashtra, India) - 60%	India
Kalindee Cobra JV	Jointly controlled operations (civil work and signaling at Bina Kota division of RVNL in the state of Rajasthan, India) – 78%	India
GMR-TPL-Kalindee JV	i. Jointly controlled operations (civil work and signaling of RVNL projects in the state of Uttar Pradesh) – 29% ii. Jointly controlled operations (civil work and signaling of RVNL projects in the state of Telangana) – 35.48%	India
Kalindee VNC JV	Jointly controlled operations (civil work and track work of Bangalore Metro & Delhi Metro in the state of 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, JaroliBasantpur, Orissa) BPP-16.58%	India
Bright-Vijaywargi	Joint Operations (25KV, 50 HZ Single phase traction,OHE,Scada,Gen.Ele.Works,Civil Works between Jakhal-Hissar BPP-82%, VIJAYWARGI -18%	India
ISC Project Texmaco JV	Joint Operation Civil works, S&T, OHE work between Badmal-Titlagarh section, Odisha, India)-BPP: 28.57%	India
Texmaco Rahee JV	Joint Operation with Rahee JV, laying of metro tracks at Nagpur Metro 60% Texmaco Rail and 40% Rahee.	India



# Notes to Financial Statement

## Note 1.57 Financial Risk Management Objectives and policies-

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

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

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

**A. Credit Risk** - A risk that counter party 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 to Financial Statement

## Note 1.57 Financial Risk Management Objectives and policies (Contd.)

(₹ in lakhs)

Particulars	As on 31.03.2023	As on 31.03.2022
Foreign Currency (Payable) / Receivable (net) – EURO	1134.39	1,537.39
Foreign Currency (Payable) / Receivable (net) - USD	(3091.83)	4,764.42
Impact		
- EURO/INR- Increase by 10%	113.44	153.74
- EURO/INR- Decrease by 10%	(113.44)	(153.74)
USD/INR- Increase by 10%	309.18	476.44
USD/INR- Decrease by 10%	(309.18)	(476.44)

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

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

## Note 1.58 Capital Management

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

## Note 1.59 Fair Value

Carrying amounts and fair values Fair Value through Profit & Loss (FVTPL) of financial instruments, including their levels in the fair value hierarchy has been mentioned in Note No. B (ix) and has been mentioned in Note No 1.04 and Note No 1.10. All the investments which have been fair valued are classified under Level – 1.

# Notes to Financial Statement

## Note 1.60 Financial Instruments

### A. Accounting classification and Fair Value

(₹ in lakhs)

31st March 2023	Carrying amount				Fair value			Total
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	
<b>Financial Assets (Long Term)</b>								
- Investments		9,231.82	-	9,231.82	124.91	9,106.91	-	9,231.82
- Bank Balances			3,379.14	3,379.14	-	-	3,379.14	3,379.14
- Others			740.29	740.29	-	-	740.29	740.29
<b>Financial Assets (Short Term)</b>								
- Investments	17.60			17.60	17.60	-	-	17.60
- Trade Receivable			78,489.32	78,489.32	-	-	78,489.32	78,489.32
- Cash and cash equivalents			3,043.28	3,043.28	-	-	3,043.28	3,043.28
- Bank Balances & Others			12,224.81	12,224.81	-	-	12,224.81	12,224.81
- Loans & Advances			4,724.40	4,724.40	-	-	4,724.40	4,724.40
<b>Total</b>	<b>17.60</b>	<b>9,231.82</b>	<b>1,02,601.24</b>	<b>1,11,850.66</b>	<b>142.51</b>	<b>9,106.91</b>	<b>1,02,601.24</b>	<b>1,11,850.66</b>
<b>Financial liabilities (Long Term)</b>								
- Borrowings			16,359.43	16,359.43			16,359.43	16,359.43
- Lease Liabilities			119.66	119.66			119.66	119.66
<b>Financial liabilities (Short Term)</b>								
- Borrowings			81,890.23	81,890.23			81,890.23	81,890.23
- Lease Liabilities			30.70	30.70			30.70	30.70
- Trade Payable			56,828.93	56,828.93			56,828.93	56,828.93
- Other Financial Liabilities			3,585.65	3,585.65			3,585.65	3,585.65
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,58,814.60</b>	<b>1,58,814.60</b>	<b>-</b>	<b>-</b>	<b>1,58,814.60</b>	<b>1,58,814.60</b>

(₹ in lakhs)

31st March 2022	Carrying amount				Fair value			Total
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	
<b>Financial Assets (Long Term)</b>								
- Investments	-	7,118.39	-	7,118.39	156.60	6,961.79	-	7,118.39
- Loans & Advances	-	-	-	-	-	-	-	-
- 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>6,961.79</b>	<b>82,014.11</b>	<b>89,149.20</b>
<b>Financial liabilities (Long Term)</b>								
- Borrowings			4,765.81	4,765.81			4,765.81	4,765.81
<b>Financial liabilities (Short Term)</b>								
- Borrowings			66,214.04	66,214.04			66,214.04	66,214.04
- 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>

# Notes to Financial Statement

## Note 1.60 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)

### 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 creditworthiness 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 are estimated by discounting future cash flows using rates currently available for debt of similar terms, credit risk and remaining maturities.

## Note 1.61 Tax Expense

(₹ in lakhs)

Particulars	For the Year ended	
	31 March, 2023	31 March, 2022
<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
Total current tax expense	-	<b>75.59</b>
<b>Deferred Tax</b>		
- Decrease/(increase) in deferred tax assets	1169.75	1,405.96
- (Decrease)/increase in deferred tax liabilities	(281.75)	(69.09)
- Total deferred tax expenses/(benefit)	888.00	1,336.87
MAT credit entitlement	-	-
<b>Tax Expense</b>	<b>888.00</b>	<b>1,412.46</b>
<b>b) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate</b>		
<b>Profit before tax</b>	2,871.66	3,241.91
Tax at the Indian tax rate of 34.944%(previous year - 34.944%)	1,003.47	1,132.85
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income</b>		
- Corporate social responsibility expenditure	7.47	2.68
<b>Tax effect of amounts which are deductible (non-taxable) in calculating taxable income</b>		
- Income from Investment	(34.69)	(55.56)
- Income from rented property	(106.23)	(97.84)
- MAT Credit/carry forward losses adjustment & Others		(280.52)
<b>Tax effect of other adjustment</b>		
- Income from Investment		667.26
- Income tax for earlier years		43.59
- Others	17.98	-
<b>Tax Expense</b>	<b>888.00</b>	<b>1,412.46</b>

# Notes to Financial Statement

## Note 1.62 Information about Segment Working is given below:

(₹ in lakhs)

Particulars	2022-23				2021-22			Total 4 (1+2+3)
	Heavy Engg. Division	Steel Foundry	Rail EPC	Total	Heavy Engg. Division	Steel Foundry	Rail EPC	
	1	2	3	4 (1+2+3)	1	2	3	
<b>Revenue (Net of Excise Duty and Cess)</b>								
Gross Sales	1,31,494.81	53,954.69	72,743.59	2,58,193.09	71,487.33	33,065.76	74,868.62	1,79,421.71
Internal-Segment Sales	(3,594.77)	(32,101.94)	-	(35,696.71)	(3,183.16)	(16,084.83)	-	(19,267.99)
Other Operating Revenue	444.83	607.46	779.07	1,831.36	531.68	537.80	950.39	2,019.87
<b>Total</b>	<b>1,28,344.87</b>	<b>22,460.21</b>	<b>73,522.66</b>	<b>2,24,327.74</b>	<b>68,835.85</b>	<b>17,518.73</b>	<b>75,819.01</b>	<b>1,62,173.59</b>
<b>Result</b>								
Segment Result	1,500.44	3,110.61	4,255.06	8,866.11	3,385.20	895.65	4,574.11	8,854.96
Others (Net of Unallocated Expenses)				1,112.84				1,090.58
<b>Operating Profit/(Loss)</b>				<b>9,978.95</b>				<b>9,945.54</b>
Interest Expense				(8,779.64)				(7,941.29)
Interest Income				1,672.35				1,237.66
<b>Total Profit/(Loss) before Tax</b>				<b>2,871.66</b>				<b>3,241.91</b>
Provision for Current Tax								-
Provision for Deferred Tax				(888.00)				(1,368.87)
Income Tax for Earliar Year								(43.59)
<b>Profit/(Loss) from ordinary activities</b>				<b>1,983.66</b>				<b>1,829.45</b>
Extra ordinary items				-				-
<b>Net Profit/(Loss)</b>				<b>1,983.66</b>				<b>1,829.45</b>
<b>Other Information</b>								
Segment Assets	1,38,757.69	54,461.66	1,31,580.55	3,24,799.90	91,808.89	44,427.10	1,22,819.55	2,59,055.54
Unallocated Corporate assets				9,249.42				7,135.09
<b>Total assets</b>				<b>3,34,049.32</b>				<b>2,66,190.63</b>
Segment liabilities	1,21,715.86	7,588.64	70,211.60	1,99,516.10	51,245.80	2,524.34	79,760.45	1,33,530.59
Unallocated corporate liabilities				-				-
<b>Total Liabilities</b>				<b>1,99,516.10</b>				<b>1,33,530.59</b>
<b>Capital expenditure</b>				4,857.13				1,957.09
<b>Depreciation</b>				3,502.91				3,580.75
<b>Non-cash expenses other than depreciation</b>				724.29				875.77

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

# Notes to Financial Statement

## Note 1.63 Disclosures as per Ind AS 115 "Revenue from contract with customer"

(₹ in lakhs)

Class of Goods	Sales		Opening Stock	Closing Stock
	2022-23	2021-22		
Wagons	<b>1,13,358.12</b>		<b>949.09</b>	<b>5,984.11</b>
		55,732.19	478.09	949.09
Rail EPC	<b>72,743.59</b>		-	-
		74,868.62	-	-
Structurals	<b>7,387.21</b>		<b>439.57</b>	<b>462.06</b>
		2,938.13	725.85	439.57
Bridges	<b>2,721.26</b>		<b>71.82</b>	<b>15.81</b>
		6,012.47	99.44	71.82
Locomotive and its Components	<b>2,158.00</b>		<b>35.73</b>	-
		2,477.14	151.57	35.73
Site Fabrication and Erection	<b>2,722.38</b>		-	-
		2,562.49	-	-
Steel Castings & Ingots (Including Draft Gear 4000 Sets)	<b>53,954.69</b>		-	-
		33,603.56	-	-
Power Tiller/Reaper	-		<b>3.13</b>	<b>3.13</b>
		-	6.34	3.13
Ring Frames, Doublers and Worsted Ring Frames	-		<b>0.61</b>	<b>0.61</b>
		-	0.61	0.61
Speed Frames	-		<b>0.39</b>	<b>0.39</b>
		-	0.39	0.39
Other Sales	<b>3,147.84</b>		-	-
		1,227.11	-	-
Other Operating Revenue / Income	<b>1,831.36</b>		-	-
		2,019.87	-	-
Gross Sales total	<b>2,60,024.45</b>		<b>1,500.34</b>	<b>6,466.11</b>
		1,81,441.58	1,462.29	1,500.34
Less: Inter Segment	<b>35,696.71</b>		-	-
		19,267.99	-	-
Total Operating Revenue / Income from Operations	<b>2,24,327.74</b>		<b>1,500.34</b>	<b>6,466.11</b>
		1,62,173.59	1,462.29	1,500.34

# Notes to Financial Statement

## Note 1.64 Key Ratios:

Ratio	Numerator	Denominator	31st Mar, 2023	31st Mar, 2022	% Variance	Reason for Variance (For changes more than 25%)
(a) Current Ratio	Current Assets	Current Liability	1.59	1.83	-13.11%	
(b) Debt-Equity Ratio	Total Debt (Non-Current borrowing+ Current Borrowing)	Shareholder's Equity	0.73	0.54	35.19%	Due to increase in Borrowings from previous financial year
(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	1.17	1.14	2.63%	
(d) Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	1.48%	1.48%	0.00%	
(e) Inventory turnover Ratio	Sale of products (Revenue from operation)	Average Inventory	4.33	4.84	-10.54%	
(f) Trade Receivables turnover Ratio	Sale of products (Revenue from operation)	Average Trade Receivable	3.31	2.75	20.36%	
(g) Trade payables turnover Ratio	Cost of Goods sold (Material consumed+Changes in Inventory+Erection Expenses+ Power & Fuel Expenses)	Average Trade Payable	4.25	3.45	23.19%	
(h) Net capital turnover Ratio	Sale of products (Revenue from operation)	Working Capital	2.18	1.68	29.76%	The Net Capital Turnover ratio increased primarily due to increase in Revenue from operation
(i) Net profit Ratio	Net Profit after taxes	Sale of products (Revenue from operation)	0.88%	1.13%	-22.12%	
(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)	4.23%	4.81%	-12.06%	
(k) Return on investment.	Income generated from Investment	Time Weighted Average Investment	0.84%	14.27%	-94.11%	The return on investment ratio decreased primarily due to decrease in income from investment

# Notes to Financial Statement

## 1.65 Additional Regulatory Information

- 1) Company has used the borrowings from banks and financial institutions for the specific purpose for which it has taken at the balance sheet date.
- 2) 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.
- 3) To the best of the information available, the company has not entered any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956
- 4) 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 2023	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

- 5) There is no income surrendered or disclosed as income during the year in tax assessment under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- 6) 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 ultimate beneficiaries.
- 7) 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.
- 8) The Company has not traded or invested in crypto currency or virtual currency during the year.

**Note 1.66** Previous year's figures have been regrouped/ rearranged/ restated/ recast wherever necessary to confirm this year's classification.

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

In terms of our Report of even date attached herewith

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

Chartered Accountants  
Firm Registration No: 301088E

**Ranjan Singh**

Partner  
Membership No. 305423  
F2/2, Gillander House,  
8, Netaji Subhas Road  
Kolkata – 700 001  
Dated: 12th May, 2023

**K.K.Rajgaria**  
Company Secretary

**Hemant Bhuwania**  
CFO

**Directors**

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



# Notes to Financial Statement

## Statement containing salient features of the financial statement of subsidiary as at 31.03.2023

### Part "A": Subsidiaries

Sl. N.	Particulars	Name of Subsidiary Companies				
		Belur Engineering Pvt. Ltd.	Texmaco Transtrak Pvt. Ltd.	Texmaco Rail Electrification Ltd.	Texmaco Rail Systems Pvt. Ltd.	Panihati Engineering Udyog Pvt. Ltd. (Formerly 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	4.00	1.00
4	Reserves & Surplus	3733.56	(493.61)	(1.23)	(3.84)	(1.03)
5	Total Assets	6455.50	33.17	1.05	0.57	0.26
6	Total Liabilities	2,711.94	525.78	0.28	0.41	0.29
7	Investments	-	-	-	-	-
8	Turnover	330.56	-	-	-	-
9	Profit/Loss before Taxation	23.46	(43.80)	(0.57)	(1.53)	(0.56)
10	Provision for Taxation	-	(0.14)	-	-	-
11	Profit/Loss after Taxation	23.46	(43.66)	(0.57)	(1.53)	(0.56)
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 Ventures

### Part "B": Associates and Joint Ventures

Sl. N.	Particulars	Name of Associates/Joint Ventures		
		Touax Texmaco Railcar Leasing Pvt. Ltd.	Wabtec Texmaco Rail Pvt. Ltd.	Texmaco Defence Systems Pvt. Ltd.
1.	Latest audited Balance Sheet Date	31st. March' 2023 (Audited)	31st. March' 2023 (Audited)	31st. March' 2023 (Audited)
2.	Shares of Associate/ Joint Ventures held by the company on the year end Numbers	1,26,49,999	32,81,700	41,000
	Amount of Investment in Joint Venture / Associate	1,264.99	328.17	4.10
	Extent of Holding (in %)	50%	40%	41%
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 / Associate is not Consolidated	N.A.	N.A.	N.A.
5.	Net worth attributable to Shareholding as per latest audited Balance Sheet	18,618.59	2474.32	(4.40)
6.	Profit / Loss for the year	1,979.98	1111.54	(2.18)
	i. Considered in Consolidation	982.64	444.62	-
	ii. Not Considered in Consolidation	997.34	666.92	(2.18)

1. Names of associates or joint ventures which are yet to commence operations. : Texmaco Defence Systems Private Limited
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 For L. B. Jha & Co.

Chartered Accountants  
Firm Registration No: 301088E

#### Ranjan Singh

Partner  
Membership No. 305423  
8, Netaji Subhas Road  
F2/2, Gillander House,  
Kolkata – 700 001  
Dated: 12th May, 2023

**K.K.Rajgaria**  
Company Secretary

**Hemant Bhuwania**  
CFO

#### Directors

S.K.Poddar  
Utsav Parekh  
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, 2023, 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, 2023, 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>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>
<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, 2023 the Company</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</li> </ul>

Key Audit Matter	Procedures Performed
<p>has an amount of Rs. 18,618.86 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>information with respect to tax litigations;</p> <ul style="list-style-type: none"> <li>● Along with our tax experts, we undertook the following procedures:</li> <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 financial statements in accordance with Ind AS 37.</li> </ul>

**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) In one of the subsidiaries audited by us, there exists a material uncertainty relating to the going concern the subsidiary has a negative net worth as a result of accumulated losses. Further, the subsidiary is yet to commence commercial operations and did not have any operational revenue during the year. These conditions may cast significant doubt about the subsidiary's ability to continue as a going concern. As stated in the note 1.42 of the consolidated financial statements, the Management intends to continue the operations of the Company and is in discussion with couple of technology provider to explore its sustainability in Indian Market. Accordingly, the financial statements of the subsidiary have been prepared on a going concern basis.
- (b) We did not audit the financial statements of one subsidiary included in the consolidated financial statements, whose financial statements reflect total assets of 6455.50 lakhs as at March 31, 2023, total revenues of 331.88 lakhs, total net profit after tax of 23.46 lakhs and total comprehensive income of 23.46 lakhs and cash flows (net) of (2.46) 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 1427.25 lakhs and total comprehensive income of 1428.53 lakhs for the year ended March 31, 2023 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.

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.

#### 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, 2023 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, 2023 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 2023 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 1.45 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.
- (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

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

Chartered Accountants  
Firm Registration No: 301088E

**(Ranjan Singh)**

Partner

Membership No. 305423

UDIN: 23305423BHABV9843

Place: Kolkata  
Date: 12.05.2023

**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 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiaries and jointly controlled entities which are companies incorporated

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

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting includes obtaining an understanding of internal financial control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal controls based on the assessed risk. The procedure selected depends on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statement, whether due to fraud or error.
5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies and its jointly controlled entities, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting the Company, its subsidiary companies and its jointly controlled entities which are companies incorporated in India

**Meaning of Internal Financial Control over Financial Reporting**

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



accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

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

#### **Inherent Limitations of Internal Financial Control over Financial Reporting**

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

#### **Opinion**

8. In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the other auditors referred to in the Other Matters paragraph below, the Holding Company its subsidiary companies and its jointly controlled entities, which are companies incorporated in India, have, in all material respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2023, 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 Matter**

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 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

**(Ranjan Singh)**

Partner

Place: Kolkata  
Date: 12.05.2023

Membership No. 305423  
UDIN: 23305423BHABV9843

# Consolidated Balance Sheet

as at 31st March, 2023

(₹ in Lakhs)

Particulars	Note No.	As at 31.03.2023	As at 31.03.2022
<b>I ASSETS :</b>			
(1) Non-current Assets			
(a) Property, Plant & Equipment	1.01	40,091.99	35,916.13
(b) Right-of-Use Assets	1.02a	194.85	43.34
(c) Capital work-in-progress	1.02b	928.45	245.92
(d) Investment Property	1.02c	2,804.11	2,893.93
(e) Other Intangible Assets	1.03	46.20	49.68
(f) Financial Assets			
(i) Investments	1.04	10,423.93	7,694.15
(ii) Bank Balance	1.05	3,379.14	1,411.07
(iii) Others	1.06	740.29	902.83
(g) Deferred Tax Assets (Net)	1.07	5,993.56	6,881.32
(h) Other Non current Assets	1.08	1,221.72	424.23
		<b>65,824.24</b>	<b>56,462.60</b>
(2) Current Assets			
(a) Inventories	1.09	67,627.21	36,105.25
(b) Financial Assets			
(i) Investments	1.10	17.60	16.70
(ii) Trade Receivables	1.11	78,489.32	56,994.22
(iii) Cash & cash equivalents	1.12	3,076.76	5,606.76
(iv) Bank balances other than (iii) above	1.13	12,224.81	11,659.04
(v) Loans	1.14	1,518.24	2,277.47
(c) Current Tax Assets (Net)	1.15	5,778.12	5,250.96
(d) Other Current Assets	1.16	1,03,969.30	92,032.64
		<b>2,72,701.36</b>	<b>2,09,943.04</b>
		<b>3,38,525.60</b>	<b>2,66,405.64</b>
<b>TOTAL ASSETS</b>			
<b>II EQUITY AND LIABILITIES:</b>			
(1) Equity			
(a) Equity Share capital	1.17	3,218.70	3,218.70
(b) Other Equity	1.18	1,35,999.81	1,29,835.31
Non-Controlling Interest		(241.30)	(220.14)
(2) Non-current Liabilities :			
(a) Financial Liabilities			
(i) Borrowings	1.19	16,359.44	4,765.81
(ii) Lease liabilities	1.19a	119.66	-
(b) Provisions	1.20	878.57	855.42
(c) Other non current liabilities	1.21	9,023.59	11,524.08
		<b>26,381.26</b>	<b>17,145.31</b>
(3) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	1.22	81,890.23	66,214.04
(ii) Lease liabilities	1.22a	30.70	-
(iii) Trade Payables			
(A) total outstanding dues of micro enterprises and small enterprises		-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		56,854.51	31,164.39
(iv) Other financial liabilities	1.24	3,579.58	3,332.31
(b) Other current liabilities	1.25	28,946.12	13,159.03
(c) Provisions	1.26	1,865.99	2,556.69
		<b>1,73,167.13</b>	<b>1,16,426.46</b>
		<b>3,38,525.60</b>	<b>2,66,405.64</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			
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

**Ranjan Singh**

Partner

Membership No.305423

F2/2, Gillander House

8, Netaji Subhas Road

Kolkata- 700 001

Dated: 12th May, 2023

**K. K. Rajgaria**

Company Secretary

**Hemant Bhuwania**

C.F.O

**Directors**

S. K. Poddar

Utsav Parekh

Indrajit Mookerjee

D. H. Kela

A.K. Vijay

# Consolidated of Profit and Loss

for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Note No.	Year Ended 31.03.2023	Year Ended 31.03.2022
I Revenue From operations	1.27	2,24,327.74	1,62,173.59
II Other Income	1.28	2,637.42	2,243.13
<b>III Total Income (I +II)</b>		<b>2,26,965.16</b>	<b>1,64,416.72</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	1.29	1,73,909.24	1,11,724.71
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	1.30	(12,323.16)	(2,301.91)
Employee benefit expense	1.31	13,005.71	12,603.35
Finance costs	1.32	11,617.49	10,024.14
Depreciation and amortization expense	1.33	3,519.61	3,600.20
Other expenses	1.34	35,195.19	26,125.98
<b>Total expenses (IV)</b>		<b>2,24,924.08</b>	<b>1,61,776.47</b>
V Profit(loss) before tax (III-IV)		2,041.08	2,640.25
VI Exceptional items		-	-
<b>VII Profit(loss) before tax</b>		<b>2,041.08</b>	<b>2,640.25</b>
<b>VIII Tax Expenses</b>			
a) Current Tax		0.10	32.98
b) MAT Credit Entitlement		(46.08)	(32.98)
c) Deferred Tax		933.84	1,368.26
d) Income Tax Paid Related to Earlier Years		-	49.99
		<b>887.86</b>	<b>1,418.25</b>
<b>IX Profit (Loss) for the period (V-VI)</b>		<b>1,153.22</b>	<b>1,222.00</b>
<b>X Profit/(loss) for the period from JV/Associates</b>		<b>1,427.25</b>	<b>830.79</b>
<b>XI Profit/(loss) for the period</b>		<b>2,580.47</b>	<b>2,052.79</b>
<b>XII Other comprehensive income</b>	1.35		
A (i) Items that will not be reclassified to profit or loss		(46.71)	1,211.98
B (i) Items that will be reclassified to profit or loss		259.38	(210.65)
		<b>212.67</b>	<b>1,001.33</b>
<b>XIII Total Comprehensive Income for the period</b>		<b>2,793.14</b>	<b>3,054.12</b>
<b>XIV Profit/(loss) for the period Attributable to:</b>		<b>2,580.47</b>	<b>2,052.79</b>
Owners of the Parent		2,602.63	2,050.01
Non-Controlling Interest		(22.16)	2.78
<b>XV Other Comprehensive Income Attributable to:</b>		<b>212.67</b>	<b>1,001.33</b>
Owners of the Parent		212.67	1,001.33
Non-Controlling Interest		-	-
<b>XVI Total Comprehensive Income Attributable to:</b>		<b>2,793.14</b>	<b>3,054.12</b>
Owners of the Parent		2,815.30	3,051.34
Non-Controlling Interest		(22.16)	2.78
<b>XVII Earnings per equity share (face value ₹1 each)</b>	1.37		
a) Basic		0.81	0.75
b) Diluted		0.81	0.75
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

**Ranjan Singh**

Partner

Membership No.305423

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Kolkata- 700 001

Dated: 12th May, 2023

**K. K. Rajgaria**

Company Secretary

**Hemant Bhuwania**

C.F.O

**Directors**

S. K. Poddar

Utsav Parekh

Indrajit Mookerjee

D. H. Kela

A.K. Vijay

# Statement of Consolidated Cash Flow

 for the year ended 31st March, 2023

(₹ in Lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
<b>A) Cash Flows from Operating Activities:</b>		
Net Profit before Taxation & Exceptional Items	2,041.08	2,640.25
Adjustments for:		
Depreciation	3,519.61	3,600.20
Interest Paid	11,617.49	10,024.14
Bad Debt Written off	497.77	231.45
Provision and Excess Liabilities Written Back / Off (Net)	(1.94)	(1.46)
Interest Received	(628.47)	(374.96)
Income From Investments	(0.83)	(60.05)
Profit on Sale Of Investments-Current (Net)	-	(22.30)
Gain on Fair Value of bonds / Mutual	(0.90)	(0.69)
Loss / (Profit) on Sale Of Property, Plant and Equipment (Net)	(22.08)	(10.30)
	<b>14,980.65</b>	<b>13,386.03</b>
	<b>17,021.73</b>	<b>16,026.28</b>
<b>Operating Profit before Working Capital Changes &amp; Exceptional Items</b>	-	-
(Increase) / Decrease in Trade & Other Receivables	(33,703.44)	3,719.50
(Increase) / Decrease in Inventories	(31,521.96)	(5,175.60)
Increase / (Decrease) in Trade Payables & Other Liabilities	38,449.13	(9,663.91)
	<b>(26,776.27)</b>	<b>(11,120.01)</b>
<b>Cash Generated from Operations</b>	(9,754.54)	4,906.27
Direct Taxes Paid	(529.35)	(2,189.27)
Cash Flow before Exceptional Items	<b>(10,283.89)</b>	2,717.00
Exceptional Items	-	-
<b>Net Cash (used)/ generated from Operating Activities</b>	<b>(10,283.89)</b>	<b>2,717.00</b>
<b>B) Cash Flows From Investing Activities</b>		
Sale / (Purchase) of Property, Plant & Equipments	(5,274.37)	(1,575.93)
(Purchase) / Sale of Investments (Net)	(2,143.11)	7,415.71
Bank Deposits (Includes having original maturity more than three months)	(2,533.84)	(3,774.93)
Interest Received	2,247.34	(187.84)
Dividend Received	99.28	158.50
<b>Net Cash (used) / generated from Investing Activities</b>	<b>(7,604.70)</b>	<b>2,035.51</b>
<b>C) Cash Flows from Financing Activities</b>		
Receipt / (Payment) of Long Term Borrowings	11,591.55	1,186.72
Receipt / (Payment) of Short Term Borrowings	15,676.19	(8,096.63)
Increase in Share Capital	-	715.27
Increase in Securities Premium	-	15,397.74
Repayment of Lease Liability	(1.14)	-
Interest Paid	(11,843.84)	(10,147.81)
Dividend Paid	(323.55)	(250.53)
<b>Net Cash generated/ (used) in Financing Activities</b>	<b>15,099.21</b>	<b>(1,195.24)</b>
<b>D) Changes in Foreign Currency Translation arising from Foreign Operations</b>	259.38	(210.65)
Net Decrease in Cash and Cash Equivalents	(2,530.00)	3,346.62
Cash and Cash Equivalents at the beginning of the period	5,606.76	2,260.14
Cash and Cash Equivalents at the end of the period	3,076.76	5,606.76
Note:		
(1) Details of Cash and Equivalents as on		
Balances with banks		
Current Accounts	3,022.86	5,565.09
Cheques on hand	0.06	-
Cash in hand	53.84	41.67
	<b>3,076.76</b>	<b>5,606.76</b>

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

In Terms of our Report of even date attached herewith.

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

Chartered Accountants

Firm Registration No: 301088E

**Ranjan Singh**

Partner

Membership No.305423

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Dated: 12th May, 2023

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C.F.O

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Indrajit Mookerjee

D. H. Kela

A.K. Vijay

# Statement of Changes in Equity

 for the year ended 31st March, 2023

## a. Equity Share Capital

(₹ in lakhs)

Particulars	Issued, Subscribed Paid up Capital
<b>Balance as at 01.04.2021</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>
Add: Change in Equity Share Capital during the year	-
<b>Balance as at 31.03.2023</b>	<b>3,218.70</b>

## b. Other Equity

(₹ in lakhs)

Particulars	Reserves and Surplus						Other Comprehensive Income		Total
	Capital reserve	Revaluation Surplus	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, 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>1,11,636.53</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>1,29,835.31</b>
Income for the year	-	-	-	-	-	2,602.63	-	-	2,602.63
Other Comprehensive Income for the year	-	-	-	-	-	-	(31.68)	259.38	227.70
Revaluation of Assets	-	3,671.07	-	-	-	-	-	-	3,671.07
Issue of Equity Shares under Rights Issue	-	-	-	-	-	-	-	-	-
Adjustments for Rights Issue expenses	-	-	-	-	-	-	-	-	-
Dividend on Equity Shares	-	-	-	-	-	(321.87)	-	-	(321.87)
Remeasurement of the net defined benefit plan	-	-	-	-	-	-	(16.31)	-	(16.31)
Realised Profit on sale of equity shares transferred from equity instrument through other comprehensive income	-	-	-	-	-	-	-	-	-
Transfer to/from retained earnings	-	-	-	-	-	(16.31)	16.31	-	-
Transfer to / from General Reserve	-	-	-	200.00	-	(200.00)	-	-	-
Transfer to/from Share Option Outstanding Account	-	-	-	1,184.36	(1,184.36)	-	-	-	-
Transfer to / from Retained Earnings for the Share of other Comprehensive Income in Associates & Joint Ventures	-	-	-	-	-	1.28	-	-	1.28
<b>Balance as at 31st March, 2023</b>	<b>1,626.60</b>	<b>3,671.07</b>	<b>62,977.59</b>	<b>49,005.28</b>	-	<b>18,503.30</b>	<b>57.30</b>	<b>158.67</b>	<b>1,35,999.81</b>

In terms of our Report of even date attached herewith.

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

Chartered Accountants

Firm Registration No: 301088E

**Ranjan Singh**

Partner

Membership No.305423

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Dated: 12th May, 2023

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Utsav Parekh

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D. H. Kela

A.K. Vijay

# Notes on Consolidated Financial Statement

## A. CORPORATE INFORMATION

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

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

## B. SIGNIFICANT ACCOUNTING POLICIES

### (i) Statement of Compliance

These financial statements have been prepared in accordance with IndAS 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 INDAS 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/revalued amount 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

## 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 re-measured 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 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.



# Notes on Consolidated Financial Statement

## (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

Revenue from contract with customers is recognised when a performance obligation is satisfied by transferred of promised goods or services to a customer.

For performance obligation satisfied over time, the revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.

The progress is measured in terms of a proportion of actual cost incurred to date, to the total estimated cost attributable to the performance obligation.

The company transfers controls of a goods or service over time and therefore satisfies a performance obligation and recognise revenue over a period of time if one of following criteria is met:

- (i) The customer simultaneously consumes the benefits of Company's performance or
- (ii) The customer controls the assets as it is being created/enhanced by the company's performance or

- (iii) There is no alternative use of assets and the company has either explicit or implicit rights of payment considering legal precedents.

Transaction price is the amount of consideration to which company expects to be entitled in exchange for transferring goods or services to a customer. The company includes Variable consideration as part of transaction price when there is basis to reasonably estimate the amount of the variable consideration and when it is probable that a significant reversal of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is resolved. Variable consideration is estimated using the expected value method or most likely amount as appropriate in a given circumstance. Payment terms agreed with a customer are as per business practice and the financing component, if significant, is separated from the transaction price.

### Significant judgements are used in:

1. Determining the revenue to be recognised in case of performance obligation satisfied over a period of time, revenue recognition is done by measuring the progress towards complete satisfaction of performance obligation.
2. Determining the expected losses, which are recognised in the period in which such losses become probable based on the expected total contract cost as at the reporting date.
3. Determining the method to be applied to arrive at the variable consideration requiring an adjustment to the price.

For contracts where the aggregate of contract cost incurred to-date plus recognised profits (or minus recognised losses as the case may be) exceeds the progress billing, the surplus is shown as contract assets and termed as "unbilled revenue". For contracts where the progress billing exceeds the aggregate of contract cost incurred to-date plus recognised profits (or minus recognised losses as the case may be), the surplus is shown as contract liability and termed as "Advances from customer". The amounts billed on the customer for work performed and are unconditionally due for payment i.e only passage of time is required before payment falls due, are disclosed in the Balance Sheet as trade receivables. The amount of retention money held by customers pending completion of performance milestone is disclosed as part of contract asset and is classified as trade receivables when it became due for payment.

## Notes on Consolidated Financial Statement

Impairment loss (termed as provision for impairment loss in financial statement) is recognised in the statement of Profit & Loss to the extent the carrying amount of the contract assets exceeds the remaining performance obligations (after deducting the costs that relate directly to fulfil such remaining performance obligations).

### c. Other Income

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

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

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

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

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

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

### (xi) Employee Benefits

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

#### a. Short term benefits:

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

#### b. Defined contribution retirement benefits:

Payments to defined contribution retirement benefits are recognized as an expense when employees have rendered services entitling them to the contributions. Defined contribution plans are

those plans where the Company pays fixed contributions to funds/schemes managed by independent trusts or authority. Contributions are paid in return for services rendered by the employees during the year. The Company has no legal or constructive obligation to pay further 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

# Notes on Consolidated Financial Statement

deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reduction in future contributions to the plans.

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

#### **d. Voluntary Retirement Scheme Benefits**

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

#### **(xii) Employee Stock Option Scheme**

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

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

GST Credit availed on Raw materials, Stores and Capital Goods are reduced from the cost of the Respective Goods.

#### **(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**

###### **Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the present value of

lease payments to be made over the lease term, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease agreement period of underlying assets.

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

###### **Lease Liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

##### **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.

## Notes on Consolidated Financial Statement

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 &

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

#### d. Contingent Assets

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

### (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

# Notes on Consolidated Financial Statement

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 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:

## Notes on Consolidated Financial Statement

- (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. Share of assets, according to nature of the assets, and share of the liabilities are shown as part of gross block and liabilities respectively.
Jointly controlled assets	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.

Type of joint venture	Accounting treatment
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

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as follows:

**Ind AS 1 - Presentation of Financial Statements -** This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The company has evaluated the amendment and the impact of the amendment is insignificant in the standalone financial statements.

**Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors -** This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The company has evaluated the amendment and there is no impact on its standalone financial statements.

**Ind AS 12 - Income Taxes -** This amendment has narrowed the scope of the initial recognition exemptions so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The company has evaluated the amendment and there is no impact on its standalone 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 01.04.2022	Additions during the year	Sales / Adjustments	As at 31.03.2023	As at 01.04.2022	During the year	Sales / Adjustments	As at 31.03.2023	As at 31.03.2023
<b>Property, Plant &amp; Equipment:</b>									
Land	3,880.75	3,671.07	107.45	7,444.37	111.07	-	101.12	9.95	7,434.42
Buildings	11,273.87	1,680.64	0.02	12,954.49	2,178.21	348.25	-	2,526.46	10,428.03
Roads	196.49	-	-	196.49	130.46	13.10	-	143.56	52.93
Railway Sidings	304.98	24.42	-	329.40	69.13	15.98	-	85.11	244.29
Plant & Machinery	34,058.22	2,001.34	98.41	35,961.15	12,797.28	2,668.73	49.86	15,416.15	20,545.00
Electrical Machinery	716.50	70.68	-	787.18	367.05	52.73	-	419.78	367.40
Office Equipments	1,071.74	42.74	121.34	993.14	835.24	103.50	120.27	818.47	174.67
Furniture & Fittings	676.90	21.99	17.69	681.20	383.68	53.04	6.25	430.47	250.73
Vehicles	988.59	141.28	165.08	964.79	379.79	126.46	135.98	370.27	594.52
<b>Total</b>	<b>53,168.04</b>	<b>7,654.16</b>	<b>509.99</b>	<b>60,312.21</b>	<b>17,251.91</b>	<b>3,381.79</b>	<b>413.48</b>	<b>20,220.22</b>	<b>40,091.99</b>
<b>Note: 1.02</b>									
a) Right to Use	45.37	178.14	(1.13)	224.64	2.03	27.64	(0.12)	29.79	194.85
b) Capital Work in Progress (CWIP)	245.92	1,229.01	546.48	928.45	-	-	-	-	928.45
c) Investment Property	3,638.16	-	-	3,638.16	744.23	89.82	-	834.05	2,804.11
<b>Total</b>	<b>3,929.45</b>	<b>1,407.15</b>	<b>545.35</b>	<b>4,791.25</b>	<b>746.26</b>	<b>117.46</b>	<b>(0.12)</b>	<b>863.84</b>	<b>3,927.41</b>
<b>Note: 1.03</b>									
<b>Intangible Assets:</b>									
Software	544.65	16.89	-	561.54	494.97	20.36	(0.01)	515.34	46.20
<b>Total</b>	<b>544.65</b>	<b>16.89</b>	<b>-</b>	<b>561.54</b>	<b>494.97</b>	<b>20.36</b>	<b>(0.01)</b>	<b>515.34</b>	<b>46.20</b>
<b>Grand Total</b>	<b>57,642.14</b>	<b>9,078.20</b>	<b>1,055.34</b>	<b>65,665.00</b>	<b>18,493.14</b>	<b>3,519.61</b>	<b>413.35</b>	<b>21,599.40</b>	<b>44,065.60</b>

During the year, the addition to Land represents an increase of Rs. 3671.07 lakhs due to revaluation done by one of the wholly owned subsidiary viz Belur Engineering Pvt. Ltd. of its 4.73 Acres land based, on the report submitted by a registered valuer.

## Previous Year

(₹ 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	1,704.12	441.17	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>2,079.35</b>	<b>707.34</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 to Use	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	519.89	24.76	-	544.65	462.33	32.64	-	494.97	49.68
<b>Total</b>	<b>519.89</b>	<b>24.76</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>3,550.46</b>	<b>2,300.69</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>

## Notes on Consolidated Financial Statement

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

(₹ in lakhs)

Particulars	As on 31st March 2023					As on 31st March 2022				Total
	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	
Projects in progress	773.06	11.57	25.83	117.99	928.45	11.66	31.04	136.01	67.21	245.92
Project temporarily suspended	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>773.06</b>	<b>11.57</b>	<b>25.83</b>	<b>117.99</b>	<b>928.45</b>	<b>11.66</b>	<b>31.04</b>	<b>136.01</b>	<b>67.21</b>	<b>245.92</b>

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

Particulars	Description of item of property	Gross carrying value (Rs.)	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
<b>Property, Plant &amp; Equipment</b>	<b>Land</b>						
	Belgharia & Agarpara	456.92	Since 1944	Textile Machinery Corporation Limited, Texmaco Limited, now known as Texmaco Infrastructure & Holdings Limited	Promoter	1944	Held in the name of Pre-demerged entity.
	Sodepur	56.16	1999	Texmaco Limited, now known as Texmaco Infrastructure & Holdings Limited	Promoter	1999 & 2000	Held in the name of Pre-demerged entity.
	Panihati	835.13	2006	Texmaco Limited, now known as Texmaco Infrastructure & Holdings Limited	Promoter	2006	Held in the name of Pre-demerged entity.
	<b>Building</b>						
	Flat no. 6A, Mandeville court, 1-D, Mandeville Garden, Kolkata-700019. Area - 1333 Sq. Ft.	14.86	2000	Texmaco Limited, now known as Texmaco Infrastructure & Holdings Limited	Promoter	2000	Held in the name of Pre-demerged entity
	Flat no.4H,6,Hastings Park Road, Kolkata-700027. Area -1237 Sq.Ft.	2.10	2001	Texmaco Limited, now known as Texmaco Infrastructure & Holdings Limited	Promoter	2001	Held in the name of Pre-demerged entity
Flat at 1st Floor,1/115, Gariahat Road, Kolkata-700068 Area -1318 Sq Ft	14.59	2007	Texmaco Limited, now known as Texmaco Infrastructure & Holdings Limited	Promoter	2007	Held in the name of Pre-demerged entity	
<b>Investment Property</b>	<b>Land</b>						
Sodepur	35.32	2020	Texmaco Limited, now known as Texmaco Infrastructure & Holdings Limited	Promoter	2020	Held in the name of Pre-demerged entity.	



# Notes on Consolidated Financial Statement

## Note 1.04 Non-Current Investments

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>OTHER THAN TRADE INVESTMENTS</b>		
<b>Fully paid-up</b>		
<b>Investments in Equity Instruments (Quoted)</b>		
Texmaco Infrastructure & Holdings Ltd. 1,99,809 (2022: 1,99,809) Shares of ₹1 each	98.50	114.39
Chambal Fertilisers & Chemicals Ltd. 10000 (2022: 10,000) Shares of ₹10 each	26.41	42.21
<b>Investments in Equity Instruments of Joint Ventures (Unquoted)(At Cost)</b>		
Touax Texmaco Railcar Leasing Pvt. Ltd. 1,26,49,999 (2022: 1,26,49,999) Shares of ₹10 each	1,815.19	1,545.27
Wabtec Texmaco Rail Pvt. Ltd. 32,81,700 (2022:32,81,700) Shares of ₹10 each	989.73	642.28
<b>Investments in CCD of Joint Ventures (Unquoted)(At Cost)</b>		
Touax Texmaco Railcar Leasing Pvt. Ltd. 74,94,100 (2022: 53,50,000) CCD of ₹100 each	7,494.10	5,350.00
<b>TOTAL NON CURRENT INVESTMENTS</b>	<b>10,423.93</b>	<b>7,694.15</b>
i) Aggregate amount of quoted investments	124.91	156.60
ii) Market Value of quoted investments	124.91	156.60
iii) Aggregate amount of unquoted investments	10,299.02	7,537.55

## Note 1.05 Bank Balance (Non-Current)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Margin Money	3,379.14	1,411.07

## Note 1.06 Other Non-Current Financial Assets

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Security Deposits	401.24	631.97
(b) Term Deposit of more Than Twelve Months Maturity	220.01	217.81
(c) Interest Accured on Deposits & Others	119.04	53.05
<b>Total</b>	<b>740.29</b>	<b>902.83</b>

## Notes on Consolidated Financial Statement

### Note 1.07 Deferred Tax Assets (net)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Deferred Tax Assets</b>		
(a) Carried Forward Losses	3,373.28	3,693.47
(b) Provisions & others	1,817.70	2,718.63
(c) MAT Credit	4,985.98	4,939.90
(d) Compensated absences	193.94	169.43
(e) Gratuity	114.38	133.60
<b>Total Deferred Tax Assets</b>	<b>10,485.28</b>	<b>11,655.03</b>
<b>Deferred Tax Liabilities</b>		
(a) Property, Plant and equipment	(4,491.72)	(4,773.71)
<b>Total Deferred Tax Liabilities</b>	<b>(4,491.72)</b>	<b>(4,773.71)</b>
<b>Net deferred tax assets</b>	<b>5,993.56</b>	<b>6,881.32</b>

### Note 1.08 Other Non-Current Asset

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
((a) Capital Advances	826.93	155.76
(b) Prepaid Expenses	394.79	268.47
<b>Total</b>	<b>1,221.72</b>	<b>424.23</b>

### Note 1.09 Inventories

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Raw Material	30,365.75	13,234.19
(b) Work in Progress	24,203.83	16,845.09
(c) Finished Goods	6,466.11	1,501.69
(d) Stores and Spares	4,133.95	2,304.43
(e) Goods in transit(Purchase)	2,457.57	2,219.85
<b>Total</b>	<b>67,627.21</b>	<b>36,105.25</b>

Inventories are secured against first charge on working capital facility.

### Note 1.10 Current Investments

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Investments in Mutual Funds (Unquoted) at Fair Value		
Axis Treasury Advantage Fund Growth	17.60	16.70
645 (2022: 645) Units of 1000 each		
<b>TOTAL CURRENT INVESTMENTS</b>	<b>17.60</b>	<b>16.70</b>
i) Aggregate amount of quoted investments	-	-
ii) Market Value of quoted investments	-	-
iii) Aggregate amount of unquoted investments	<b>17.60</b>	<b>16.70</b>

# Notes on Consolidated Financial Statement

## Note 1.11 Trade Receivables

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Secured, considered good	-	-
(b) Unsecured, considered good	78,489.32	56,994.22
(c) Unsecured, Credit Impaired	2,520.74	4,875.35
	<b>81,010.06</b>	<b>61,869.57</b>
Allowance for bad and doubtful debts	(2,520.74)	(4,875.35)
<b>Total</b>	<b>78,489.32</b>	<b>56,994.22</b>

- (i) The above includes ₹16,228.18 Lakhs as retention money (2022: ₹15,862.45 Lakhs) which are recoverable on completion of the project as per the relevant contract.
- (ii) Trade Receivable are secured against first charge on working capital facility
- (iii) The Company provide allowance in trade recivables based on historic credit loss expreince, current economic conditions and events and future observable data and information. The expected credit loss allowance is computed based on the ageing of the recievables.

Ageing of Trade Receivable Particulars	31st March, 2023 Outstanding for following periods from due date of payment						Total
	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	10885.34	48009.45	3261.14	5254.23	813.27	10265.89	78489.32
(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	2,520.74	2,520.74
<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>10,885.34</b>	<b>48,009.45</b>	<b>3,261.14</b>	<b>5,254.23</b>	<b>813.27</b>	<b>12,786.63</b>	<b>81,010.06</b>
Less: Allowance for bad and doubtful debts	-	-	-	-	-	(2,520.74)	(2,520.74)
<b>Net Debtors</b>	<b>10,885.34</b>	<b>48,009.45</b>	<b>3,261.14</b>	<b>5,254.23</b>	<b>813.27</b>	<b>10,265.89</b>	<b>78,489.32</b>

Ageing of Trade Receivable Particulars	31st March, 2022 Outstanding for following periods from due date of payment						Total
	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>

# Notes on Consolidated Financial Statement

## Note 1.12 Cash and Cash Equivalents

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Balances with banks		
- In current accounts	3,022.86	5,565.09
(b) Cheques/ Pay order in hand	0.06	-
(c) Cash in hand	53.84	41.67
<b>Total</b>	<b>3,076.76</b>	<b>5,606.76</b>

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

## Note 1.13 Bank Balances other than above

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Unpaid Dividend Account	14.64	16.32
(b) Term Deposit of upto Twelve Months Maturity	1.40	12.71
(c) Margin Money	12,208.77	11630.01
<b>Total</b>	<b>12,224.81</b>	<b>11,659.04</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 31.03.2023	As at 31.03.2022
(a) Loan to Associates	298.65	290.69
(b) Other loans		
Interest accrued on Loans	1,124.49	1,801.95
Advance to Employee	95.10	184.83
<b>Total</b>	<b>1,518.24</b>	<b>2,277.47</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>1,518.24</b>	<b>2,277.47</b>

## Note 1.15 Current Tax Assets (Net)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Advance Payment of Income Tax (net of provision)	5,778.12	5,250.96
<b>Total</b>	<b>5,778.12</b>	<b>5,250.96</b>

# Notes on Consolidated Financial Statement

## Note 1.16 Other Current Assets

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Security Deposits	2,616.90	1,082.35
(b) Advance to Parties	9,313.86	6,270.66
(c) Other Advances	1,506.60	1,855.77
(d) Prepaid Expenses	1,094.32	1,024.48
(e) Balances with Government Dept	17,839.05	18,316.48
(f) Contractually reimbursable expenses	1,908.83	1,908.83
(g) Unbilled Debtors	69,689.74	61,574.07
<b>Total</b>	<b>1,03,969.30</b>	<b>92,032.64</b>

## Note 1.17 Equity Share Capital

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Authorised Share Capital</b>	19,700.00	19,700.00
(As at 31st March 2022: 197,00,00,000 equity share of ₹1/- each)		
<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 ₹1/- each		
(As at 31st March 2022: 32,18,69,895 equity share of ₹1/- each)	3,218.70	3,218.70
<b>Total</b>	<b>3,218.70</b>	<b>3,218.70</b>

- (i) The Company has only one class of shares referred to as equity shares having a par value of ₹1 each holder of equity shares is entitled to one vote per share.
- (ii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders
- (iii) Reconciliation of numbers of Issued, Subscribed and Paid-up Capital

## Notes on Consolidated Financial Statement

### Note 1.17 Equity Share capital (Contd.)

(₹ in lakhs)

Particulars	As at	As at
	31.03.2023	31.03.2022
	No . of Shares	No . of Shares
Number of Shares at the beginning of the year	32,18,69,895	25,03,43,252
Add: Allotment under Right Issue	-	7,15,26,643
Number of Shares at the end of the year	32,18,69,895	32,18,69,895

(iv) After the reporting date, dividend of 15 paise (2022: 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.

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

(₹ in lakhs)

Name of Shareholders	As at		As at	
	31.03.2023		31.03.2022	
	No. of Shares	% Holding	No. of Shares	% Holding
Texmaco Infrastructure & Holdings Ltd.	5,85,00,000	18.17	5,85,00,000	18.17
Zuari International Ltd.	6,37,68,926	19.81	6,37,68,926	19.81
Saroj Kumar Poddar*	2,77,01,367	8.61	2,75,51,367	8.56
Adventz Finance Private Limited	2,50,76,949	7.79	2,43,76,949	7.57
HDFC Trustee Company Ltd. A/C HDFC Balanced Advantage Fund	-	-	1,74,67,565	5.43

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

# Notes on Consolidated Financial Statement

(vi) Details of shareholdings by Promoter / Promoter Group

(₹ in lakhs)

Promoter / Promoter Group Name	As At 31.03.2023		As At 31.03.2022		% Change During The Year*
	No. of Shares	% Holding	No. of Shares	% Holding	
1 SAROJ KUMAR PODDAR (as a Karta)	10,710	0.00	10,710	0.00	-
2 SAROJ KUMAR PODDAR (as a Trustee - SAROJ AND JYOTI PODDAR HOLDINGS PRIVATE TRUST)	37,92,857	1.18	37,92,857	1.18	-
3 SHRADHA AGARWALA	20,693	0.01	20,693	0.01	-
4 JYOTSNA PODDAR (as an Individual)	1,04,032	0.03	1,04,032	0.03	-
5 SAROJ KUMAR PODDAR (as an Individual)	2,38,97,800	7.42	2,37,47,800	7.38	0.63%
6 ANISHA BERLIA	46,574	0.01	46,574	0.01	-
7 AASHTI AGARWALA	20,693	0.01	20,693	0.01	-
8 EUREKA TRADERS PRIVATE LIMITED	530	0.00	530	0.00	-
9 INDRAKSHI TRADING COMPANY PRIVATE LIMITED	30,000	0.01	30,000	0.01	-
10 MASTER EXCHANGE & FINANCE LIMITED	15,760	0.00	15,760	0.00	-
11 PREMIUM EXCHANGE AND FINANCE LIMITED	1,88,090	0.06	1,88,090	0.06	-
12 ZUARI INTERNATIONAL LIMITED	6,37,68,926	19.81	6,37,68,926	19.81	-
13 ZUARI INDUSTRIES LIMITED	7,65,988	0.24	7,65,988	0.24	-
14 JEEWAN JYOTI MEDICAL SOCIETY	1,60,500	0.05	1,60,500	0.05	-
15 ADVENTZ FINANCE PRIVATE LIMITED	2,50,76,949	7.79	2,43,76,949	7.57	2.87%
16 DUKE COMMERCE LIMITED	75,14,000	2.33	75,14,000	2.33	-
17 GREENLAND TRADING PRIVATE LIMITED	35,000	0.01	35,000	0.01	-
18 TEXMACO INFRASTRUCTURE & HOLDINGS LIMITED	5,85,00,000	18.18	5,85,00,000	18.18	-
19 ABHISHEK HOLDINGS PRIVATE LIMITED	280	0.00	280	0.00	-
20 ADVENTZ SECURITIES ENTERPRISES LIMITED	38,09,140	1.18	38,09,140	1.18	-
21 NEW EROS TRADECOM LIMITED	7,38,800	0.23	7,38,800	0.23	-
22 AKSHAY PODDAR	2,64,820	0.08	14,820	0.00	1686.91%
23 PUJA PODDAR	1,60,000	0.05	1,60,000	0.05	-
<b>Total</b>	<b>18,89,22,142</b>	<b>58.70</b>	<b>18,78,22,142</b>	<b>58.34</b>	<b>0.59%</b>

\* % 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

(₹ in lakhs)

Particulars	As at 31.03.2023 No . Of Shares	As at 31.03.2022 No . Of Shares
<b>(i) Other Reserves</b>		
<b>Share Options Outstanding Account</b>		
Balance as per last Account	1,184.36	1,184.36
Less: Transferred to General Reserve	(1,184.36)	-
	<b>-</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	62,977.59	47,579.85
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>62,977.59</b>
<b>(iv) General Reserve</b>		
Balance as at the beginning of the year	47,620.92	47,420.92
Add: Transfer from Share Options Outstanding Account	1,184.36	-
Add: Transferred from Statement of Profit and Loss	200.00	200.00
	<b>49,005.28</b>	<b>47,620.92</b>
<b>(v) Reserves Representing Unrealised Gains/Losses</b>		
(a) Equity Instruments through Other Comprehensive Income		
Balance as at the beginning of the year	88.98	2,638.83
Addition during the year	(31.68)	1,237.93
Less: Realised Profit on Sale of Equity Shares Transferred to Retained Earnings	-	(3,787.78)
	<b>57.30</b>	<b>88.98</b>
(b) Remeasurements of the net defined benefit Plans		
Balance as at the beginning of the year	-	-
Addition during the year	(16.31)	(25.68)
Less : Transferred to Retained Earning	16.31	25.68
	<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	(100.71)	109.94
Addition during the year	259.38	(210.65)
	<b>158.67</b>	<b>(100.71)</b>
<b>(vii) Revaluation Surplus</b>		
Addition during the year	3,671.07	-
	<b>3,671.07</b>	<b>-</b>
<b>(viii) Retained Earnings</b>		
Surplus at the beginning of the year	16,437.57	11,076.03
Add : Profit for the year	2,602.63	2,050.01
Add : Transferred from Remeasurements of the net defined benefit Plans	(16.31)	(25.68)
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	1.28	(0.23)
Less : Transferred to General Reserve	(200.00)	(200.00)
Less: Dividend on Equity Shares	(321.87)	(250.34)
	<b>18,503.30</b>	<b>16,437.57</b>
<b>Total</b>	<b>1,35,999.81</b>	<b>1,29,835.31</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 profit Retained Earnings for appropriation purpose. As the General Reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to profit & loss
- (ii) **Reserve for Equity Instrument through Other Comprehensive Income (OCI):** This reserve represents the cumulative gain or loss arising on net revaluation of equity instruments measured at fair value through OCI, net of amounts reclassified to the Retained Earnings when those assets have been disposed off.
- (iii) **Capital Reserves:** The Company recognises profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to Capital Reserve.
- (iv) **Security Premium:** Security Premium Reserve issued to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013
- (v) **Foreign currency monetary items translation difference reserve:** Exchange differences arising on settlement and remeasurement of long term foreign currency monetary items are accumulated in "Foreign Currency Monetary items Translation Difference Account" and amortised over the maturity period or upto the date of settlement of such monetary items, which is earlier, and charged to the Statement of Profit and Loss.
- (vi) **Retained Earnings:** Retained Earnings refers to the portion of net income which is retained by the corporation to be reinvested in its core business. Similarly if the Company has a loss then that loss is retained and called retained losses or accumulated losses. Retained Earnings and Losses are cumulative from year to year with losses offsetting earnings.

## Note 1.19 Borrowings (Non Current)

Particulars	(₹ in lakhs)	
	As at 31.03.2023	As at 31.03.2022
<b>Secured</b>		
<b>From banks</b>		
(a) Term Loan	16,301.23	4,730.76
(b) Car Loan	58.21	35.05
<b>Total</b>	<b>16,359.44</b>	<b>4,765.81</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 time line mentioned in sanction letter.
- ii) Term Loans includes loan of ₹3,672 lakhs secured primarily by an exclusive charge over rent receivable for the Lessee and has collateral security by way of an exclusive charge over immovable property against which the rent is receivable.
- iii) Corporate Loan from Bank is secured by the way of first pari-passu on stock, book debts, other current assets (both present and future) and land and buildings of Agarpara and Belgharia along with second charge on the movable fixed assets of that particular division.
- iv) Certain 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 1.19a Lease Liabilities (Non Current)

Particulars	(₹ in lakhs)	
	As at 31.03.2023	As at 31.03.2022
Lease liabilities	119.66	-

Refer to Note No. 1.44 of Financial Statements

## Note 1.20 Provisions (Non Current)

Particulars	(₹ in lakhs)	
	As at 31.03.2023	As at 31.03.2022
(a) Provision for Leave	393.31	365.96
(b) Provision for Gratuity	301.27	305.47
(c) For Warranty and others	183.99	183.99
<b>Total</b>	<b>878.57</b>	<b>855.42</b>

The Company accounts for leave and gratuity based on Actuary Valuation

## Notes on Consolidated Financial Statement

### Note 1.21 Other Non Current Liabilities

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Advances from Customers	8,785.03	11,249.61
(b) Prepaid - Rent Liability	238.56	274.47
<b>Total</b>	<b>9,023.59</b>	<b>11,524.08</b>

### Note 1.22 Borrowings (Current)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>Secured</b>		
<b>(a) From Banks</b>		
Cash Credit	57,198.85	49,976.38
Short Term Loan	4,000.00	4,000.00
<b>(b) Current maturities of long-term debt</b>		
Term Loan	5,505.31	1,647.65
Car Loan	14.91	11.09
<b>Un-Secured</b>		
<b>(a) From Other Parties</b>		
(i) Loans from related parties	7,271.16	4,878.92
(ii) Inter-Corporate Deposits	7,900.00	5,700.00
<b>Total</b>	<b>81,890.23</b>	<b>66,214.04</b>

- (i) Cash Credit facilities of respective divisions are secured by hypothecation of pari- passu first charge on stock, book debts and other current assets of that particular division (both present and future).
- (ii) Cash Credit facility for Steel Foundry Division (Raipur) are further secured by first charge on the fixed assets of their respective divisions (both present and future).
- (iii) Cash Credit facility Rail EPC Divisions is further secured by first Pari-Passu charge on the movable fixed assets of their respective division (both present and future).
- (iv) 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.
- (v) Cash Credit Facility of HED/SF (Kolkata) Division are secured by Pari-Passu on land and buildings of Agarpara and Belgharia along with second charge on the movable fixed assets of this division.

### Note 1.22a Lease Liabilities (Current)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
Lease liabilities	30.70	-

Refer to Note No. 1.44 of Financial Statements

# Notes on Consolidated Financial Statement

## 1.23 Trade Payables

(₹ in lakhs)

Particulars	As at	As at
	31.03.2023	31.03.2022
Dues to Micro Enterprise and Small Enterprises	-	-
Dues of Creditors other than Micro Enterprise and Small Enterprises	56,854.51	31,164.39
	56,854.51	31,164.39
Information in terms of Section 22 of the Micro, Small and Medium Enterprise Development Act, 2006 is as follows		
Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are give as follows:		
(a) Principal amount due Unpaid matured deposits and interest accrued thereon	-	-
(b) Interest paid during the period beyond the appointed day	-	-
(c) Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	-	-
(d) Amount of interest accrued and remaining unpaid at the end of the period	-	-
(e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act	-	-

There are no dues owned by the Company to Micro and Small Enterprises, which are outstanding for more than 45 days as at 31st March, 2023 and 31st March, 2022. 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, 2023				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) MSME	-	-	-	-	-
(ii) Other Creditors	51,370.16	1,502.82	1,471.65	2,509.88	56,854.51
(iii) Disputed dues –MSME	-	-	-	-	-
(iv) Disputed dues –Others	-	-	-	-	-

(₹ in lakhs)

Ageing of Trade Payable	As on 31st March, 2022				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(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	-	-	-	-	-

## Notes on Consolidated Financial Statement

### Note 1.24 Other Financial Liabilities

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
<b>(a) Interest Accrued</b>		
Interest accrued but not due on borrowings	518.13	411.88
Unclaimed/Unpaid dividends	14.64	16.32
<b>(b) Others</b>		
Liabilities for Expenses	1,288.57	1,192.10
Amount Due to Employee	674.24	1,464.81
Others Misc. Payable	1,074.12	222.13
Creditors for Capital Advance	9.88	25.07
<b>Total</b>	<b>3,579.58</b>	<b>3,332.31</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, 2023

### Note 1.25 Other Current Liabilities

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Advances from Customers	23,957.45	7,803.26
(b) TDS and other taxes payable	522.66	659.64
(c) PF, ESI amount Payable	153.47	124.60
(d) Security Deposits	2,922.45	2,454.68
(e) Other Liabilities	1,390.09	2,116.85
<b>Total</b>	<b>28,946.12</b>	<b>13,159.03</b>

### Note 1.26 Provisions(Current)

(₹ in lakhs)

Particulars	As at 31.03.2023	As at 31.03.2022
(a) Provision for Gratuity	26.06	76.86
(b) Provision for leave	161.69	118.89
(c) Provision for Contract Loss Provision	36.57	35.63
(d) Provision for Expenses	1,641.67	2,325.31
<b>Total</b>	<b>1,865.99</b>	<b>2,556.69</b>

The Company accounts for leave and gratuity based on Actuary Valuation

### Note 1.27 Revenue From Operations

(₹ in lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
(a) Sale of products	1,85,275.64	1,04,508.34
(b) Sale of services	72,917.45	74,913.37
(c) Other operating revenues	1,831.36	2,019.87
<b>Gross Revenue from Operations</b>	<b>2,60,024.45</b>	<b>1,81,441.58</b>
Less: Inter Segment Revenue	(35,696.71)	(19,267.99)
<b>Net Revenue from Operation</b>	<b>2,24,327.74</b>	<b>1,62,173.59</b>

# Notes on Consolidated Financial Statement

## Note 1.28 Other Income

(₹ in lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
<b>(a) Interest Income</b>		
From Bank	583.56	335.33
From Others	44.91	39.63
<b>(b) Dividend Income</b>		
Income from Non-Current Investments	0.83	60.05
<b>(c) Other Non-Operating Income</b>		
Net gain on Sale of Current Investments	-	22.30
Compensation Against Old Refugee Settlement Area	487.37	-
Miscellaneous Receipts and Income	444.60	631.34
Sundry Credit Balance Adjusted	16.91	29.82
Profit on sale of Fixed Assets (Net)	22.08	10.30
Rent Received	1,013.40	927.24
Provision & Excess Liabilities Written Back	1.94	1.46
Insurance Claim Received	20.92	184.97
Gain on fair valuation of Bonds/Mutual	0.90	0.69
<b>Total</b>	<b>2,637.42</b>	<b>2,243.13</b>

## Note 1.29 Cost of Materials Consumed

(₹ in lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Opening Stock of Raw Materials	5,380.71	3,764.71
Add: Raw materials Purchased and Departmental Transfers etc.	1,30,327.71	82,470.78
	<b>1,35,708.42</b>	<b>86,235.49</b>
Less: Closing Stock of Raw Materials	12,738.50	5,380.71
	<b>1,22,969.92</b>	<b>80,854.78</b>
Consumption of Components (Including Job Processing and Contract Labour Charges 6,504.28 lakhs, Previous Year 4,938.27 lakhs)	86,636.03	50,137.92
Less Inter Segment Revenue	(35,696.71)	(19,267.99)
<b>Total</b>	<b>1,73,909.24</b>	<b>1,11,724.71</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 31.03.2023	Year Ended 31.03.2022
<b>Opening 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>
<b>Less: Closing Stock</b>		
Finished Goods	6,466.11	1,501.69
Work-in-Progress	24,203.83	16,845.09
	<b>30,669.94</b>	<b>18,346.78</b>
Increase / (Decrease) in Stock	<b>(12,323.16)</b>	<b>(2,301.91)</b>

### Note 1.31 Employee Benefit Expenses

(₹ in lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
a) Salaries ,Wages and Bonus	11,584.14	11,220.19
b) Contribution to provident and other funds	-	-
i) Provident Fund and Pension Fund	785.61	735.33
ii) Superannuation Fund	30.82	28.90
iii) Gratuity	20.76	61.62
c) Staff Welfare Expenses	545.23	490.76
d) VRS Expenses	39.15	66.55
<b>Total</b>	<b>13,005.71</b>	<b>12,603.35</b>

### Note 1.32 Finance Costs

(₹ in lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
(a) interest		
i) Banks	8,024.22	4,994.86
ii) Others	755.50	2,946.44
(d) other borrowing costs	2,837.77	2,082.84
<b>Total</b>	<b>11,617.49</b>	<b>10,024.14</b>

### Note 1.33 Depreciation and Amortization Expense

(₹ in lakhs)

Particulars	Year Ended 31.03.2023	Year Ended 31.03.2022
Depreciation on Tangible Assets	3,499.25	3,567.56
Depreciation on Intangible Assets	20.36	32.64
<b>Total</b>	<b>3,519.61</b>	<b>3,600.20</b>

# Notes on Consolidated Financial Statement

## Note 1.34 Other Expenses

(₹ in lakhs)

Particulars	Year Ended 31.03.2023		Year Ended 31.03.2022	
Consumption of stores and spares part		13,797.48		7,999.95
Power and Fuel		7,037.07		5,544.74
Rent		418.20		432.69
Repairs to buildings		502.61		574.95
Repairs to machinery		486.69		485.55
Repairs to others		173.22		110.43
Insurance		702.48		371.85
Rates and Taxes excluding taxes on Income		496.87		388.38
Freight, Packing and Transport (Net)		1,355.39		859.38
Erection Expenses		4,500.01		4,815.19
Drawings and Designs		1.92		4.40
Royalty & Knowhow		0.41		0.68
Research & Development		-		71.62
Selling Agents Commission		2.84		24.08
Selling Expenses		318.27		284.04
Director's Sitting Fees		28.10		28.20
Director's Commission		13.81		13.59
Payments to the Auditor		52.54		44.20
As Auditor	24.40		20.20	
For Tax Audit	6.95		4.75	
For Quarterly Review	13.50		5.70	
For Fees for Other Services (incl for issuing various certificates)	4.70		11.17	
As Cost Auditor	1.95		1.95	
For Reimbursement of out of pocket expenses	1.04		0.43	
Donation		500.00		2.07
CSR Expenses		21.39		7.68
Miscellaneous Expenses		4,434.59		3,315.48
Sundry Debit Balance Adjusted		-		4.50
Allowance for bad & doubtful debts/Advances		226.52		597.34
Bad Debt/Impairment /Loss of unbilled Revenue	3026.19	-	5,561.37	-
Less: Allowance for bad & doubtful debts	(2528.42)	497.77	(5,329.92)	231.45
Capital Advance Written Off		-		42.48
Net (gain)/loss on foreign currency transaction		(372.99)		(128.94)
Unbilled revenue/ Contractually reimbursable expenses written off		-	1281.42	-
Less: credit impaired		-	(1,281.42)	-
<b>Total</b>		<b>35,195.19</b>		<b>26,125.98</b>

## Note on CSR Expense:

(₹ in lakhs)

Particulars	Year Ended 31.03.2023		Year Ended 31.03.2022	
(i) Amount required to be spent by the Company during the year		-		6.55
(ii) Amount of expenditure incurred		21.39		7.68
(iii) Shortfall at the end of year		NA		NA
(iv) Total of previous year shortfall		NA		NA
(v) Reason of shortfall		NA		NA
(vi) Nature of CSR activities		Health & Education		Health & Education
Detail of related party transactions, e.g.,contribution to a				
(vii) trust controlled by the company in relation to CSR		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 31.03.2023	Year Ended 31.03.2022
<b>(A) Items that will not be reclassified to profit or loss</b>		
(i) Remeasurements of the defrned benefit plans	(16.31)	(25.68)
(ii) Equity Instruments through Other Comprehensive Income;	(31.68)	1,237.93
(iii) Share of Other Comprehensive Income in Associates and joint Ventures, to the extent not to be classified into profit or loss	1.28	(0.27)
<b>Total</b>	<b>(46.71)</b>	<b>1,211.98</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	259.38	(210.65)
	<b>259.38</b>	<b>(210.65)</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	Parties where control Exist
	2022-23	2021-22
<b>A</b> Key Management Personnel	Mr. Saroj Kumar Poddar Executive Chairman Mr. Indrajit Mookerjee, Executive Director & Vice Chairman  Mr. Ashish Kumar Gupta, Managing Director (Resigned w.e.f. 31st August'2022) - Mr. D. R. Kaarthikeyan, Independent Director Mr. Amitabha Guha, Independent Director (Appointed w.e.f: 06thMay'2022) - Mr. Utsav Parekh, Independent Director Mr. Virendra Sinha, Independent Director Ms. Rusha Mitra, Independent Director  Mr. Partha Sarathi Bhattacharyya, Independent Director	Mr. Saroj Kumar Poddar Executive Chairman Mr. Indrajit Mookerjee, 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 (Resigned w.e.f 07th February 2022) Mr. D. R. Kaarthikeyan, Independent Director ----- Mr. Sunil Mitra, Independent Director (Resigned w.e.f 09th December 2021)  Mr. Utsav Parekh, Independent Director Mr. Virendra Sinha, Independent Director Ms. Rusha Mitra, Independent Director (Appointed w.e.f: 17th Feb,2021) Mr. Partha Sarathi Bhattacharyya, Independent Director (Appointed w.e.f: 01st Jan,2022)



# Notes on Consolidated Financial Statement

	Relationship	Parties where control Exist	Parties where control Exist
		2022-23	2021-22
<b>A</b>	Key Management Personnel	<p>Mr. Ashok Kr. Vijay, Executive Director (Finance) &amp; CFO (Redesignated as Executive Director w.e.f 01st April'2023)</p> <p>Mr. Damodar Hazarimal Kela Executive Director &amp; CEO (SF) (Redesignated as Executive Director w.e.f. 01st April'2023)</p> <p>Mr. Akshay Poddar, Non – Executive Director</p> <p>Mr. Hemant Bhuwania (Appointed as CFO w.e.f 01st April'2023)</p> <p>Mr. Kishor Kumar Rajgaria (Appointed as Company Secretary w.e.f.01st May'2023)</p> <p>Mr. Ravi Varma Company Secretary (resigned w.e.f. 30th April'2023)</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>–</p> <p>–</p> <p>Mr. Ravi Varma Company Secretary</p>
<b>B</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 (Grand Daughter of Mr. S.K.Poddar)</p> <p>Ms. Aashti Agarwal (Grand Daughter 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>
<b>C</b>	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>
<b>D</b>	Joint Ventures	<p>Touax Texmaco Railcar Leasing Pvt. Ltd. (50% of Capital held by Company)</p> <p>Wabtec Texmaco Rail Pvt. Ltd. (40% of Capital held by Company)</p> <p>Kalindee Cobra JV</p> <p>Kalindee Kapoor Railcon JV</p> <p>Kalindee Karthik JV</p> <p>Kalindee VNC JV</p> <p>Kalindee IF&amp;LS JV</p> <p>GMR TPL KRNL JV</p> <p>Kalindee Rahee JV</p> <p>Kalindee URC JV</p> <p>JMC – GPT – Vijaywargi – Bright Power JV</p> <p>JMC – Vijaywargi – Bright Power JV</p> <p>Bright – Vijaywargi JV</p> <p>Bright – Kalindee JV</p> <p>Bright – Texmaco JV</p>	<p>Touax Texmaco Railcar Leasing Pvt. Ltd. (50% of Capital held by Company)</p> <p>Wabtec Texmaco Rail Pvt. Ltd. (40% of Capital held by Company)</p> <p>Kalindee Cobra JV</p> <p>Kalindee Kapoor Railcon JV</p> <p>Kalindee Karthik JV</p> <p>Kalindee VNC JV</p> <p>Kalindee IF&amp;LS JV</p> <p>GMR TPL KRNL JV</p> <p>Kalindee Rahee JV</p> <p>Kalindee URC JV</p> <p>JMC – GPT – Vijaywargi – Bright Power JV</p> <p>JMC – Vijaywargi – Bright Power JV</p> <p>Bright – Vijaywargi JV</p> <p>Bright – Kalindee JV</p> <p>Bright – Texmaco JV</p>

## Notes on Consolidated Financial Statement

Relationship	Parties where control Exist	Parties where control Exist
	2022-23	2021-22
	ISC Projects- Texmaco JV Kalindee ASIS JV Tata Projects – Kalindee JV Texmaco Rahee JV	ISC Projects- Texmaco JV Kalindee ASIS JV Tata Projects – Kalindee JV Texmaco Rahee JV
<b>E</b> 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 International Ltd. (Formerly known as Zuari Investment Ltd.) Zuari Industries 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 & Finance Ltd. Jeewan Jyoti Medical Society

# Notes on Consolidated Financial Statement

## (b) Related Party Transactions

(₹ in lakhs)

Transactions	Other Related Party	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2023
<b>Remuneration Paid</b>						
- Mr. Saroj Kumar Poddar	- (-)	- (-)	- (-)	384.88 (423.83)	384.88 (423.83)	- (-)
- Mr. Indrajit Mookerjee	- (-)	- (-)	- (-)	104.69 (80.24)	104.69 (80.24)	- (-)
- Mr. A.K. Vijay	- (-)	- (-)	- (-)	91.78 (89.67)	91.78 (89.67)	- (-)
- Mr. D. H. Kela	- (-)	- (-)	- (-)	152.51 (168.51)	152.51 (168.51)	- (-)
- Mr. Ashish Kr. Gupta	- (-)	- (-)	- (-)	86.74 (170.26)	86.74 (170.26)	- (-)
- Mr. Ravi Varma	- (-)	- (-)	- (-)	44.18 (29.40)	44.18 (29.40)	- (-)
- Mr. D.R. Kaarthikeyan (Sitting Fees & Commission)	- (-)	- (-)	- (-)	7.15 (7.15)	7.15 (7.15)	- (-)
- Mr. Sunil Mitra (Sitting Fees & Commission)	- (-)	- (-)	- (-)	- (4.34)	- (4.34)	- (-)
- Mr. Utsav Parekh (Sitting Fees & Commission)	- (-)	- (-)	- (-)	8.15 (7.00)	8.15 (7.00)	- (-)
- Mr. Akshay Poddar (Sitting Fees & Commission)	- (-)	- (-)	- (-)	5.40 (4.50)	5.40 (4.50)	- (-)
- Mr. A. C. Chakrabortti (Sitting Fees & Commission)	- (-)	- (-)	- (-)	- (8.37)	- (8.37)	- (-)
- Ms. Rusha Mitra (Sitting Fees & Commission)	- (-)	- (-)	- (-)	5.15 (4.65)	5.15 (4.65)	- (-)
- Mr. Partha Sarathi Bhattacharyya (Sitting Fees & Commission)	- (-)	- (-)	- (-)	5.25 (1.14)	5.25 (1.14)	- (-)
- Mr. Virendra Sinha (Sitting Fees & Commission)	- (-)	- (-)	- (-)	4.90 (4.65)	4.90 (4.65)	- (-)
- Mr. Amitabha Guha (Sitting Fees & Commission)	- (-)	- (-)	- (-)	5.26 (-)	5.26 (-)	- (-)
<b>Investment</b>						
- Touax Texmaco Railcar Leasing Pvt. Ltd.	- (-)	- (-)	2,144.10 (1,683.17)	- (-)	2,144.10 (1,683.17)	8,759.09 (6,614.99)
- Texmaco Infrastructure & Holdings Ltd.	-15.88 (-)	- (-)	- (-)	- (-)	-15.88 (-)	98.51 (114.39)
- Wabtec Texmaco Rail Pvt. Ltd.	- (-)	- (-)	- (-)	- (-)	- (-)	328.17 (328.17)
- Texmaco Defence Systems Pvt. Ltd.	- (-)	- (-)	- (-)	- (-)	- (-)	4.10 (4.10)
<b>Loans &amp; Advances Given</b>						
- Texmaco Defence Systems Pvt. Ltd.	- (-)	7.96 (30.95)	- (-)	- (-)	7.96 (30.95)	298.66 (290.70)
- Bright-Vijaywargi-JV	- (-)	- (-)	-24.57 (-39.71)	- (-)	-24.57 (-39.71)	41.82 (66.39)
- Bright- Kalindee-JV	- (-)	- (-)	-35.18 (-23.67)	- (-)	-35.18 (-23.67)	-12.14 (-47.32)
- Bright- Texmaco-JV	- (-)	- (-)	-116.34 (-52.90)	- (-)	-116.34 (-52.90)	-77.16 (-193.50)

# Notes on Consolidated Financial Statement

(₹ in lakhs)

Transactions	Other Related Party	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2023
<b>Loans &amp; Advances Received / Repaid</b>						
- Adventz Finance Pvt. Ltd.	2,052.00 (-2,802.00)	- (-)	- (-)	- (-)	2,052.00 (-2,802.00)	2,370.00 (318.00)
- Adventz Securities Enterprises Ltd.	-31.00 (-1,044.00)	- (-)	- (-)	- (-)	-31.00 (-1,044.00)	- (31.00)
- Zuari Management Services Ltd.	371.49 (-)	- (-)	- (-)	- (-)	371.49 (-)	3,971.49 (3,600.00)
- Zuari International Limited	- (-8,070.00)	- (-)	- (-)	- (-)	- (-8,070.00)	930.00 (930.00)
- Zuari Sugar and Power Ltd.	- (-1,150.00)	- (-)	- (-)	- (-)	- (-1,150.00)	- (-)
- Mr. Saroj Kumar Poddar	- (-)	- (-)	- (-)	- (-1,500.00)	- (-1,500.00)	- (-)
- Pench Valley Coal Company Ltd.	- (-20.00)	- (-)	- (-)	- (-)	- (-20.00)	- (-)
<b>Dividend Paid</b>						
- Mr.Saraj Kumar Poddar	- (-)	- (-)	- (-)	27.55 (20.19)	27.55 (20.19)	- (-)
- Ms Jyotsna Poddar	0.10 (0.07)	- (-)	- (-)	- (-)	0.10 (0.07)	- (-)
- Ms. Puja Poddar	0.16 (0.12)	- (-)	- (-)	- (-)	0.16 (0.12)	- (-)
- Mr. Akshay Poddar	- (-)	- (-)	- (-)	0.01 (0.01)	0.01 (0.01)	- (-)
- Ms. Shradha Agarwal	0.02 (0.01)	- (-)	- (-)	- (-)	0.02 (0.01)	- (-)
- Ms. Aashti Agarwal	0.02 (0.01)	- (-)	- (-)	- (-)	0.02 (0.01)	- (-)
- Ms. Anisha Kumari Agarwal	0.05 (0.03)	- (-)	- (-)	- (-)	0.05 (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)	- (-)
- Abhishek Holdings Pvt. Ltd.	0.00 (0.00)	- (-)	- (-)	- (-)	0.00 (0.00)	- (-)
- Adventz Securities Enterprises Ltd.	3.81 (3.81)	- (-)	- (-)	- (-)	3.81 (3.81)	- (-)
- Adventz Finance Pvt. Ltd.	24.38 (17.98)	- (-)	- (-)	- (-)	24.38 (17.98)	- (-)
- Adventz Investments Co. Pvt. Ltd.	- (3.04)	- (-)	- (-)	- (-)	- (3.04)	- (-)
- Duke Commerce Ltd.	7.51 (7.51)	- (-)	- (-)	- (-)	7.51 (7.51)	- (-)
- Eureka Traders Pvt. Ltd.	0.00 (0.00)	- (-)	- (-)	- (-)	0.00 (0.00)	- (-)
- Greenland Trading Pvt. Ltd.	0.04 (0.04)	- (-)	- (-)	- (-)	0.04 (0.04)	- (-)
- Master Exchange & Finance Ltd.	0.02 (0.02)	- (-)	- (-)	- (-)	0.02 (0.02)	- (-)

# Notes on Consolidated Financial Statement

(₹ in lakhs)

Transactions	Other Related Party	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2023
- 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 Industries Ltd.	0.77 (-)	- (-)	- (-)	- (-)	0.77 (-)	- (-)
- Zuari International Ltd.	63.77 (25.06)	- (-)	- (-)	- (-)	63.77 (25.06)	- (-)
- Zuari Global Ltd.	- (4.04)	- (-)	- (-)	- (-)	- (4.04)	- (-)
- Mr. A.K. Vijay	- (-)	- (-)	- (-)	0.05 (0.05)	0.05 (0.05)	- (-)
- Mr. Ravi Varma	- (-)	- (-)	- (-)	0.01 (0.01)	0.01 (0.01)	- (-)
<b>Dividend Received</b>						
- Texmaco Infrastructure & Holdings Ltd.	0.15 (4.70)	- (-)	- (-)	- (-)	0.15 (4.70)	- (-)
- Wabtec Texmaco Rail Pvt. Ltd.	- (-)	- (-)	98.45 (98.45)	- (-)	98.45 (98.45)	- (-)
<b>Others</b>						
- Adventz Finance Pvt. Ltd. (Rent Paid)	16.52 (15.73)	- (-)	- (-)	- (-)	16.52 (15.73)	- (-)
- Adventz Finance Pvt. Ltd. (Interest Paid)	216.05 (491.14)	- (-)	- (-)	- (-)	216.05 (491.14)	140.59 (4.07)
- Adventz Securities Enterprises Ltd. (Interest Paid)	0.86 (117.70)	- (-)	- (-)	- (-)	0.86 (117.70)	- (40.37)
- Zuari Management Services Ltd. (Interest Paid)	531.19 (486.00)	- (-)	- (-)	- (-)	531.19 (486.00)	- (328.35)
- Zuari Sugar and Power Limited (Interest Paid)	- (87.77)	- (-)	- (-)	- (-)	- (87.77)	- (0.82)
- Zuari International Ltd. (Interest Paid)	148.75 (1,080.09)	- (-)	- (-)	- (-)	148.75 (1,080.09)	122.87 (57.74)
- Pench Valley Coal Company Ltd (Interest Paid)	- (1.98)	- (-)	- (-)	- (-)	- (1.98)	- (-)
- Mr. Saroj Kumar Poddar (Interest Paid)	- (-)	- (-)	- (-)	432.31 (120.82)	432.31 (120.82)	432.31 (-)
- High Quality Steels Ltd. (Services Received)	436.44 (563.48)	- (-)	- (-)	- (-)	436.44 (563.48)	48.74 (51.01)
- Lionel India Ltd. (Services Received)	190.39 (131.42)	- (-)	- (-)	- (-)	190.39 (131.42)	19.67 (25.25)
- Lionel India Ltd. (Rent Received)	7.37 (7.37)	- (-)	- (-)	- (-)	7.37 (7.37)	- (4.68)
- Lionel Edwards Ltd. (Services Received)	24.65 (17.58)	- (-)	- (-)	- (-)	24.65 (17.58)	- (-)
- Zuari Management Services Ltd. (Services Received)	275.29 (164.49)	- (-)	- (-)	- (-)	275.29 (164.49)	17.53 (16.29)

# Notes on Consolidated Financial Statement

(₹ in lakhs)

Transactions	Other Related Party	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2023
- Texmaco Infrastructure & Holdings Ltd. (Rent Received)	0.72 (0.72)	- (-)	- (-)	- (-)	0.72 (0.72)	- (-)
- Texmaco Infrastructure & Holdings Ltd. (Rent Paid)	27.84 (45.83)	- (-)	- (-)	- (-)	27.84 (45.83)	8.27 (36.40)
- Wabtec Texmaco Rail Pvt. Ltd. Sale of Goods)	- (-)	- (-)	1,299.85 (466.64)	- (-)	1,299.85 (466.64)	351.83 (-)
- Wabtec Texmaco Rail Pvt. Ltd. (Purchase of Goods)	- (-)	- (-)	36.35 (1,095.31)	- (-)	36.35 (1,095.31)	- (73.91)
- Wabtec Texmaco Rail Pvt. Ltd. (Sale of Services/Rent)	- (-)	- (-)	137.44 (146.16)	- (-)	137.44 (146.16)	- (0.23)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Sale of Goods & Services)	- (-)	- (-)	39.43 (119.61)	- (-)	39.43 (119.61)	0.07 (69.43)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Rent Received)	- (-)	- (-)	5.05 (4.84)	- (-)	5.05 (4.84)	- (0.44)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Deposit Against Order)	- (-)	- (-)	2,508.93 (-24.56)	- (-)	2,508.93 (-24.56)	2,508.93 (-)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Interest receivable against CCD given)	- (-)	- (-)	712.71 (528.54)	- (-)	712.71 (528.54)	641.44 (1,337.94)
- Texmaco Defence Systems Pvt. Ltd. (Rent Received)	- (-)	0.05 (0.05)	- (-)	- (-)	0.05 (0.05)	- (-)
- Texmaco Defence Systems Pvt. Ltd. (Interest Received)	- (-)	35.86 (33.92)	- (-)	- (-)	35.86 (33.92)	119.19 (86.92)
- Bright-Vijaywargi JV (Sale of Goods & Services)	- (-)	- (-)	492.32 (2,369.11)	- (-)	492.32 (2,369.11)	409.78 (459.91)
- JMC-GPT-Vijaywargi-Bright Power JV (Sale of Goods & Services)	- (-)	- (-)	- (-28.39)	- (-)	- (-28.39)	93.82 (93.82)
- JMC-Vijaywargi-Bright Power JV (Sale of Goods & Services)	- (-)	- (-)	- (-46.16)	- (-)	- (-46.16)	262.24 (262.24)
- Bright-Kalindee JV (Sale of Goods & Services)	- (-)	- (-)	545.00 (320.79)	- (-)	545.00 (320.79)	826.94 (385.31)
- Bright-Texmaco JV (Sale of Goods & Services)	- (-)	- (-)	3,814.87 (6,012.02)	- (-)	3,814.87 (6,012.02)	638.73 (532.75)
- ISC Projects -Texmaco JV (Sale of Goods & Services)	- (-)	- (-)	781.77 (1,396.93)	- (-)	781.77 (1,396.93)	39.53 (441.79)
- 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)	- (-)	- (-)	166.67 (899.04)	- (-)	166.67 (899.04)	345.18 (569.35)
- Kalindee Cobra JV (Amount paid by the company on behalf of others)	- (-)	- (-)	- (15.77)	- (-)	- (15.77)	- (-)
- Kalindee IL & FS JV (Sale of Goods)	- (-)	- (-)	- (-)	- (-)	- (-)	1,346.48 (1,346.48)
- Kalindee IL & FS JV (Amount paid on behalf of the company)	- (-)	- (-)	- (1.17)	- (-)	- (1.17)	1.17 (1.17)
- Kalindee Kapoor Railcon JV (Sale of Goods)	- (-)	- (-)	279.19 (804.19)	- (-)	279.19 (804.19)	1,026.09 (773.05)
- Kalindee Kapoor Railcon JV (Amount paid on behalf of the company)	- (-)	- (-)	12.54 (2.32)	- (-)	12.54 (2.32)	- (-)

# Notes on Consolidated Financial Statement

(₹ in lakhs)

Transactions	Other Related Party	Associate	Joint Ventures	Key Mgmt. Personnel	Grand Total	Balance outstanding as on 31/03/2023
- Kalindee Karthik JV (Sale of Goods)	- (-)	- (-)	57.55 (10.48)	- (-)	57.55 (10.48)	433.45 (363.91)
- Kalindee Karthik JV (Amount paid on behalf of the company)	- (-)	- (-)	1.21 (0.23)	- (-)	1.21 (0.23)	- (-)
- KalindeeRahee JV (Amount paid by the company on behalf of others)	- (-)	- (-)	4.91 (12.29)	- (-)	4.91 (12.29)	420.70 (677.29)
- Kalindee URC JV (Sale of Goods)	- (-)	- (-)	8.68 (49.11)	- (-)	8.68 (49.11)	167.10 (167.91)
- Kalindee VNC JV (Amount paid by the company on behalf of others)	- (-)	- (-)	77.34 (14.24)	- (-)	77.34 (14.24)	1,697.64 (1,638.78)
- GMR TPL KRNL JV (Sale of Goods)	- (-)	- (-)	570.10 (325.12)	- (-)	570.10 (325.12)	1026.09 (777.00)
- Tata Projects- Kalindee JV (Sale of Goods)	- (-)	- (-)	173.53 (521.21)	- (-)	173.53 (521.21)	32.91 (49.10)
- Texmaco-Rahee JV (Sale of Goods)	- (-)	- (-)	157.60 (1,475.92)	- (-)	157.60 (1,475.92)	- (-)
- Texmaco-Asis JV (Sale of Goods)	- (-)	- (-)	890.22 (153.88)	- (-)	890.22 (153.88)	46.91 (986.93)
<b>Corporate Guarantee Given</b>						
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Against Sale of Wagons)	- (-)	- (-)	1,331.19 (-1,144.21)	- (-)	1,331.19 (-1,144.21)	2,851.85 (1,520.66)

## Notes on Consolidated Financial Statement

### Note 1.37 Earning Per Share – The Numerator and Denominator used to Calculate Basic/ Diluted Earning Per Share

(₹ in lakhs)

Particulars		2022-23	2021-22
Net Profit for the period from ordinary activities attributable to equity shareholders (Excluding Preference Share Dividend) – used as numerator.	₹ in Lakhs	2,602.63	2,050.01
Weighted average number of Equity share outstanding used as denominator for Basic earning per share.	Number	32,18,69,895	27,38,58,861
Weighted Average Number of Equity share used on denominator for Diluted earning per Share	Number	32,18,69,895	27,38,58,861
(A) Basic earning per share (face value of ₹1/- each)	₹	0.81	0.75
(B) Diluted earning per share (face value of ₹1/- each)	₹	0.81	0.75

### 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%
Panihati Engineering Udyog Pvt Ltd (Formerly Known as 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 provisions 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 Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

#### c) Accounting policies applicable in consolidated financial statements

- The Company combines the financial statements of the parent and its subsidiaries line adding together like items of assets, liabilities, equity, income, and expenses. Inter-company transactions, balance and unrealised gains on transactions between group companies are eliminated.
- Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Balance Sheet respectively.
- Investments in Associates are accounted for using the equity method of accounting, after initially being recognized at cost. Under the equity method of accounting, the investments are adjusted thereafter to recognized the Company's share of the post – acquisition profit or losses of the investee in profit and loss, and the company's share of other comprehensive income of the investee in other comprehensive income.
- Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.



# Notes on Consolidated Financial Statement

## Note 1.39 Financial Instruments

### A. Accounting classification and Fair Value

(₹ in lakhs)

31st March 2023	Carrying amount				Fair value			Total
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	
<b>Financial Assets (Long Term)</b>								
- Investments		124.91	10,299.02	10,423.93	124.91	10,299.02	-	10,423.93
- Bank Balances			3,379.14	3,379.14	-	-	3,379.14	3,379.14
- Others			740.29	740.29	-	-	740.29	740.29
<b>Financial Assets (Short Term)</b>								
- Investments	17.60			17.60	17.60	-	-	17.60
- Trade Receivable			78,489.32	78,489.32	-	-	78,489.32	78,489.32
- Cash and cash equivalents			3,076.76	3,076.76	-	-	3,076.76	3,076.76
- Bank Balances & Others			12,224.81	12,224.81	-	-	12,224.81	12,224.81
- Loans & Advances			1,518.24	1,518.24	-	-	1,518.24	1,518.24
<b>Total</b>	<b>17.60</b>	<b>124.91</b>	<b>1,09,727.58</b>	<b>1,09,870.09</b>	<b>142.51</b>	<b>10,299.02</b>	<b>99,428.56</b>	<b>1,09,870.09</b>
<b>Financial liabilities (Long Term)</b>								
- Borrowings			16,359.44	16,359.44			16,359.44	16,359.44
- Lease Liabilities			119.66	119.66			119.66	119.66
<b>Financial liabilities (Short Term)</b>								
- Borrowings			81,890.23	81,890.23			81,890.23	81,890.23
- Lease Liabilities			30.70	30.70			30.70	30.70
- Trade Payable			56,854.51	56,854.51			56,854.51	56,854.51
- Other Financial Liabilities			3,579.58	3,579.58			3,579.58	3,579.58
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,58,834.12</b>	<b>1,58,834.12</b>	<b>-</b>	<b>-</b>	<b>1,58,834.12</b>	<b>1,58,834.12</b>

(₹ in lakhs)

31st March 2022	Carrying amount				Fair value			Total
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	
<b>Financial Assets (Long Term)</b>								
- Investments		156.60	7,537.55	7,694.15	156.60	7,537.55	-	7,694.15
- Loans & Advances			-	-	-	-	-	-
- 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			4,765.81	4,765.81			4,765.81	4,765.81
<b>Financial liabilities (Short Term)</b>								
- Borrowings			66,214.04	66,214.04			66,214.04	66,214.04
- 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>1,05,476.55</b>	<b>1,05,476.55</b>	<b>-</b>	<b>-</b>	<b>1,05,476.55</b>	<b>1,05,476.55</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, 2023	31 March, 2022
<b>a) Tax Expense</b>		
<b>Current Tax</b>		
- Current tax on profits for the year	0.10	32.98
- Adjustments for current tax of prior periods	-	49.99
- Total current tax expense	<b>0.10</b>	<b>82.97</b>
<b>Deferred Tax</b>		
- Decrease/(increase) in deferred tax assets	1,169.75	1,404.98
- (Decrease)/increase in deferred tax liabilities	(281.99)	(69.70)
- Total deferred tax expenses/(benefit)	887.76	1,335.28
<b>Tax Expense</b>	<b>887.86</b>	<b>1,418.25</b>
<b>b) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate</b>		
<b>Profit before tax</b>	2,041.08	2,640.25
Tax at the Indian tax rate of 34.944% (previous year - 34.944%)	713.23	922.61
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Corporate social responsibility expenditure	7.47	2.68
<b>Tax effect of amounts which are deductible (non-taxable) in calculating taxable income</b>		
- Income from Investment	(34.69)	(20.97)
- Income from rented property	(106.23)	(97.14)
- MAT Credit/carry forward losses adjustment & Others	-	(106.18)
<b>Tax effect of other adjustment</b>		
- Income from Investment	-	667.26
- Income tax for earlier years	-	49.99
- Others	308.08	-
<b>Tax Expense</b>	<b>887.86</b>	<b>1,418.25</b>

# Notes on Consolidated Financial Statement

## Note 1.41 Information about Segment Working is given below:

(₹ in lakhs)

Particulars	2022-23				2021-22			Total
	Heavy Engg. Division	Steel Foundry	Rail EPC	Total	Heavy Engg. Division	Steel Foundry	Rail EPC	
	1	2	3	4 (1+2+3)	1	2	3	
<b>Revenue (Net of Excise Duty and Cess)</b>								
Gross Sales	1,31,494.81	53,954.69	72,743.59	2,58,193.09	71,487.33	33,065.76	74,868.62	1,79,421.71
Internal-Segment Sales	(3,594.77)	32,101.94)	-	(35,696.71)	(3,183.16)	(16,084.83)	-	(19,267.99)
Other Operating Revenue	444.83	607.46	779.07	1,831.36	531.68	537.80	950.39	2,019.87
<b>Total</b>	<b>1,28,344.87</b>	<b>22,460.21</b>	<b>73,522.66</b>	<b>2,24,327.74</b>	<b>68,835.85</b>	<b>17,518.73</b>	<b>75,819.01</b>	<b>1,62,173.59</b>
<b>Result</b>								
Segment Result	1,812.43	3,110.61	4,255.06	9,178.10	3,749.54	895.65	4,574.11	9,219.30
Others (Net of Unallocated Expenses)				1014.23				987.29
<b>Operating Profit/(Loss)</b>				<b>10,192.33</b>				<b>10,206.59</b>
Interest Expense				(8,779.72)				(7,941.30)
Interest Income				628.47				374.96
<b>Total Profit/(Loss) before Tax</b>				<b>2,041.08</b>				<b>2,640.25</b>
Provision for Current Tax				-				-
Provision for Deferred Tax/MAT Credit				(887.86)				(1,368.26)
Income Tax for Earliar Year				-				(49.99)
<b>Profit/(Loss) from ordinary activities</b>				<b>1,153.22</b>				<b>1,222.00</b>
Extra ordinary items				-				-
<b>Net Profit/(Loss)</b>				<b>1,153.22</b>				<b>1,222.00</b>
<b>Other Information</b>								
Segment Assets	1,42,041.86	54,461.66	1,31,580.55	3,28,084.07	91,448.14	44,427.10	1,22,819.55	2,58,694.79
Unallocated Corporate assets				10,441.53				7,710.85
<b>Total Assets</b>				<b>3,38,525.60</b>				<b>2,66,405.64</b>
Segment liabilities	1,21,506.85	7,588.64	70,211.60	1,99,307.09	51,066.84	2,524.34	79,760.45	1,33,351.63
Unallocated corporate liabilities				-				-
<b>Total Liabilities</b>				<b>1,99,307.09</b>				<b>1,33,351.63</b>
Capital expenditure				4,860.65				1,957.11
Depreciation				3,519.61				3,600.20
Non-cash expenses other than depreciation				724.29				875.77

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

## Note 1.42 Notes on Going Concern

Although there are no operations at present, the Management, however, intends to revive the subsidiary company "Texmaco Transtrack Pvt Ltd" by exploring new areas for business. Therefore, the Management holds the view that the Companies will be able to realise its assets and discharge liabilities in the normal course of business. Accordingly, the financial statements of this subsidiary have been prepared on a Going Concern basis and no adjustments are required to the carrying value of assets and liabilities.

# Notes on Consolidated Financial Statement

## Note 1.43 Information for Consolidated Financial Statements pursuant to Schedule III of the Companies Act, 2013

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 (Rs. in lakhs)	As % of consolidated profit or loss	Amount (Rs. in lakhs)	As % of consolidated other comprehensive income	Amount (Rs. in lakhs)	As % of total comprehensive income	Amount (Rs. in lakhs)
<b>Parent</b>								
Texmaco Rail & Engineering Ltd.	96.63%	1,34,533.22	76.87%	1,983.66	99.40%	211.39	78.59%	2,195.05
<b>Indian Subsidiaries</b>								
Belur Engineering Pvt. Ltd.	2.69%	3,743.56	0.91%	23.46	0.00%	-	0.84%	23.46
Texmaco Transtrack Pvt. Ltd.	-0.35%	(492.61)	-1.69%	(43.66)	0.00%	-	-1.56%	(43.66)
Texmaco Rail Systems Pvt. Ltd.	0.00%	0.16	-0.06%	(1.53)	0.00%	-	-0.05%	(1.53)
Texmaco Rail Electrification Ltd.	0.00%	0.77	-0.02%	(0.57)	0.00%	-	-0.02%	(0.57)
Panihati Engineering Udyog Pvt. Ltd.	0.00%	(0.03)	-0.02%	(0.56)	0.00%	-	-0.02%	(0.56)
<b>Non Controlling Interest in all subsidiaries</b>	-0.17%	(241.30)	-0.86%	(22.16)	0.00%	-	-0.79%	(22.16)
<b>Joint Ventures</b>								
Touax Texmaco Railcar Leasing Pvt. Ltd.	0.00%	-	38.08%	982.64	0.00%	-	35.18%	982.64
Wabtech Texmaco Rail Pvt. Ltd.	0.00%	-	17.23%	444.62	0.00%	-	15.92%	444.62
<b>Associate Companies</b>								
Texmaco Defence Systems Pvt. Ltd.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Consolidation Adjustment and Elimination	1.20%	1,674.74	-30.44%	(785.43)	0.60%	1.28	-28.07%	(784.15)
<b>Total</b>	<b>100.00%</b>	<b>1,39,218.51</b>	<b>100.00%</b>	<b>2,580.47</b>	<b>100.00%</b>	<b>212.67</b>	<b>100.00%</b>	<b>2,793.14</b>

## Notes 1.44 Ratios.

Particulars	Numerator	Denominator	31st Mar, 2023	31st Mar, 2022	% Variance	Reason for Variance (For changes more than 25%)
(a) Current Ratio	Current Assets	Current Liability	1.57	1.80	-12.78%	
(b) Debt-Equity Ratio	Total Debt (Non-Current borrowing+Current Borrowing)	Shareholder's Equity	0.71	0.53	33.96%	Due to increase in Borrowings from previous financial year
(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	1.25	1.20	4.17%	
(d) Return on Equity Ratio	Net Profits after taxes	Average Shareholder's Equity	1.90%	1.66%	14.46%	
(e) Inventory turnover Ratio	Sale of products (Revenue from operation)	Average Inventory	4.33	4.84	-10.54%	
(f) Trade Receivables turnover Ratio	Sale of products (Revenue from operation)	Average Trade Receivable	3.31	2.75	20.36%	
(g) Trade payables turnover Ratio	Cost of Goods sold (Material consumed+Changes in Inventory+Erection Expenses+ Power & Fuel Expenses)	Average Trade Payable	4.25	3.45	23.19%	
(h) Net capital turnover Ratio	Sale of products (Revenue from operation)	Working Capital	2.25	1.73	30.06%	The Net Capital Turnover ratio increased primarily due to increase in Revenue from operation

## Notes on Consolidated Financial Statement

Particulars	Numerator	Denominator	31st Mar, 2023	31st Mar, 2022	% Variance	Reason for Variance (For changes more than 25%)
(i) Net profit Ratio	Net Profit after taxes (Revenue from operation)	Sale of products	1.15%	1.27%	-9.45%	
(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)	4.41%	5.16%	-14.53%	
(k) Return on investment.	Income generated from Investment	Time Weighted Average Investment	-0.32%	12.67%	-102.53%	The Return on Investment ratio decreased primarily due to decrease in income from Investment

### 1.45 Other Disclosures

Other notes and disclosures to be inserted in the consolidated financial statements are similar to those of standalone financial statements of Texmaco Rail & Engineering Ltd.; and hence have not been repeated here.

The relevant note references in the standalone financial statements are given below:

Particulars	Note Reference of standalone financial statements
Commitments & Contingent Liabilities	Note 1.36
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
Leases	Note 1.44
Amount Remitted During the Year on Account of Dividend (As Certified by the Management)	Note 1.45
Value of Raw Materials and Stores Consumed (Including Components and Spare Parts)	Note 1.46
Value of Imports on C.I.F. Basis	Note 1.47
Analysis of Raw Material Consumed	Note 1.48
Expenditure in Foreign Currency	Note 1.51
Income in Foreign Exchange	Note 1.52
Details of Inventory of Work in Progress	Note 1.53
As a part of company's risk management policy, the financial risks mainly relating to changes in the exchange rates are hedged by using a combination of forward contracts, besides the natural hedges.	Note 1.54
Details of Income / Expenses disclosed on net basis	Note 1.55
Financial Risk Management Objectives and policies	Note 1.57

There are no changes arising out of inclusion of the subsidiaries/associate amounts in the above disclosures.

## Notes on Consolidated Financial Statement

### Note 1.46 Additional Regulatory Information

- 1) Company has used the borrowings from banks and financial institutions for the specific purpose for which it has taken at the balance sheet date.
- 2) 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.
- 3) To the best of the information available, the company has not entered any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956
- 4) 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 2023	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

- 5) There is no income surrendered or disclosed as income during the year in tax assessment under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- 6) 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 ultimate beneficiaries.
- 7) 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.
- 8) The Company has not traded or invested in crypto currency or virtual currency during the year.

**Note 1.47** Previous year's figures have been regrouped/ rearranged/ restated/ recast wherever necessary to confirm this year's classification.

**Note 1.48** 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 For **L. B. Jha & Co.**

Chartered Accountants

Firm Registration No: 301088E

#### Ranjan Singh

Partner

Membership No. 305423

F2/2, Gillander House,

Kolkata – 700 001

Dated: 12th May, 2023

**K.K.Rajgaria**

Company Secretary

**Hemant Bhuwania**

CFO

#### Directors

S.K.Poddar

Utsav Parekh

Indrajit Mookerjee

D.H.Kela

A.K.Vijay





**Texmaco**  
Rail & Engineering Ltd.

  
**adventz**

## **TEXMACO RAIL & ENGINEERING LIMITED**

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Belgharia, Kolkata - 700 056

An **adventz** group company