TITAGARH

27th August, 2019

National Stock Exchange of India Limited
Exchange Plaza Bandra-Kurla Complex
Bandra (E), Mumbai-400051
Scrip Code: TWL(EQ)

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-400001
Scrip Code: 532966

Madam/Sir,

Re.: Intimation of Annual General Meeting

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR'), we wish to inform you that:

(i) The 22nd Annual General Meeting (AGM) of the members of the Company will be held on Friday, 20th September, 2019.
(ii) Register of Members and Share Transfer Books of the Company will remain closed from 13th September, 2019 to 20th September, 2019 (both days inclusive) for the purpose of AGM.
(iii) The Cut-off date for reckoning the voting rights of the members for remote e-voting and voting at the AGM is Friday, 13th September, 2019.
(iv) The Company has appointed Karvy Fintech Private Limited for providing remote e-voting facility.

Further, pursuant to Regulation 34 of the LODR, we submit herewith Notice of 22nd Annual General Meeting of the Company, along with Annual Report 2018-19, as dispatched to the Members of the Company through permitted modes.

Please take the above on record.

Thanking you,

Yours faithfully,
For TITAGARH WAGONS LIMITED

Dinesh Arya
Company Secretary

SJ

TITAGARH WAGONS LIMITED

CIN: L27320WB1997PLC084819

CORPORATE INFORMATION*

Board of Directors

Shri J P Chowdhary	*Executive Chairman*
Shri Umesh Chowdhary	*Vice Chairman and Managing Director*
Shri D N Davar	*Independent Director*
Shri Manoj Mohanka	*Independent Director*
Shri Ramsebak Bandyopadhyay	*Independent Director*
Shri Atul Joshi	*Independent Director*
Shri V K Sharma	*Independent Director*
Smt. Rashmi Chowdhary	*Non-Executive Director*
Shri Sudipta Mukherjee	*Wholetime Director*
Shri Anil Kumar Agarwal	*Director (Finance) and Chief Financial Officer*
Shri Dinesh Arya	*Company Secretary*

Audit Committee

Shri D N Davar	Chairman
Shri Manoj Mohanka	Member
Shri Ramsebak Bandyopadhyay	Member
Shri Atul Joshi	Member

Stakeholders' Relationship Committee

Shri Manoj Mohanka	Chairman
Shri Umesh Chowdhary	Member
Shri Ramsebak Bandyopadhyay	Member

Finance Committee

Shri J P Chowdhary	Member
Shri Umesh Chowdhary	Member
Shri Manoj Mohanka	Member

Auditors

Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants, Kolkata

Bankers

State Bank of India
ICICI Bank Limited
Yes Bank
Axis Bank Limited
IndusInd Bank Limited
Syndicate Bank
IDBI Bank Limited
RBL Bank Limited
Andhra Bank

Nomination & Remuneration Committee

Shri D N Davar	Chairman
Shri J P Chowdhary	Member
Shri Manoj Mohanka	Member
Shri Ramsebak Bandyopadhyay	Member

Corporate Social Responsibility Committee

Smt. Rashmi Chowdhary	Chairperson
Shri J P Chowdhary	Member
Shri Umesh Chowdhary	Member
Shri Atul Joshi	Member

Asset Disposal Committee

Shri Manoj Mohanka	Member
Shri Umesh Chowdhary	Member

Registrar & Transfer Agent (RTA)

Karvy Fintech Private Limited
(Formerly: KCPL Advisory Services Pvt. Ltd.)
Karvy Selenium Tower B, Plot 31-32,
Gachibowli Financial District, Nanakramguda,
Hyderabad 500032
Phone: 91 40 6716 2222, Fax: 91 40 2300 1153
Email for Investors: einward.ris@karvy.com

Registered & Corporate Office

Titagarh Towers
756, Anandapur, E.M. Bypass, Kolkata 700107
Phone: 91 33 4019 0800, Fax: 91 33 4019 0823
Email: investors@titagarh.in
Website: www.titagarh.in

** As on 21st August, 2019*

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TITAGARH WAGONS LIMITED
Titagarh Towers
756, Anandapur, EM Bypass, Kolkata - 700107
Phone : 91 33 4019 0800, Fax : 91 33 4019 0823
E-mail : corp@titagarh.in, Website : www.titagarh.in

Notice

NOTICE is hereby given that the **TWENTY SECOND ANNUAL GENERAL MEETING** of the members of **TITAGARH WAGONS LIMITED** ("the Company") will be held at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani Kolkata - 700017 (Landmark: Near Shakespeare Sarani Police Station) on Friday, the 20th September, 2019 at 3:15 P.M. to transact the following businesses:

Ordinary Business

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2019, the consolidated financial statement for the said financial year and the Reports of the Board of Directors and Auditors thereon.
2. To declare a dividend on Equity Shares.
3. To appoint a Director in place of Shri Umesh Chowdhary (DIN: 00313652), Vice Chairman & Managing Director, who retires by rotation and, being eligible, offers himself for re-appointment.

Special Business:

4. **To authorise the Board of Directors to appoint Branch Auditors and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

   "**RESOLVED THAT** *pursuant to the provisions of section 143(8) and other applicable provisions, if any, of the Companies Act, 2013 ('Act'), as amended from time to time, the Board be and is hereby authorized to appoint as Branch Auditors to carry out audit of the books of accounts of any branch office of the Company, whether existing or which may be opened/acquired hereafter, in or outside India, any person(s) qualified to act as Branch Auditor in accordance with the provisions of section 143(8) of the Act and to fix their remuneration.*

   RESOLVED FURTHER THAT *the Board of Directors be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."*

5. **To approve the remuneration of Shri J.P. Chowdhary, Executive Chairman for the remaining period of his existing term and in this regard to consider and if thought fit to pass, with or without modification(s) the following resolution as a Special Resolution:**

   "**RESOLVED THAT** *pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactments(s) thereof for the time being in force) and pursuant to Article 28 of Articles of Association of the Company and the recommendation of the Nomination and Remuneration Committee (NRC) and the Audit Committee, and as decided by the Board at their respective meetings held on 29th May, 2019, the consent of the members of the Company be and is hereby accorded to the continuance of payment of minimum remuneration of Rs. 240 lakhs (Rupees Two hundred forty lakhs) per annum to Shri Jagdish Prasad Chowdhary (DIN: 00313685), Chairman and Managing Director (designated as 'Executive Chairman') of the Company, in the event of inadequacy of profit or loss during the remaining period of his existing term ending on 7th January, 2022.*

RESOLVED FURTHER THAT *the Board of Directors be and is hereby authorised to fix, alter or vary the remuneration of Shri J.P. Chowdhary, Executive Chairman including the monetary value thereof, to the extent recommended by the NRC from time to time as may be considered appropriate, subject to the overall limits specified by the Act and do all acts, deeds and things, which may be considered necessary or expedient to give effect to the aforesaid Resolution."*

6. **To approve the remuneration of Shri Umesh Chowdhary, Vice Chairman & Managing Director for the remaining period of his existing term and in this regard to consider and if thought fit to pass, with or without modification(s) the following resolution as a Special Resolution:**

"**RESOLVED THAT** *pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactments(s) thereof for the time being in force) and pursuant to Article 28 of Articles of Association of the Company and the recommendation of the Nomination and Remuneration Committee (NRC) and the Audit Committee, and as decided by the Board at their respective meetings held on 29th May, 2019, the consent of the members of the Company be and is hereby accorded to the continuance of payment of minimum remuneration of Rs. 240 lakhs (Rupees Two hundred forty lakhs) per annum to Shri Umesh Chowdhary (DIN: 00313652), Vice Chairman & Managing Director of the Company, in the event of inadequacy of profit or loss during the remaining period of his existing term ending on 30th September, 2020.*

RESOLVED FURTHER THAT *the Board of Directors be and is hereby authorised to fix, alter or vary the remuneration of Shri Umesh Chowdhary Vice Chairman & Managing Director, including the monetary value thereof, to the extent recommended by the NRC from time to time as may be considered appropriate, subject to the overall limits specified by the Act and do all acts, deeds and things, which may be considered necessary or expedient to give effect to the aforesaid Resolution."*

7. **To reappoint Shri Sudipta Mukherjee as Whole-time Director and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"**RESOLVED THAT** *pursuant to the provisions of Sections 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactments(s) thereof for the time being in force) and pursuant to Article 28 of Articles of Association of the Company and the recommendation of the Nomination and Remuneration Committee ('NRC'), the Audit Committee and as decided by the Board at their respective meetings held on 4th February, 2019, the consent of the members of the Company be and is hereby accorded to the re-appointment of Shri Sudipta Mukherjee (DIN: 06871871) as Whole-time Director of the Company for a further term of 5 (five) years w.e.f. 15th May, 2019 on the terms and conditions, including remuneration and in the event of inadequacy of profits, or loss, minimum remuneration, as recommended by the NRC and set out in the explanatory statement annexed to this Notice.*

RESOLVED FURTHER THAT *the Board of Directors be and is hereby authorised to alter or vary the remuneration of Shri Sudipta Mukherjee, Whole-time Director including the monetary value thereof, to the extent recommended by the NRC from time to time as may be considered appropriate, subject to the overall limits specified by the Act and do all acts, deeds and things, which may be considered necessary or expedient to give effect to the aforesaid Resolution."*

8. **To appoint Shri Anil Kumar Agarwal as Director (Finance) and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

*"***RESOLVED THAT** *pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualifications*

of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), Shri Anil Kumar Agarwal (DIN: 01501767), Chief Financial Officer of the Company who was appointed as an Additional Director by the Board of Directors ('the Board') pursuant to the provisions of Section 161(1) of the Act and the Articles of Association of the Company on May 29, 2019 and designated Director (Finance) and Chief Financial Officer and holds office upto the date of this Annual General Meeting, and in respect of whom a notice in writing under Section 160 of the Act has been received from a member signifying his intention to propose his candidature for the office of the Director, approval of the Company be and is hereby accorded to the appointment of Shri Anil Kumar Agarwal as Director (Finance) of the Company, designated as Director (Finance) and Chief Financial Officer, for a term of five years w.e.f. May 29, 2019 and who shall be liable to retirement by rotation, at a remuneration approved by the Nomination & Remuneration Committee and detailed in the Explanatory Notice accompanying the Notice of this meeting and other terms and conditions as contained in Service Agreement approved by the Board of Directors and a copy whereof placed before the meeting.

RESOLVED FURTHER THAT *the Board of Directors, which term shall include the Nomination & Remuneration Committee of the Board, be and is hereby empowered to alter and vary the terms and conditions of the said appointment and/or remuneration as it may deem fit and as may be acceptable to Shri Anil Kumar Agarwal, subject to the same not exceeding the limits specified under Schedule V to the Act or any statutory modification or re-enactment thereof and do all acts, deeds and things, which may be considered necessary or expedient to give effect to the aforesaid Resolution."*

9. **To approve revision of the limit/ceiling of the continuing contract/arrangement with Cimmco Limited and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"**RESOLVED THAT** *in modification of the Resolution passed by the members of the Company at the 20th Annual General Meeting held on 31st July, 2017 and pursuant to the provisions of section 188 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Rules made thereunder and pursuant to the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other enabling/applicable provisions of law as may be applicable and subject to such approvals, consents, permission of the authorities as may be necessary, consent of the Company be and is hereby accorded to the Board of Directors to revise the limit/ceiling of the transactions under the contract or arrangement or Continuing Contract/ Arrangement for purchase/sale of materials/goods and/or supply of services between Cimmco Limited, subsidiary Company ('Cimmco') and the Company from time to time, from the existing limit of Rs. 60 crore per financial year to a limit of upto Rs. 150 crore (Rupees One hundred fifty crore) per financial year effective from the FY 2018-19 with authority to execute the said revised contract/arrangement for a perior of three years effective 10th November, 2018 on the terms and conditions set out in the Explanatory Statement to this Notice and/or as may be mutually agreed upon between the Board of Directors of Cimmco and the Company.*

RESOLVED FURTHER THAT *the Board of Directors be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."*

10. **To ratify the remuneration of Cost Auditor and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"**RESOLVED THAT** *pursuant to the provisions of Section 148 of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 2,00,000/- (Rupees Two Lakhs only) plus taxes as may be applicable and reimbursement of reasonable out of pocket expenses as may be actually incurred by the firm, payable to M. R. Vyas and Associates, Cost Accountants (Registration No. 2032) of D-219, Vivek Vihar, Phase-I, New Delhi- 110095 appointed by the Board as Cost Auditors of the Company for the financial year 2019-20 be and is hereby ratified."*

11. **To appoint Shri V. K. Sharma as an Independent Director and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

"**RESOLVED THAT** *pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder [including any statutory* *modification(s) or re-enactment thereof, for the time being in force] and the applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Vinod Kumar Sharma (DIN: 02051084), who was appointed as an Additional Director by the Board of Directors pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company on 21st August, 2019 and holds office upto the date of this Annual General Meeting, and in respect of whom a notice in writing under Section 160 of the Act has been received from a member signifying his intention to propose his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company to hold office for a term ending on August 20, 2024."*

Registered Office:
756, Anandapur
E M Bypass, Kolkata -700107
21st August, 2019

By Order of the Board
Dinesh Arya
Company Secretary

NOTES

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL, ON HIS BEHALF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Members /Proxies/Authorised representatives should bring the duly filled Attendance Slip enclosed herewith to attend the meeting. Proxies submitted on behalf of limited companies, societies etc. must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder.

2. Proxies in order to be effective must be received by the Company at the registered office address not less than 48 hours before the commencement of the Annual General Meeting (AGM).

3. The Register of Members and Share Transfer Register shall remain closed with effect from Friday, September 13, 2019, to Friday, September 20, 2019 (both days inclusive) for the purpose of determining the members eligible for dividend, if declared at the Meeting.

4. Members are requested to note that dividends not encashed/claimed, and warrants for fractional entitlements of shares within seven years from the date of declaration of dividend/IPO will, as per Section 124 of the Act, be transferred to Investor Education and Protection Fund (IEPF). Members concerned are requested to refer carefully to the provisions of Sections 124(6) and 125 of the Act. Please browse the link http://www.titagarh.in/investor.php for the list of shareholders whose unclaimed dividend for the financial year ended March 31, 2012 is due for transfer to IEPF in October, 2019.

5. The Company shall also display full text of these communications/documents/reports at its website www.titagarh.in and physical copies of such communications/documents/Annual Reports will be made available at the Registered Office of the Company for inspection by the shareholders during the office hours on working days.

   Please note that as a member of the Company upon receipt of your request, you will be entitled to receive free of cost, copy of such communications/ documents/Annual Reports and all other documents required to be attached thereto.

   In case you desire to receive the documents mentioned above in physical form, please write to us at investors@titagarh.in quoting your Folio No./Client ID and DP ID.

   All those members who have not registered their e-mail addresses or are holding shares in physical form are requested to immediately register their e-mail addresses with NSDL/CDSL along with Folio No. /Client ID and DP ID.

6. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested

to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA.

7. Details under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchange in respect of the Directors seeking appointment/re-appointment at the Annual General Meeting, forms integral part of the Notice. The Directors have furnished the requisite declarations for their appointment/re-appointment.

8. Electronic copy of the Annual Report for 2019 is being sent to all the members whose email IDs are registered with the Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Annual Report for 2019 is being sent in the permitted mode.

9. Electronic copy of the Notice of the 22nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless a member has requested for a hard copy of the same. For members who have not registered their email address, physical copies of the Notice of the 22nd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form are being sent in the permitted mode.

10. Members may also note that the Notice of the 22nd Annual General Meeting and the Annual Report for 2019 will also be available on the Company's website www.titagarh.in for download. The physical copies of the aforesaid documents will also be available at the Company's Registered/Corporate Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investors@titagarh.in.

11. Voting through electronic means :

    a. Pursuant to the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of SEBI (LODR) Regulations, 2015, the company is pleased to provide members the facility to exercise their vote through remote e-voting in respect of the resolutions proposed to be passed at the ensuing Annual General Meeting (AGM) by using the electronic voting facility provided by the Karvy Computershare Private Limited.

    b. The remote e-voting period commences at 9:00 a.m. on Monday, the 16th September, 2019 and ends at 5:00 p.m. on Thursday, the 19th September, 2019. The remote e-voting module shall be disabled by Karvy for voting thereafter.

    c. During the remote e-voting period, members of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date i.e. Friday, the 13th September, 2019 may cast their vote electronically.

    d. Once the vote on a resolution is cast by the shareholder, the shareholder shall not be allowed to change it subsequently.

    e. Voting rights of the member shall be in proportion to their respective shareholding as on the cut-off date i.e. Friday, the 13th September, 2019.

    f. The facility for voting through polling paper shall be made available at the AGM and members attending the meeting who have not cast their vote by remote e-voting shall be eligible to exercise their right to vote at the meeting through polling paper.

    g. The members who have cast their vote by remote e-voting prior to AGM may also attend the AGM but shall not be entitled to cast their vote again.

h. Any person who acquires shares of the Company and becomes a member of the Company after the dispatch of this Notice and holds shares as on the cut-off date i.e. Friday, the 13th September, 2019 should follow the instructions for e-voting as mentioned below for FIRST TIME USER. In case of any queries, the shareholder may also contact the Registrar & Transfer Agent.

i. The Board of Directors has, at its meeting held on 14th August, 2019, appointed Sushil Goyal & Co; Company Secretaries as the scrutinizer to scrutinize the voting process (electronically or otherwise) in a fair and transparent manner.

j. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at AGM through ballot paper.

k. The Instructions for Shareholders voting electronically are as under:

   A. In case a Member receiving an email of the AGM Notice from Karvy [for Members whose email IDs are registered with the Company/ Depository Participant(s)] :

      i) Launch internet browser by typing the URL: https://evoting.karvy.com.

      ii) Enter the login credentials (i.e., User ID and password mentioned below). Event No. followed by Folio No./ DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

      iii) After entering these details appropriately, click on "LOGIN".

      iv) You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

      v) You need to login again with the new credentials.

      vi) On successful login, the system will prompt you to select the "EVENT" i.e., Titagarh Wagons Limited.

      vii) On the voting page, you may select the option, 'Yes' or 'No' as desired. You may also choose the option "ABSTAIN". If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

      viii) Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.

      ix) Voting has to be done for each item of the Notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.

      x) You may then cast your vote by selecting an appropriate option and click on "Submit"

      xi) A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any numbers of times till they have voted on the Resolution(s).

      xii) Corporate/Institutional Members (i.e. other than Individuals, HUF, NRI, etc.) are also required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at e mail ID: csskgoyal@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_ EVENT NO."

xiii) In case a person has become the Member of the Company after the dispatch of AGM Notice but on or before the cut-off date i.e. 13th September, 2019, may write to the Karvy on the email Id: evoting@karvy.com or to Mr. N. Shyam, Contact No. 040-67162222, at [Unit: Titagarh Wagons Limited] Karvy Fintech Private Limited (Formerly : KCPL Advisory Services Pvt. Ltd.), Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad - 500 032, requesting for the User ID and Password. After receipt of the above credentials, please follow all the steps from Sr. No.(i) to (xii) as mentioned in (A) above, to cast the vote.

B. In case of Members receiving physical copy of the AGM Notice by Post [for Members whose email IDs are not registered with the Depository Participant(s)]:

   i) User ID and initial password as provided at the bottom of the Attendance Slip :

   ii) Please follow all steps from Sr. No. (i) to (xii) as mentioned in (A) above, to cast your vote.

C. In case of any query pertaining to e-voting, please visit Help & FAQ's section of https://evoting.karvy.com. (Karvy's website).

D. The Scrutinizer shall, after the conclusion of the AGM, first count the votes cast at the meeting and thereafter unlock the votes cast through remote e-voting in the presence of at least 2 (Two) witnesses not in the employment of the Company. The Scrutinizer shall, within a period of not more than three days from the conclusion of the AGM, prepare a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, and submit to the Chairman or any person authorised by him in writing, who shall countersign the same and declare the results of the voting.

E. The results so declared along with Scrutinizer's Report shall be placed on the website link : https://evoting.karvy.com and subject to the receipt of requisite number of votes, the resolution set out in the Notice shall be deemed to be passed on the date of the Annual General Meeting. The results shall also be forwarded to the BSE and NSE.

12. Members are requested to preferably send their queries to the Registered Office at least 7 days before the date of the Annual General Meeting.

13. The documents pertaining to all the special businesses set out in the Notice are available for inspection at the Registered Office of the Company during 10.30 A.M. to 1.00 P.M. on all working days.

14. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, which sets out details relating to Special Business at the meeting, is annexed hereto.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 ('the Act')

Item No. 4

The Company has a branch outside India in Nepal, which was opened for execution of the order for Bridges received sometime in 2017 and may also open/acquire new branches outside India in future. It is normally required to appoint branch auditors for carrying out the audit of the accounts of such branches. The Members are requested to authorize the Board of Directors of the Company to appoint branch auditors and fix their remuneration.

The Board commends the Ordinary Resolution as set out at Item No. 4 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or their relatives, is in any way concerned or interested in the aforesaid Resolution set out under Item No. 4.

Items No. 5 & 6

Reappointment and remuneration of Shri J.P. Chowdhary, Executive Chairman and Shri Umesh Chowdhary, Vice Chairman & Managing Director were approved by the members at the Annual General Meetings held on 31/07/2017 and 24/09/2015 respectively.

The Board, pursuant to the recommendation of the Nomination and Remuneration Committee (NRC) and the Audit Committee in their respective meetings held on 29th May, 2019 had accorded its approval to the continuance of payment of minimum remuneration of Rs. 240 lakhs (Rupees Two hundred forty lakhs) per annum in the event of inadequacy of profits or loss respectively, to Shri J.P. Chowdhary, Executive Chairman, during the remaining period of his existing term ending on 7th January, 2022 and Shri Umesh Chowdhary, Vice Chairman & Managing Director of the Company, during the remaining period of his existing term ending on 30th September, 2020.

Shri J.P. Chowdhary at present draws remuneration as contained in the service agreement dated 14th December, 2016 i.e. Salary- Basic: Rs. 12,00,000/-, HRA: 60% of Basic and Special Allowance: Rs.80,000 per month, plus perquisites and Performance Bonus such that aggregate of Salary, Perquisites and Performance Bonus shall not exceed 5% of net profit of the Company computed in the manner prescribed under the Act. Shri Umesh Chowdhary at present draws remuneration as contained in the supplemental service agreement dated 14th December, 2016 i.e. Salary- Basic: Rs. 12,00,000/-, HRA: 60% of Basic and Special Allowance: Rs.80,000 per month plus perquisites and Performance Bonus such that aggregate of Salary, Perquisites and Performance Bonus shall not exceed 3.5% of net profit of the Company computed in the manner prescribed under the Act. In the event of inadequacy or loss during the tenure of the aforenamed managerial personnel, they would be paid the minimum remuneration equivalent to monthly fixed remuneration or such other higher amount as may be stipulated by the provisions of the Act. The other terms and conditions in detail are contained in their respective Service Agreements dated 14th December, 2016 which are available for inspection at the registered office of the Company till the date of the 22nd AGM and a copy thereof shall be provided to a member upon request.

Shri J.P. Chowdhary at 78 years has vast experience of about 55 years in railway sector/heavy engineering industry and besides being the promoter of Titagarh Group has been the driving force behind the Company and Group's growth. In order to avail of the excellent and proven leadership of Shri J.P. Chowdhary, it would be in the interest of the Company if he continues as Executive Chairman of the Company.

The remuneration payable to Shri J.P. Chowdhary and Shri Umesh Chowdhary respectively is in accordance with the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013.

The additional details pursuant to Schedule V to the Companies Act, 2013 are annexed at the end of this Notice.

The Directors recommend passing of the aforesaid Special Resolutions.

None of the Directors or key managerial personnel or their relatives, except Shri J.P. Chowdhary and Shri Umesh Chowdhary and their relatives are concerned or interested respectively in the said Resolutions.

Item No. 7

The appointment of Shri Sudipta Mukherjee as Director (Wagons Operations) was approved by the members at the 17th Annual General Meeting held on 11th September, 2014. The change in the designation of Shri Sudipta Mukherjee to Wholetime Director w.e.f. August 22, 2016 and remuneration of Rs. 41,81,220 per annum (CTC) in an appropriate scale such that the total annual remuneration payable to him shall not exceed the amount laid down in the Schedule V to the Companies Act, 2013 at any time during his tenure ending on 14th May, 2019 subject to compliances stipulated in the Section 197/Schedule V ibid was also approved by the members at the 19th Annual General Meeting of the Company held on 29th September, 2016.

The Board, pursuant to the recommendation of the Nomination and Remuneration Committee (NRC) and the Audit Committee in their respective meetings held on 4th February, 2019 has accorded its approval to the reappointment of Shri Sudipta Mukherjee as Wholetime Director of the Company for a further period of 5 (five) years w.e.f. 15th May, 2019.

Shri Sudipta Mukherjee drew a remuneration of about Rs. 40.45 lakhs during the financial year ended 31st March, 2019. He is proposed to be reappointed and the remuneration proposed is: Salary- Basic: Rs. 135988/-, HRA: 50% of Basic, Conveyance- Rs. 27198, Medical Allowance - Rs. 12919 and Special Allowance: Rs. 40796 per month aggregating Rs. 34.19 lakhs p.a. (CTC) plus PF contribution and value of perquisites to which he is entitled as per the Company's policy/rules. In the event of inadequacy of profit or loss during the tenure of the aforenamed managerial personnel, he would be paid the minimum remuneration equivalent to monthly fixed remuneration or such other higher amount as may be permitted by the provisions of the Act. The other terms and conditions in detail are contained in his Service Agreement which will be available for inspection at the registered office of the Company during office hours, for the members of the Company upto the date of the forthcoming Annual General Meeting.

Shri Sudipta Mukherjee, aged 44 years, is a Fulbright fellow from Carnegie Mellon University, USA. He has been on the Board of Directors of the Company since May 15, 2014. He has been with the Company since 1998 and starting as a Management Trainee, has risen to the position of Whole-time Director and in control of the ultimate day to day operations at all three plants of the Company, it would be in the interest of the Company to reappoint him as Whole-time Director as set out at Item No. 7.

The remuneration payable to Shri Sudipta Mukherjee is in accordance with the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013.

The additional details pursuant to Schedule V to the Companies Act, 2013 are annexed at the end of this Notice.

The Directors recommend passing of the aforesaid Ordinary Resolution as set out at Item No. 7 for approval by the members of the Company.

None of the Directors or key managerial personnel or their relatives, except Shri Sudipta Mukherjee to the extent of his reappointment, is concerned or interested respectively in the said Resolution.

Item No. 8

The Board, pursuant to the recommendation of the Nomination and Remuneration Committee (NRC) and the Audit Committee in their respective meetings held on 29th May, 2019 had appointed Shri Anil Kumar Agarwal as Additional Director of the Company, designated as Director (Finance) of the Company for a period of 5 (five) years w.e.f. 29th May, 2019. Shri Anil Kumar Agarwal being in whole-time employment of the Company as Chief Financial Officer, his appointment as an Additional Director was deemed to be a position of Whole-time Director and was re-designated Director (Finance) and Chief Financial Officer of the Company.

Shri Anil Kumar Agarwal drew a remuneration of about Rs. 52.88 lakhs as the Chief Financial Officer during the financial year ended 31st March, 2019 including the Stock Options exercised by him. He is proposed to be appointed as Director (Finance) and the remuneration proposed is: Salary- Basic- Rs. 175019, HRA- Rs. 87510, Conveyance- Rs. 35003, Special Allowance- Rs. 52505, Medical Allowance- Rs. 16626, Gross- Rs. 366663 per month, PF Contribution– Rs. 21002 per month, CTC per month- Rs. 387665 and CTC per annum is Rs. 4651980 plus value of perquisites as per the Company's Rules including exercise of ESOP. In the event of inadequacy of profit or loss during the tenure of the aforenamed managerial personnel, he would be paid the minimum remuneration equivalent to monthly fixed remuneration or such other higher amount as may be permitted by the provisions of the Act. The other terms and conditions in detail are contained in his Service Agreement which will be available for inspection at the registered office of the Company during office hours, for the members of the Company upto the date of the forthcoming Annual General Meeting.

Shri Anil Kumar Agarwal at 44 years has rich experience of over twenty years in finance, accounts, and other corporate functions and been awarded the best CFO award by the then Finance Minister – Shri Pranab Mukherjee.

The remuneration payable to Shri Anil Kumar Agarwal is in accordance with the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013.

Shri Anil Kumar Agarwal is also the Managing Director & CEO of Cimmco Limited, the Company's subsidiary, where he is being paid consolidated remuneration aggregating Rs. 12,00,000/- per annum.

The additional details pursuant to Schedule V to the Companies Act, 2013 are annexed at the end of this Notice.

The Directors recommend passing of the aforesaid Ordinary Resolution as set out at Item No. 8 for approval by the members of the Company.

None of the Directors or key managerial personnel or their relatives, except Shri Anil Kumar Agarwal to the extent of his reappointment, is concerned or interested respectively in the said Resolution.

Item No. 9

The members of the Company had earlier passed a Resolution at the 20th Annual General Meeting (AGM) of the Company held on 31st July, 2017, authorising the Board of Directors to enter into a contract or arrangement or Continuing Contract/ Arrangement for purchase/sale of materials and/or supply of services between Cimmco Limited, subsidiary Company ('Cimmco') and the Company ('TWL') from time to time during three financial years ending on the 23rd May, 2020 with an estimated ceiling of Rs. 60 crores per financial year.

Cimmco had approached the Company to manufacture and supply one rake of wagons valued at Rs. 38 crore approx. and also offered to place order for locomotive shells for Cimmco's customers. Such contracts as may be found to meet the requirements of all parties concerned, might be repeated in future and therefore, the Board at its meeting held on 10th November, 2018 pursuant to the recommendation of the Audit Committee at its meeting held on the same date, approved the increase in the limit for the Continuing Contract between Cimmco and TWL upto an amount of Rs. 150 crore (Rupees One hundred fifty crore) per financial year (not including the transactions, if any exempt under the provisions of Section 188 of the Act) effective the FY 2018-19, on the terms and conditions given hereinbelow.

As Cimmco is a 'related party' within the meaning of Section 2(76) of the Companies Act, 2013 ('the Act') and the SEBI (LODR) Regulations, 2015 ('SEBI LODR'), the transaction requires the approval of members by a resolution under Section 188 of the Act and Regulation 23 of SEBI LODR. The members may please note that as per the provisions of Section 188 of the Act, the aforesaid limit of Rs. 150 crore per annum shall not include transactions entered into in the ordinary course of business other than transactions which are not on an arm's length basis, as the same are exempt from the provisions of Section 188(1). The particulars of such contract/arrangement are as under:

(a) Name of the related party and Relationship	**Cimmco Limited (Cimmco)** TWL is holding company of Cimmco Limited	Remark
(b) the nature, duration of the contract and particulars of the contract or arrangement	Continuous/recurring contract for sale/ purchase of goods/ materials/ Wagons/other engineering products for three years w.e.f. November 10, 2018.	
(c) material terms of the contract or arrangement including the value, if any;	TWL supplies to Cimmco bogies, couplers and steel castings etc. used in manufacture of Wagons also finished goods including the Wagons and provides related services from time to time and Cimmco supplies steel plates and/or other raw materials/components as and when requisition/ Purchase order is placed by the purchaser, of such value or amount as specified in the requisition/Purchase order broadly on the following terms and conditions: a) Delivery terms: Ex-works of supplier b) Freight charges: To be paid by purchaser c) Packing and Loading charges: To be paid by supplier d) Payment: Within 30 days e) Amount payable will include all applicable taxes. f) Other terms and conditions as may be mutually agreed by TWL and Cimmco g) The terms and conditions stated above are standardin nature and subject to mutually agreed modifications in accordance with purchase order/requisition.	As the aggregate value of transaction exceeds the threshold of 10% of annual turnover of the Company or Rs. 100 crore , whichever is lower, u/s 188 of the Act, approval of the shareholders is being hereby obtained as an enabling power.
(d) any advance paid or received for the contract;	No	

(e) the manner of determining the pricing and other commercial terms, both included as part of the contract and not considered as part of contract;	Price and other terms of contract for the materials/services are fixed after obtaining generally three quotations from unrelated parties/manufacturer(s)/supplier(s) and are included as part of the contract.Commercial terms not as part of contract: not applicable.	
(f) whether all factors relevant to the contract have been considered, if not, the details of factors not considered with the rationale for not considering	All factors have been considered	
(g) any other information relevant or important to take a decision on the proposed transaction	As both the parties viz. TWL and Cimmco have the expertise in the area of manufacture of materials/services/ goods involved in the contract and their respective strengths/ relevant aspects are known, as long as the pricing is competitive and in sync with market conditions, the transaction works in their mutual interests	

The above proposal is in the interest of the Company and the Board recommends the Ordinary Resolution as set out at Item No. 9 for approval by the members of the Company.

None of the Directors or Key Managerial Personnel (KMP) or their relatives, except Shri J.P. Chowdhary, Shri Umesh Chowdhary, Shri Anil Kumar Agarwal and Smt. Vinita Bajoria, also being Director/KMP of Cimmco, is in any way concerned or interested in the aforesaid Ordinary Resolution set out under Item No. 9.

None of the promoters, directors or KMP of the Company holds more than two percent of the paid-up share capital of Cimmco [disclosure pursuant to proviso to the Section 102(2)(c) of the Act].

Item No. 10

The Company with the recommendation of Audit Committee and approval of the Board at its meeting held on 29th May, 2019, has appointed M.R. Vyas and Associates, Cost Accountants as Cost Auditor of the Company for the financial year 2019-20 at a remuneration of Rs. 2,00,000/-. Pursuant to Section 148 of the Act read with The Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditor is to be ratified by the shareholders.

The Board recommends the resolution set forth at this Item for approval of the members. None of the Directors or Key Managerial Personnel (KMP) or their relatives is in any way concerned or interested in the Resolution.

Item No. 11

Shri Vinod Kumar Sharma was appointed as Additional Director (Category: Independent) of the Company by the Board, pursuant to selection and review of his candidature by the Nomination and Remuneration Committee, with effect from 21st August, 2019, in terms of the provisions of Section 161 of the Act, and holds office upto the date of this Annual General Meeting (AGM).

Shri V.K. Sharma, aged about 67 years, is a career central banker and a former Member of the Markets Committee of the Bank for International Settlements, Basel, Switzerland. He retired as Executive Director, Reserve Bank of India (RBI), on 31st December, 2012. A B.Sc. in Physics, Pure and Applied Mathematics and an M.Sc. in Physics, he holds an Advanced Studies Certificate in International Economic Policy Research from Kiel Institute of World Economics, Kiel, Germany and is recipient of the prestigious Lord Aldington Banking Research Fellowship and the first RBI Golden Jubilee scholarship for pursuing research and advanced studies abroad.

The Directors are of the opinion that Shri V.K. Sharma fulfills the conditions specified in the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 for appointment as Independent Director, and recommend passing of the aforesaid Ordinary Resolution. The Board considers association of Shri V. K. Sharma as the Independent Director would be of immense benefit to the Company.

Shri V.K. Sharma will not be entitled for any remuneration, except sitting fees for attending Board/ Committee meetings and/or commission as may be decided by the Board from time to time in accordance with the applicable provisions of the Companies Act, 2013.

A copy of the letter of appointment of Shri V.K. Sharma would be available for inspection without any fee by the members at the Registered Office of the Company between 11:00 am and 1:00 pm on all working days except Saturdays till the date of Annual General Meeting.

The other disclosures required under Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard-2 of ICSI are set out at the end of this Notice.

None of the Directors or key managerial personnel or their relatives, except Shri V.K. Sharma to the extent of his appointment is concerned or interested in the said Resolution.

Registered Office:
756, Anandapur
E.M. Bypass, Kolkata - 700107
21st August, 2019

By Order of the Board
Dinesh Arya
Company Secretary

Details pursuant to Schedule V to the Companies Act, 2013 (refer Item Nos. 5 to 8)

I. GENERAL INFORMATION

Name	Shri J P Chowdhary	Shri Umesh Chowdhary	Shri Sudipta Mukherjee	Shri Anil Kumar Agarwal
Nature of industry	Rail Rolling Stock, Defence, Heavy Engineering and Infrastructure			
Date or expected date of commencement of commercial production	Existing Company, already commenced from 11/07/1997			
In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Existing Company - Not Applicable			
Financial performance based on given indicators				Rs. in Lakhs
		2018-19	2017-18	2016-17
	Sales	91011.28	31652.05	37033.60
	Net Profit	(8287.40)	291.54	1928.37
Foreign investments or collaborators, if any	The Company has invested in equity capital of its wholly owned/subsidiaries namely, Titagarh Singapore Pte. Limited Rs. 6959.32 Lakhs and Titagarh Wagons AFR: Nil (after impairment of investment of Rs. 5,874.54 Lakhs) and Titagarh Firema SpA Rs. 127.75 Lakhs as at 31st March, 2019.			

II. INFORMATION ABOUT THE FOUR MANAGERIAL PERSONNEL

Name	Shri J P Chowdhary	Shri Umesh Chowdhary	Shri Sudipta Mukherjee	Shri Anil Kumar Agarwal
Background details	Shri J P Chowdhary aged about 78 years is an industrialist with 56 years' experience in railways sector/heavy engineering industry.	Shri Umesh Chowdhary, aged 45 years, has 27 years' experience in railway wagons/ heavy engineering industry.	Shri Sudipta Mukherjee, aged 44 years, is a Fulbright fellow from Carnegie Mellon University, USA	Mr. Anil Kumar Agarwal, aged 44 years, is a qualified B. Com. (Hons.), FCA and ACMA
Past remuneration	5% of the net profits per annum including fixed components of Salaries & allowance Rs. 20 Lakhs per month and the balance by way of commission at the end of financial year.	3.5% of the net profits per annum including fixed components of Salaries& allowance Rs. 20 Lakhs per month and the balance by way of commissionat the end of financial year.	Drew a remuneration of about Rs. 40.45 lakhs during financial year ended 31st March, 2019 including the Stock Options exercised by him	Drew a remuneration of about Rs. 52.87 lakhs during financial year ended 31st March, 2019 including the Stock Options exercised by him
Recognition or awards	Shri J P Chowdhary has been awarded by various Institutions like Confederation of Indian Industry (CII), Calcutta Management Association and All India Management Association. He also served as Sheriff of Kolkata in 1995.	Shri Umesh Chowdhary is Honorary Consul of Switzerland.	Starting as a Management Trainee, has risen to the position of Whole-time Director	Has been awarded the best CFO award by the then Finance Minister – Shri Pranab Mukherjee

Job profile and his suitability	Shri J P Chowdhary is known as a turnaround expert having rehabilitated sick companies with his astute leadership and has vast experience as an Industrialist. He was re-appointed Executive Chairman for a term of five years w.e.f. 08.01.2017. He is also the Chairman of Cimmco Ltd., the company's subsidiary. Shri J P Chowdhary has been providing exemplary leadership.	He has been on the Board of the Company since incorporation and played a key role in the growth of the Company under guidance of the Executive Chairman. He has been re-appointed as Managing Director and designated as Vice Chairman and Managing Director on 1st October, 2015 for a period of five years. He is also Vice Chairman of Cimmco Ltd., the Company's subsidiary.	He has been with the Company since 1998 and is on the Board of the Company since May 15, 2014 and is in control of the day to day operations at all three plants of the Company	He has been with the Company for more than 20 years and has been the CFO of the Company since December 08, 2006. He is in-charge of the finance and accounts functions
Remuneration proposed	The existing remuneration for EC and VCMD not aggregating 5% and 3.5% respectively to continue.Minimum Remuneration: Where in any financial year during the respective term of Shri J P Chowdhary and Shri Umesh Chowdhary, the Company has no profits or its profits are inadequate, the Company will pay minimum remuneration equivalent to the fixed components of Rs. 20 lakhs only per month to each of them or such other remuneration as may be stipulated by Schedule V to Companies Act, 2013.The existing remuneration for Shri Sudipta Mukherjee and Shri Anil Kumar Agarwal will continue.			
Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	The proposed remuneration is comparable with the remuneration drawn by the peers and is necessitated due to complexities of business			
Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any	Shri J P Chowdhary, Executive Chairman and Shri Umesh Chowdhary, Vice Chairman & Managing Directors are related to each other and also related to Smt. Rashmi Chowdhary, Non-Executive Director of the Company.Shri Sudipta Mukherjee and Shri Anil Kumar Agarwal are not related to any other Director/managerial personnel of the Company			
III. OTHER INFORMATION				
Reasons of loss or inadequate profits	The Company's profit improved during FYE 31/03/2019, however the financial performance was affected by the exceptional item being provision made for impairment of the Company's investment in the wholly owned subsidiary in France whereas in the past financial years it was impacted of by the lack of order for procurement of Wagons from Indian Railways compounded by predatory pricing then resorted to by some of the manufacturers aimed at securing larger allocation in the tender rendering the Wagons business unremunerative.			
Steps taken or proposed to be taken for improvement	Implementation of the Company's plans to achieve growth in the other segments viz. Coaches, Castings, Bailey Bridges and Special Projects/Defence products has been taken up with greater focus and is being pursued aggressively. Cost efficiency and improvement in productivity for optimisation of resources are consistently practiced in order to achieve further improvement in performance while simultaneously de-risking the Company's business from predominant dependence on wagons procurement by Indian Railways. Growth through diversification into related areas of competence including by acquisitions and setting up of joint ventures is being pursued, however, the benefits thereof would take some time and accrue in future. During the year ended 31/03/2018 and 31/03/2019 the Company has successfully secured prestigious orders for its shipbuilding vertical and lately has been awarded order for Metro Coaches for Pune Metro.			
Expected increase in productivity and profits in measurable terms	Productivity improvement is assured but the sustained increase in production will depend upon orders for other segments. Profitability is expected to improve from the measures inter alia aggressive marketing efforts to secure larger orders for wagons including from private sector customers, orders repeat for metro coaches.			

TITAGARH

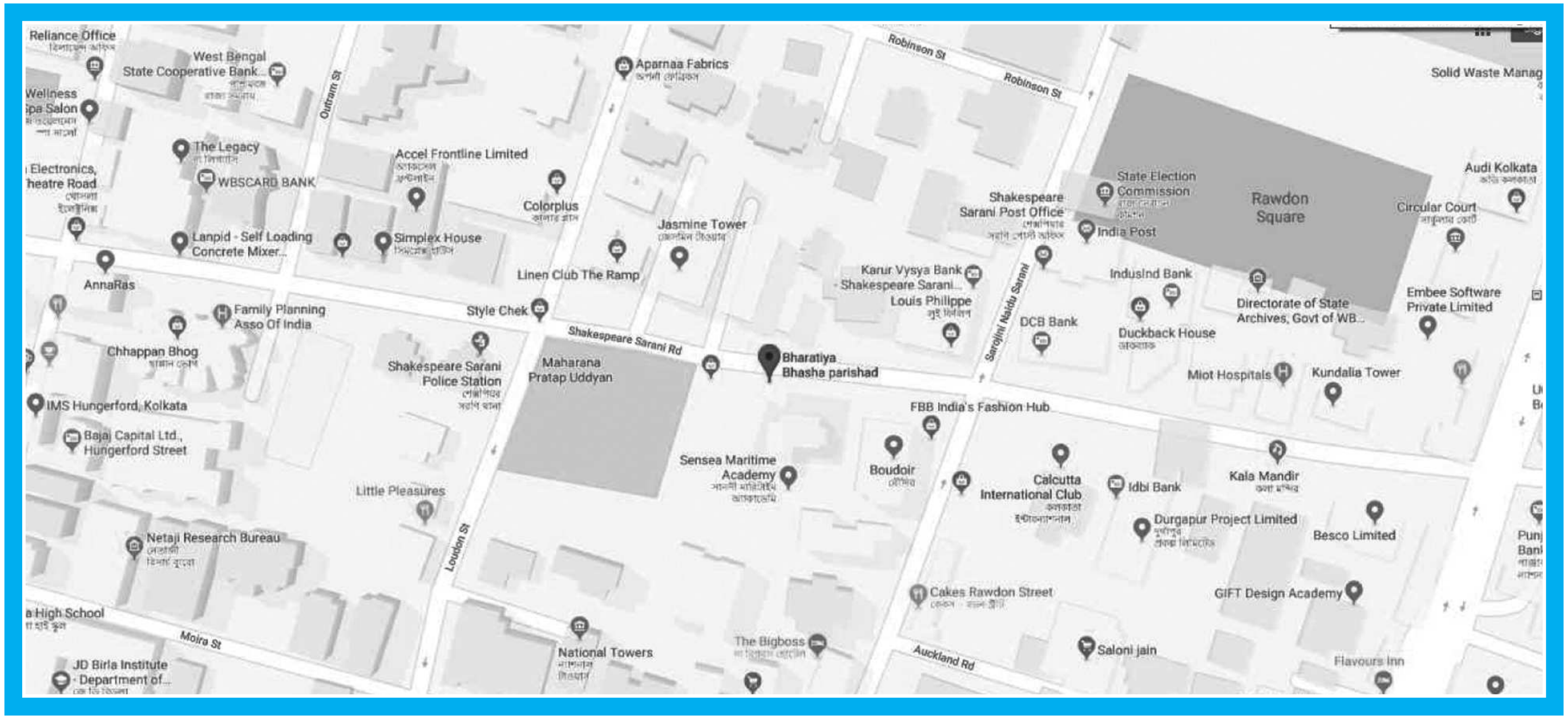
IV. DISCLOSURES

The following disclosures are mentioned in the Board of Director's report under the heading "Corporate Governance Report" of the Company in the Annual Report 2018-19:
(i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors;
(ii) Details of fixed component and performance linked incentives along with the performance criteria;
(iii) Service contracts, notice period, severance fees;
(iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

Detail of seeking Appointment/Re-appointment/Fixation of Remuneration of the Directors at the Annual General Meeting

Particulars	Shri Umesh Chowdhary	Shri J.P. Chowdhary	Shri Sudipta Mukherjee	Shri Anil Kumar Agarwal	Shri V.K. Sharma
Date of Birth	24/04/1974	23/09/1940	01/01/1975	05/07/1975	22/12/1952
Date of Appointment as director	03/07/1997	24/09/1999	15/05/2014	29/05/2019	21/08/2019
Qualifications	B. Com.	B. Com.	Post Graduate in Industrial Law, Fulbright Scholar from Carnegie Mellon	B. Com. (Hons.), FCA and ACMA	B.Sc. in Physics, Pure and Applied Mathematics, M.Sc. in Physics and Advanced Studies Certificate in International Economic Policy Research
Expertise in Specific Functional Areas	Management leadership with about 27 years of experience in the manufacturing sector	Management leadership with experience of about 56 years in railway sector/ heavy engineering industry	Wagons Operations with about 20 years' experience.	Rich experience of over 20 years in finance, accounts and other corporate functions	Has worked in areas of Exchange Reserves Management, Internal Debt Management, Human Reso -urces and Administration,
Remuneration last drawn (Rs.) [During FY 2018-19]	Rs. 2,57,28,000/-	Rs. 2,57,28,000/-	Rs. 40,45,236/-	Rs. 52,87,820/- (As CFO)	N.A.
Number of Meetings of the Board attended during the year 2018-19	4 out of 5	5 out of 5	3 out of 5	N.A.	N.A.
Directorship held in other companies (excluding foreign companies)	1. Cimmco Limited 2. Titagarh Capital Management Services Private Limited 3. Matiere Titagarh Bridges Pvt. Ltd. 4. Indian Chambers of Commerce Calcutta	1. Cimmco Limited 2. Titagarh Capital Management Services Private Limited 3. Matiere Titagarh Bridges Pvt. Ltd.	Nil	1. Titagarh Capital Private Limited 2. Cimmco Limited	1. FirstSource Solutions Limited 2. Equitas Small Finance Bank Limited
Memberships/ Chairmanships of Committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee)	Member of Stakeholders' Relationship Committee of Cimmco Limited	Nil	Nil	Member of Audit Committee of Titagarh Capital Private Limited & Cimmco Limited	Member of Audit Committee of Equitas Small Finance Bank Limited
No. of shares held in the Company	77530 equity shares	156540 equity shares	12500 equity shares	26000 equity shares	Nil

Route Map to the AGM Venue



Bharatiya Bhasha Parishad

36A, Shakespeare Sarani, Kolkata - 700017 (Landmark: Near Shakespeare Sarani Police Station)

Directors' **Report**

Dear Shareholders,

The Directors hereby present their Twenty First Annual Report on the business and operations of the Company ('the Company' or 'TWL') along with the audited financial statements, for the financial year ended March 31, 2019. The consolidated performance of Titagarh Group (the Company and its subsidiaries) has been referred to wherever so required.

1. Profit, Retention & Dividend

Titagarh Group's financial performance during the financial year ended March 31, 2019 was follows:

₹ in lakhs

	Standalone		Consolidated	
Particulars	2018-19	2017-18	2018-19	2017-18
Revenue from operations	91011.28	31,652.05	171077.50	127,143.84
Other income	2209.25	2,328.20	5336.83	2,987.86
Total Income (TI)	**93220.53**	**33,980.25**	**176414.33**	**130,131.70**
Earnings before interest, tax, depreciation and amortisation (EBIDTA)	**7586.91**	**2,082.86**	**8739.16**	**(6,686.54)**
Less: Finance Cost	2390.02	864.45	6837.59	4,405.99
Less: Depreciation and amortization expenses	1237.85	1,297.20	3614.79	5,083.59
Profit/(Loss) before exceptional items & tax	**3959.04**	**(78.79)**	**(1713.22)**	**(16,176.11)**
Share of Loss of a joint venture	(3.64)	32.36		
Exceptional items	(12695.46)	–	3832.55	509.12
(Loss) before tax	**(8736.42)**	**(78.79)**	**(5549.41)**	**(16,717.59)**
Tax Benefits/Expenses	449.02	370.33	3296.80	1,994.16
(Loss) for the year after tax	**(8287.40)**	**291.54**	**(2252.61)**	**(14,723.43)**
Other Comprehensive Income/(Loss) (net of tax)	**(4.89)**	**(3.66)**	**(725.23)**	**3,526,74**
Total Comprehensive Income for the year	**(8292.29)**	**287.88**	**(2977.84)**	**(11,196.69)**

1. Performance and Outlook

The Company's performance during the Financial Year 2018-19 (FY 18-19) on a standalone basis improved remarkably as compared to the previous financial year with all three segments viz. Wagons & Coaches, Specialised Equipment & Bridges and Shipbuilding recording substantial increase in revenue. Earnings from Shipbuilding during the FY 18-19 increased about three times against the previous fiscal owing to execution of the prestigious orders received from Indian Navy and National Institute of Ocean Technology (NIOT). Operating Income from Specialised Equipment & Bridges went up by about 58.4% and from Wagons & Coaches and Shipbuilding increased several times over the corresponding numbers respectively in the FY 17-18. However, the FY 18-19 on a standalone basis ended with loss due to exceptional item being provision, as a matter of prudence required to be made for impairment of the Company's investment in the Company's subsidiary in France consequent to it being referred for rehabilitation process.

On a consolidated basis, the Group's revenue during the FY 18-19 increased by 34.6% and EBIDTA was Rs. 8739.16 Lakhs against negative Rs.6686.54 lakhs in the previous financial year. Loss After Tax at Rs.2252.61 Lakhs during the financial year ended March 31, 2019 mainly due to the problems faced by the Company's subsidiary in France, reduced from Rs.14,723.43 Lakhs in the FY 17-18.

Indian Railway (IR) announced procurement of 11790 Wagons in December, 2018 and your Company was awarded order for 5058 Wagons valued at Rs.156087 Lakhs which is under execution as per schedule. IR has also issued another tender for 10168 Wagons during the current financial year and after reverse auction scheduled shortly, placement of the order is expected in this quarter.

Your Company has also participated and technically qualified in the tender announced by Maharashtra Metro Rail Corporation for Metro Coaches for Pune and the outcome is awaited. Your Directors' emphasis on achieving more efficient value chain, higher utilisation of capacity available with the Company and securing repeat orders for the products including from private sector customers is continuing consistently and the overall outlook for notable improvement in the consolidated financial performance during the current fiscal is on track.

The Directors had at their meeting held on May 30, 2019 (adjourned from May 29, 2019) approved a draft Scheme of Amalgamation for merger of Cimmco Limited- a subsidiary, Titagarh Capital Private Limited- a wholly owned subsidiary and Titagarh Enterprises Limited- a Group company (Transferor Companies No. 1, 2 & 3 respectively) with your Company (the Scheme) to leverage the synergistic advantages, rationalization, operational and cost optimization etc. subject to necessary approvals. As per the Scheme, the shareholders of the Transferor Company No. 1 shall be entitled to 13 equity shares of Rs.2/- each fully paid up for every 24 equity shares of Rs.10 each fully paid held by them and shareholders of the Transferor Company No. 3 shall be entitled to 11 equity shares of Rs.2/- each fully paid for every 13 Equity Shares of Rs.10 each fully paid up held by them on a record date to be determined, to be issued and allotted by Titagarh Wagons Limited. No consideration is payable in case of merger of the Transferor Company No. 2 (wholly owned subsidiary) since the shares held by your Company therein shall be cancelled.

The Board at its meeting held on August 14, 2019 has after review directed filing of the revised Scheme by excluding the Transferor Company No. 3 from the Scheme with the Stock Exchanges/Authorities concerned. The Scheme is, in opinion of the Board fair and in the interest of all stakeholders.

Management Discussion and Analysis

Overall Review

The overall performance of the Company during the financial year 2018-19 improved notably, however the exceptional item viz. provision required to be made for impairment of investment in and certain receivables from the subsidiary in France resulted in loss after exceptional item and tax.

On consolidated basis although revenue and segment results increased significantly, the exceptional item stated above resulted in negative bottomline, however your Company was able to substantially reduce the loss after tax as compared to the corresponding number in the previous financial year which were affected by one-time provision/write-off of losses incurred on account of re-estimation of certain long time contracts that were inherited along with the acquisition of the business in the Group's subsidiary in Italy and technical problem in the bogies hampering production at the other subsidiary in France.

Segment Review

₹ in lakhs

	Standalone			Consolidated		
Particulars	2018-19	2017-18	Change %	2018-19	2017-18	Change %
Segment Revenue (Gross)						
Wagons & Coaches	70499.41	23260.62	203.08	150538.42	118668.96	26.86
Specialised Equipment & Bridges	7352.70	4150.84	77.14	7352.70	4150.84	77.14
Shipbuilding	13151.65	3516.72	273.97	13151.65	3516.72	273.97
Others	7.52	723.87	-98.96	34.73	807.32	-95.70
Total	**91011.28**	**31652.05**	**187.54**	**171077.50**	**127143.84**	**34.55**

Segment Review *(Contd..)*

₹ in lakhs

	Standalone			Consolidated		
Particulars	2018-19	2017-18	Change %	2018-19	2017-18	Change %
Segment Results						
Wagons & Coaches	1689.25	18.83	8971	(803.25)	(11553.81)	-93.05
Specialised Equipment & Bridges	981.91	619.93	58.39	978.27	357.47	173.66
Shipbuilding	3159.69	549.08	475.45	3159.69	549.08	475.45
Others	(28.91)	248.84	-111.6	(218.88)	(1780.85)	-87.71
Total	**5838.66**	**1436.68**	**306.40**	**3151.83**	**(12428.11)**	**-125.4**
Total Profit/(Loss) before tax and interest	**(8736.42)**	**(78.79)**	**11088**	**(5549.41)**	**(16717.59)**	**-66.80**
Total Loss after tax	**(8287.40)**	**291.54**	**-2943**	**(2252.61)**	**(14723.43)**	**-84.7**

On a standalone basis, the Company has improved its overall performance with sales from Rs. 31652 Lakhs in FY17-18 to Rs. 91011 Lakhs in FY18-19 and EBIDTA from Rs.2082.86 Lakhs Crores in FY17-18 to Rs. 7586.91 Lakhs in FY1819 recording increase of 187.5% and 264.2% respectively. The Company achieved the highest standalone revenue during the FY 2018-19 since incorporation.

During the year, apart from the conventional Wagons where the Company continued to maintain its leadership position having bagged an order for 5058 wagons out of 11790 Wagons finalised for procurement by the Indian Railways, the Company also successfully launched three ships for the Indian Navy and National Institute of Ocean Technology. Further, a development order for train propulsion and electrical from Indian Railways was also received by the Company owing to the credentials and technology of its Italian subsidiary, Titagarh Firema S.p.A.

On a consolidated basis, the Group's revenue was up by about 34.5% during FY 2018-19 as compared to the previous financial year and the performance of the Company's subsidiary in Italy improved significantly. However, the profit of the Group was affected by the provision required for impairment of investment and certain receivables from the Company's subsidiary in France which had to be referred for rehabilitation proceedings.

Overseas Operating Subsidiaries

Titagarh Wagons AFR, France

Titagarh Wagons AFR (TWA) continued to face several financial and operational problems during the year under review resulting in a revenue of Euro 21.28 million as against Euro 39.53 million in the previous year and loss before tax (before exceptional items) of Euro 5.58 million as against a corresponding loss of Euro 5.84 million. The exceptional losses for the year were Euro 3.30 million bringing the total loss before tax of Euro 8.88 million as against Euro 5.84 million in the last year.

TWA had undertaken several restructuring steps inter alia change of the top management including the CEO in January 2019 and implemented several cost cutting and business improvement measures. However, before the benefit of the aforesaid restructuring could come about, TWA was required to be referred for rehabilitation process.

As a matter of prudence and precaution, the Board of TWL has decided to provide for impairment of 100% value of investment in the French subsidiary amounting to Euro 16 million. Reference having been made to the Commercial Court of Paris ('the Court'), the start of the process on 4th June, 2019 is deemed as the date from which TWA is no longer in control of the Company and by an order dated 13th August, 2019 the Court has approved transfer of business and assets of TWA to another bidder and ordered its liquidation.

Titagarh Firema SpA, Italy

Titagarh Firema S.p.A. (TFA), has made notable progress in curtailing the large losses made during FY 2017-18 and has reported a revenue of Euro 62 million against Euro 69.97 million in the previous financial year, with a positive EBIDTA (before exceptional items) of Euro 2.19 million against a loss of Euro 6.33 million last year. The PBT of TFA was Euro 2.4 million negative this year against Euro 12.58 million negative in FY 17-18 and the order book of TFA stood at around Euro 310 million.

TFA had also been able to optimise cost by consolidating the operations from 4 sites to 2 sites and is continuing to pursue consolidation and cost optimisation while participating in global tenders for securing more orders. TFA has excellent products and technology with the main site of production in Caserta being one of the largest train manufacturing sites in Europe. TFA has successfully executed all the legacy contracts acquired with the company, most of them being under technical and commercial disputes for more than 10 years. TFA has already absorbed the losses from executing these contracts which it considers as a part of the cost of acquisition. The Italian subsidiary is not only active in the European market, but also pursuing to participate with the Holding Company in the infrastructure projects in India.

Cimmco Limited - Operating subsidiary in India

The Wagons & Engineering Products segment recorded a commendable increase of 94.67% in turnover for FY 2018-19 as compared to the previous year basically due to increase in sale of wagons to the private customers and sale of Loco. The sale of wagons to the Indian Railways (IR) saw an increase of 12.92% as compared to previous year.

Order Book position

At the time of approval by the Board of the financial statements for FY 208-19, the order book of the Company on standalone basis stood at Rs. 2200 Crores as against Rs. 800 crores on the corresponding date in the previous year.

Cimmco Limited (Cimmco), the Indian subsidiary of the Company has the order book of Rs. 500 crores as against Rs. 400 crores in the previous financial year.

Thus the total order book of Titagarh and Cimmco combined was at Rs. 2700 crores and the Group order book at Rs.5500 crore which is the highest ever.

Industry overview of Business Segments

Wagons and Coaches

India has the world's fourth largest railway network comprising 119,630 kilometres of total track and 92,081 kilometres of running track over a route of 66,687 kilometres (by the end of FY16). The Indian Railways have a fleet of more than 2.51 lac wagons, 70,241 coaches and 11,112 locomotives. The traffic carried by the Indian Railways can be split into two segments: passenger and freight. Construction of the Eastern and the Western Dedicated Freight Corridors will lead freight volumes to more than double to 2,165 million tonnes by FY 2020. Increasing carrying capacity, cost effectiveness and improved quality of service will escalate railway's share of freight movement from 35% to 50% by 2020.

(Source: www.indianrailways.gov.in)

Government policy on rail network operations, cessation of providing fee supply items causing enhanced working capital requirement, unhealthy competition are some of the major challenges.

Outlook

The Government has set aside a sum of Rs. 8,56,020 crore to carry out medium-term structural reforms as well as infrastructure development such as electrification and expansion of the existing network, improving safety, increasing its fleet of rolling stock, providing for high speed rail and freight corridors and providing better passenger amenities. The Government of India has decided to create a Rs. 30,000 crore Rail India Development Fund (with assistance from World Bank). This will support commercially viable investment in the railway sector in India over the next seven years. The Indian Railways aims to be the engine for India's economic growth and development by aiming to earn gross revenues worth $44.5 billion by FY20.

Metro railways

Metro trains are rail-based mass rapid transit systems that operate on a privileged right-of-way – either underground or elevated over street level, separated from all other modes of transport in an urban area. Currently, there are eight operational metro systems in India. As of September 2016, India had 324 km of operational metro lines in the cities of Delhi and NCR, Gurgaon, Kolkata, Chennai, Bengaluru, Jaipur and Mumbai. A further 520-km-long lines are under construction and a further 553-km are under consideration. There has been a rapid increase in the expansion of urban mass transportation systems across India thanks to continued support from the Central and State Governments and multi-lateral development agencies.

Metro rail system enables large-scale, rapid and low-cost movement of people while causing very little pollution as compared to conventional modes of transport, only 35-40% in India's metropolitan cities have a metro rail network and Metro rails can also serve in old, congested and thickly populated areas where traffic is a major challenge

Making available the land for laying tracks, very large project expenditure, infrastructural issues are some of the major threats in Metro Coaches segment.

Outlook

Given rising urbanisation and increasing population levels in India, implementation of metro rail systems will become imperative as mass rapid transit systems are the best way to decongest traffic. The implementation of the 2017 Metro Rail Policy also augurs well for the sector.

Shipbuilding sector overview

The shipbuilding industry has a similar impact on the Indian economy as the infrastructure sector due to higher multiplier effect on investment and turnover (11.6 and 4.2 respectively) and high employment potential due to multiplier effect of 6.4. The shipbuilding industry is strategically important due to its role in national defense, energy security and for developing heavy engineering. As per a Ministry of Defence press release, at present all major warships and submarines under construction are being built at Indian shipyards (both PSU as well as Private Shipyards).

(Source: www.pib.nic.in)

Although the global shipping industry has been witnessing slowdown due to declining demand and overcapacity, the demand for various vessels and barges etc. from the Government establishment/Indian Navy offsets to certain extent the challenge.

Outlook

The revival of the shipbuilding sector is a key part of the Central Government's Make in India initiative. Participation in various tenders is continuing and new orders are expected, though gradually on the basis of the 10-year policy package. The Central Government is targeting to increase India's share of the global shipbuilding industry from current levels of 0.45% to 5% by 2020.

Discussion on Financial Performance with respect to Operational Performance

Continuing focus of the management is consistently on undertaking better manufacturing processes, improved productivity and optimization of resource for improvement in performance aimed at achieving results better than the trend witnessed in the industries in which the Company operates. Viewed in this backdrop, the Company's performance for the year under review is considered to be in line with the circumstances prevailing.

Overall outlook for the current year

In addition to the healthy order book as on date, the Company's focussed approach on consolidating its prominent position in the Rolling Stock sector coupled with the access to strong technology for Metro Coaches through its subsidiary in Italy and diversified product portfolio, strategy of innovative ways to cater to its customers and preparedness to seize opportunity in products/projects for defence establishment of India make the outlook for the current year encouraging.

Key Financial Ratios

As stipulated in the Regulation 34(3) of SEBI (LODR) Regulations, 2015, as amended, the Company is required to give the following:

(a) Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios or sector specific ratios, along with detailed explanations therefor:

Sl.	Key Financial Ratios	2018-19	2017-18	Difference (%)
1	Debtors Turnover Ratio (%)	30.60	49.10	37.68%
2	Inventory Turnover Ratio (%)	24.17	42.39	42.98%
3	Interest Coverage Ratio (times)	3.17	2.41	31.53%
4	Current Ratio (times)	1.31	1.76	25.57%
5	Debt Equity Ratio	0.22	0.11	100%
6	Operating Profit Margin (%)	8.6	6.6	30.30%
7	Net Profit Margin (%)	(9.11)	0.93	(1079)%

Notes on significant changes in financial ratios where change is > 25%:

1&2.Better Working capital Utilization

3. Increase is due to increase in WCDL and CC facility and increase in interest thereon.
4. Current ratio, though it has deteriorated, it is within the permissible standards.
5. Increase is due to change in operating method of the company. Earlier TWL used to get free supply of material for manufacturing of Wagons. Now we are asked to procure on our own which has led to increase in borrowing thus increasing the Debt Equity ratio.
6. Operating profit margin has increased due to increase in sales and better profit margins on new contracts.
7. Would like to draw your attention towards profit before exceptional items wherein we are making an increase in profit of 367.75%. Exceptional items includes written off of investment and other receivables amount of France subsidiary last year.

(b) details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof:

Key Financial Ratios	2018-19	2017-18	Difference (%)
Return on Net Worth (%)	(10.86)	(0.1)	48.2%

Notes on significant changes in financial ratios where change is > 25%: The return on Net Worth before exceptional item is a positive 4.92%. The negative return mentioned here is due to exceptional item i.e. write off of investment and receivables relating to French subsidiary.

3. Dividend

The Board of Directors at its meeting held on 30th May, 2019 has recommended dividend of 15% i.e. Re. 0.30 per equity share of Rs. 2/- each fully paid up for the Financial Year ended 31st March, 2019 subject to declaration by shareholders at the ensuing Annual General Meeting.

4. Employee Stock Options Scheme/Change in Share Capital

Pursuant to approval of the shareholders, the Nomination and Remuneration Committee (also functioning as Compensation Committee) at its meetings held on March 4, 2015 and May 19, 2017 in accordance with the TWL Employees Stock Options Scheme, 2014 (ESOS) granted to the eligible employees 5,00,000 options each respectively, to be converted into equivalent number of equity shares of Rs. 2/- each fully paid as per the ESOS.

Options resulting in 15,950 equity shares, 11,000 equity shares and 600 equity shares allotted on June 20, 2018, September 12, 2018 and December 28, 2018 respectively to the eligible employees upon exercise by them in conformity with ESOS led to increase in the paid up equity share capital to Rs. 23,10,55,840/- as at 31st March, 2019 consisting of 11,55,27,920 equity shares of Rs. 2/- each fully paid up. Further, 35,000 equity shares and 43,250 equity shares were allotted on 3rd April, 2019 and 18th June, 2019 respectively, which increased the paid up equity share capital to Rs. 23,12,12,340/- consisting of 11,56,06,170 equity shares of Rs. 2/- each fully paid up. The equity shares so allotted rank pari-passu with the existing equity shares of the Company.

The disclosures as required under Regulation 14 of Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 have been placed on the corporate website of the Company www.titagarh.in

5. Material Changes and Commitments after the balance sheet date:

No material changes and commitments have occurred since the date of close of the financial year, to which the financial statements relate, till the date of this report, which might affect the financial position of the Company.

6. Investor Education Protection Fund (IEPF)

As stipulated by the applicable provisions of the Companies Act, 2013 ('the Act') read with IEPF (Accounting, Audit, Transfer & Refund) Rules, 2016, as amended ('the IEPF Rules') all unpaid or unclaimed dividend required to be transferred by the Company to the IEPF has been/ shall be transferred, details whereof are provided on the Company's website: www.titagarh.in.

Pursuant to the provisions of Section 124(6) of the Act read with the IEPF Rules, all the shares on which dividends remain unpaid or unclaimed for a period of seven consecutive years or more shall be transferred to the demat account of the IEPF Authority ('IEPF Account') as notified by the Ministry of Corporate Affairs. In accordance with the said provisions, the Company had executed and submitted the necessary documents for transfer of 3,907 equity shares of Rs. 2/- each, to the IEPF account, on 21st September 2018, in respect of which dividend had not been claimed by the members for seven consecutive years or more as on the cut-off date, i.e. 25th August, 2018. The details of all shares transferred to the IEPF Account are uploaded on the Company's website.

The Company has identified 178 shareholders holding 2397 equity shares in aggregate, who have not claimed their dividend consecutively since FY 2011-12 and therefore shares held by them are liable to be transferred to the IEPF Account (Due date of transfer: 13/10/2019). The Company had sent individual notices on 13/07/2019 through Registered Post to the concerned 178 shareholders with information regarding transfer of their shares and final reminder for taking appropriate action for claiming the dividend unclaimed on their shares. Newspaper advertisement was also published in this regard. The details of such shareholders are uploaded on the Company's website.

7. Transfer to Reserves

There being no surplus, no amount is proposed to be transferred for the year under review to the general reserves.

8. Risk Management, Risks and Concerns

A Risk Management Policy to identify and assess the key risk areas, monitor mitigation measures and report compliance has been adopted. Based on a review, major elements of risks have been identified and are being monitored for effective and timely mitigation.

Risk management is an integral part of the Company's risk management policy adopted by the Board with periodic review by the Audit Committee and the Board. Prudence and conservative dealing with risks is at the core of risk management strategy being followed by the Company. The risks, both internal and external to which the Company is exposed to include macro-economic, regulatory, strategic, financial, operational, value chain, human resources etc. and each of them is taken into consideration for development and maintaining of a robust mechanism for mitigation which is evolving with time and circumstances within which the Company operates.

9. Subsidiary Companies and Joint Venture

A report containing the details required under Section 134 of the Companies Act, 2013 ('the Act') read with Rule 8(1) of the Companies (Accounts) Rules, 2014 in respect of performance and financial position for the financial year ended March 31, 2019, of subsidiaries: Cimmco Limited, Titagarh Capital Private Limited, Titagarh Wagons AFR, France, Titagarh Singapore Pte. Ltd., Singapore and Titagarh Firema SpA and Joint Venture Company: Matiere Titagarh Bridges Private Limited included in the Consolidated Financial Report (CFS) in the Form AOC-1 is annexed to this Report and marked as Annexure DR-2. The CFS is attached to this Annual Report.

A joint venture Company: Titagarh Mermec Private Limited has been set up in India on 18th July, 2018 with equal stake in its equity of Mermec SpA, Italy (Mermec) and your Company, for marketing, manufacturing and selling diagnostic and signalling systems for railway infrastructure and auxiliary products and equipment parts related thereto in the Territories viz. India, Nepal, Bangladesh, Myanmar, Bhutan, Sri Lanka and any other market with credit line from India.

10. Extract of Annual Return

The details forming part of the extract of the annual return in the Form MGT-9 are uploaded on the website of the Company www.titagarh.in (http://titagarh.in/annual-reports.php). The same is also annexed with this report.

11. Number of Board Meetings

The Board of Directors met Five (5) times during the financial year 2018-19 as per the details provided in the Corporate Governance Report forming part of Annual Report.

12. Loans, Guarantee and Investments

Particulars of loans, guarantees and investments made by the Company pursuant to the Section 186 of the Act are furnished under notes to financial statements. The Company has been informed that the said loan, guarantee and security are proposed to be utilised by each recipient for its general business/corporate purposes.

13. Significant and Material orders

There were no material/significant orders passed by any regulator, tribunal impacting the going concern status and the Company's operations in future.

14. Composition of Audit Committee

The Audit Committee constituted by the Board has Shri D N Davar as Chairman and Shri Manoj Mohanka, Shri Ramsebak Bandyopadhyay and Shri Atul Joshi as the members. Further details are provided in the Corporate Governance Report.

During the year all recommendations made by the Audit Committee were accepted by the Board.

15. Related Party Transactions

All Related Party Transactions (RPTs) are entered into by the Company pursuant to compliance with the applicable laws and also in accordance with the policy adopted by the Board. Audit Committee reviews and approves all the RPTs as stipulated by the SEBI (LODR) Regulations, 2015 and based thereon final approval of the Board is obtained. The particulars of contracts or arrangements with related parties referred to in section 188(1) of the Act and as mentioned in form AOC-2 of the Rules prescribed in the Companies (Accounts) Rules, 2014 under the Act are annexed hereto and marked as Annexure DR-3.

16. Corporate Governance Report

The Company has complied with the corporate governance requirements under the Act and SEBI (LODR) Regulations, 2015. A separate section on Corporate Governance under Listing Regulations along with a certificate from a Company Secretary in Practice confirming compliance is annexed to and forms part of the Annual Report.

17. Internal Control System

The Company has system of internal controls and necessary checks and balances so as to ensure

a. That its assets are safeguarded
b. that transactions are authorised, recorded and reported properly; and
c. that the accounting records are properly maintained and its financial statements are reliable.

The Company has appointed external firm of Chartered Accountants to conduct internal audit whose periodic reports are reviewed by the Audit Committee and management for bringing about desired improvement wherever necessary.

18. Vigil Mechanism

A fraud and corruption free environment as part of work culture of the Company is the objective and with that in view a Vigil Mechanism Policy has been adopted by the

Board which is uploaded on the web site of the Company at www.titagarh.in. No complaint of this nature has been received by the Audit Committee during the year under review.

19. Internal Complaints Committee

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the further details of which are given in the Corporate Governance Report. No complaint was lodged with the Committee during the financial year 2018-19.

20. Directors and Key Managerial Personnel

Pursuant to the recommendation of the Nomination and Remuneration Committee (NRC) and the Board of the Company, the members of the Company at the 21st Annual General Meeting (AGM) held on 29th September, 2018 had passed special resolutions for the re-appointment of Shri D.N. Davar, Shri Manoj Mohanka and Shri Sunirmal Talukdar as Independent Directors for a further term of 5 (five) years w.e.f. April 1, 2019.

Mr. Vincenzo Soprano, Non-Executive Director, who was appointed as Additional Director by the Board at its meeting held on 28th October, 2017 to hold office upto the date of the 21st AGM of the Company vacated his office on 29th September, 2018 i.e. the date of the 21st AGM of the Company. Shri Sunirmal Talukdar, Independent Director, tendered his resignation from the Directorship of the Company on 13th October, 2018 owing to his personal reasons.

Pursuant to the recommendation of the NRC, the Board at its meeting held on 29th May, 2019 appointed Shri Anil Kumar Agarwal as Additional Director of the Company, designated as Director (Finance) and Chief Financial Officer. The Board has recommended necessary resolution at the ensuing 22nd AGM for the appointment of Shri Anil Kumar Agarwal as Director (Finance) for a term of 5 years w.e.f. 29th May, 2019.

Shri Umesh Chowdhary, Vice Chairman & Managing Director, retires by rotation at the ensuing AGM pursuant to the provisions of Section 152 of the Act and is eligible for re-appointment.

The information prescribed by SEBI (LODR) Regulations, 2015 in respect of the above named Directors is given in the Notice of Twenty Second Annual General Meeting.

During the year under review, there was no change in the Key Managerial Personnel of the Company.

21. Evaluation of the Board's performance, Committee and Individual Directors

In compliance with the Act and SEBI (LODR) Regulations, 2015, the performance evaluation of the Board, Committees and Individual Directors was carried out during the FY 2018-19 as per the details set out in Corporate Governance Report.

22. Declaration by Independent Directors

Declarations pursuant to the Sections 164 and 149(6) of the Act and SEBI (LODR) Regulations, 2015 and affirmation of compliance with the Code of Conduct as well as the Code for Regulation of Insider Trading adopted by the Board, by all the Independent Directors of the Company have been made.

23. Remuneration Policy and remuneration

A policy approved by the Nomination and Remuneration Committee and adopted by the Board is practiced by the Company on remuneration of Directors and Senior Management Employees, as per the details set out in the Corporate Governance Report.

24. Directors' Responsibility Statement

The Directors state that:

- Appropriate Accounting Standards as are applicable to the Annual Statement of Accounts for the financial year ended March 31, 2019 had been followed in preparation of the said accounts and there were no material departures therefrom requiring any explanation;
- The directors had selected and followed the accounting policies as described in the Notes on Accounts and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year and of the loss of the Company for that period;
- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The directors had prepared the Annual Accounts on a going concern basis; and
- The directors had laid down internal financial controls (IFC) to be followed by the Company and that such IFC are adequate and operating effectively.
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

25. Statutory Auditors

Price Waterhouse & Co Chartered Accountants LLP, Chartered Accountants (FRN 304026E/E-300009), were appointed as Statutory Auditors of the Company at the 20th AGM until the conclusion of 25th AGM, subject to ratification of their appointment at the AGM every year. In view of the amendment under the provisions of section 139 of the Companies Act, 2013, the members passed a resolution in the 21st Annual General Meeting held on 29th September, 2018 to dispense away the requirement of ratification of appointment.

The Auditors' Report on the standalone financial statement for the year ended 31st March, 2019 does not contain any qualification, reservation or adverse remark.

26. Consolidated Financial Statements

In accordance with IND-AS 24 issued by the Institute of Chartered Accountants of India, consolidated financial accounts prepared on the basis of financial statements received from subsidiary companies as approved by their respective Boards, form part of this Report & Accounts.

The Auditors' in their Report dated 30th May, 2019 on the Consolidated Financial Statement of the Company for the year ended 31st March, 2019, had expressed a qualified opinion in regard to the public shareholding in Cimmco Limited, the Company's subsidiary ('Cimmco') being less than 25%. In this regard, the Company had submitted the Statement on impact of audit qualifications to the Stock Exchanges on 30th May, 2019 wherein inter-alia, the following was explained:

- The public shareholding in Cimmco had fallen below 25% due to the allotment of further shares by Cimmco to Titagarh Wagons Limited ('the Company'), the only shareholder of Titagarh Agrico Private Limited ('TAPL'), pursuant to the Scheme of Amalgamation of TAPL with Cimmco sanctioned by an Order of the Hon'ble National Company Law Tribunal (NCLT) effective from 14th November, 2017.
- Although the allotment was made on 02/12/2017, the 72,00,000 equity shares so allotted could be credited to the Company's demat account only on May 25, 2018 after the requisite listing approvals were received.
- The Company came out with two Offers for Sale (OFS) on 14/11/2018 and 26/12/2018, but due to low demand, could sell only 557,968 shares representing 2.04% of the share capital of Cimmco.
- It was decided to issue the third OFS in early May 2019, however BSE has advised that the Company must wait for trading window to re-open before making the OFS.
- In view of the above it is clear that the achievement of Minimum Public Shareholding was pending due to factors beyond the control of the promoter/Cimmco.

The Directors are now pleased to inform that the third OFS made on 6th and 7th June, 2019 was oversubscribed in both Retail and Non Retail Categories and as a result, the Minimum Public Shareholding of 25% in Cimmco has been achieved and the aforesaid qualified opinion stands addressed. The promoters' holding in Cimmco now stands at 74.99% which includes the Company's holding of 74.89%.

27. Cost Auditors

M R Vyas & Associates, Cost Accountants, have been reappointed as Cost Auditors to conduct cost audit of the accounts maintained by the Company in respect of the products manufactured by the Company, for the Financial Year 2018-19 subject to ratification of their remuneration by the shareholders in accordance with the provisions of Section 148 of the Act and the Companies (Cost Records and Audit) Rules, 2014. The Cost Audit Report for the financial year ended 31st March, 2019 would be filed as stipulated by the applicable provisions of law. The Company is making and maintaining the accounts and cost records as specified by the Central Government under the provisions of Section 148(1) of the Act.

28. Secretarial Auditor

Secretarial Audit has been conducted by Vanita Sawant & Associates, Practicing Company Secretaries appointed by the Board and their report is annexed hereto and marked as Annexure DR-4. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

29. Deposits

The Company did not accept any deposits covered under Chapter V of the Companies Act, 2013 during the financial year ended March 31, 2019.

30. Particulars of Remuneration of Directors/KMP/ Employees

Disclosure 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 (the Rules) is annexed and marked as Annexure DR-5. The information pursuant to Rules 5(2) and 5(3) of the Rules not annexed to this Report, is readily available for inspection by the members at the Company's Registered Office between 10.30 A.M. to 1 P.M. on all working days upto the date of ensuing AGM. Should any member be interested in obtaining a copy including through email (corp@titagarh.in), may write to the Company Secretary at the Company's Registered office.

Human Resources

A. Empowering the employees

The Company considers its organizational structure to be evolving consistently over time while continuing with its efforts to follow good HR practices. Adequate efforts of the staff and management personnel are directed on imparting continuous training to improve the management practices.

B. Industrial Relations

Industrial relations at all sites of the Company remained cordial.

C. No. of Employees

Manpower employed as at March 31, 2019 was 586.

31. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

A statement pursuant to Section 134(3)(m)of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 on conservation of energy, technology absorption, foreign exchange earnings and outgo is annexed to and marked as Annexure DR-6.

32. Corporate Social Responsibility

A report on Corporate Social Responsibility (CSR) activities undertaken during the financial year ended March 31, 2019 pursuant to the provisions of Section 135 of the Act and rules made thereunder is annexed to this Board's Report and marked as Annexure DR-7.

Apart from the above, the Company makes, inter alia, donations to the charitable institutions directly and through philanthropic organisations engaged in providing medical, education and other reliefs to the economically weaker sections of the society. Industrial Training Institute (the "ITI") set up on the Company's land at Titagarh plant situate in Barrackpore, North 24 Parganas under Private Public Partnership (PPP) is yet another area. The ITI with access to the requisite infrastructure provided by the Company imparts hands-on training to the local people. A large number of students in various batches have passed and significant number of them are engaged in various jobs in the industry. The ITI has been recognised by the State Government as one of the best in the country and it caters to the requirement of skilled workmen by industrial units.

33. Listing

The Company's Equity Shares are listed at the BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE). The listing fees for the financial year ending on March 31, 2020 have been duly paid.

34. Compliance with Secretarial Standards

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government under Section 118 (10) of the Act.

35. Forward Looking Statement

The statements in this report describing the Company's policy, strategy, projections, estimation and expectations may appear forward looking statements within the meaning of applicable securities laws or regulations. These statements are based on certain assumptions and expectations of future events and the actual results could materially differ from those expressly mentioned in this Report or implied for various factors including those mentioned in the paragraph "Risks and Concerns" herein above and subsequent developments, information or events.

36. Acknowledgement

The Directors place on record their appreciation of the cooperation and support extended by the Government, Banks/Financial Institutions and all other business partners and the services rendered by the employees.

For and on behalf of the Board

Kolkata
August 14, 2019

J P Chowdhary
Executive Chairman

Annexure DR - 1

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with
rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/ joint ventures

Part - A : Subsidiaries

Sl. No.	1	3	4	5	6
Name of the subsidiary Pvt. Ltd.	Titagarh Capital Limited	Cimmco Limited	Titagarh Firema S.p.A., Italy	Titagarh Wagons AFR, France	Titagarh Singapore Pte. Ltd.
Date since when subsidiary was acquired	13.10.2008	16.04.2014	30.06.2015	18.06.2010	22.08.2008
Reporting period for the subsidiary concerned, if different from the holding company'sreporting period	–	–	–	–	–
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of Foreign subsidiaries	Rs./Lakhs	Rs./Lakhs	EURO Rs. 77.7024	EURO Rs. 77.7024	EURO Rs. 77.7024
Share capital	4000.00	2734.85	7672.28	7115.70	12741.98
Reserves & surplus	(1465.63)	11144.70	(5786.22)	6211.11	(6037.68)
Total assets	3042.51	40280.96	25502.57	88700.95	23821.03
Total Liabilities	3042.51	40280.96	25502.57	88700.95	23821.03
Investments	1500.00	0.25	–	–	19225.26
Turnover	65.56	25718.56	50264.69	15148.66	–
Profit before taxation	(16.13)	103.98	(1969.46)	(7183.05)	(6108.14)
Provision for taxation	–	(2676.70)	(173.96)	(2.88)	–
Profit after taxation	(16.13)	2780.68	(1795.50)	(7185.93)	(6108.14)
Proposed Dividend	–	–	–		
% of shareholding	100.00	79.37	100.00	100.00	100.00

Notes:

1. Names of subsidiaries which are yet to commence operations: Nil
2. Names of subsidiaries which have been liquidated or sold during the year: Nil
3. The above numbers have been taken from Standalone Financial Statements of the respective subsidiaries (The above does not include any inter Company eliminations).

Part – "B": Associates and Joint Ventures

Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Sl. No.	1	2
Name of Associates/ Joint ventures	Matiere Titagarh Bridges Private Limited	Titagarh Mermec Private Limited
1. Latest audited* Balance Sheet Date	31/03/2019	–
2. Date on which the Associate or Joint Venture was associated or acquired	02/01/2017	18/07/2018
3. Shares of Associates or Joint Ventures held by the company on the year end:		
No.	7,54,882	5,000
Amount of investment in Associates or Joint Ventures	Rs. 75.49 lakhs	Rs. 50,000
Extent of Holding (in percentage)	50%	50%
4. Description of how there is significant influence	50% of the paid up Equity capital is held by the Company	50% of the paid up Equity capital is held by the Company
5. Reason why the associate/ joint venture is not consolidated	N.A.	N.A.
6. Net worth attributable to Shareholding as per latest Audited Balance Sheet	Rs. 33.70 Lakhs	–
7. Profit/ (Loss) for the year	Rs. (7.27) Lakhs	–
i. Considered in Consolidation	Rs. (3.64) Lakhs	–
ii. Not Considered in Consolidation	Rs. (3.64) Lakhs	–

* as certified by the Management.

Notes :

1. Names of associates or joint ventures which are yet to commence operations: Titagarh Mermec Private Limited
2. Names of associates or joint ventures which have been liquidated or sold during the year: Nil

For and on behalf of the Board of Directors of Titagarh Wagons Limited

J P Chowdhary
Executive Chairman

Umesh Chowdhary
Vice Chairman and Managing Director

Atul Joshi
Director

Place: Kolkata
Dated : May 30, 2019

Manoj Mohanka
Director

Anil Kumar Agarwal
Director (Finance) & CFO

Dinesh Arya
Company Secretary

Annexure DR-2

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
as on the financial year ended 31st March, 2019
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

1	CIN	L27320WB1997PLC084819
2	Registration Date	03.07.1997
3	Name of the Company	Titagarh Wagons Limited
4	Category/Sub-category of the Company	Company Limited by Shares/ Indian Non-Government Company
5	Address of the Registered office and contact details	756, Anandapur, E M Bypass, Kolkata -700107 Contact: +91 33 40190800, Fax: +91 33 40190823E E-mail: corp@titagarh.in
6	Whether listed company	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent	Karvy Fintech Private Limited (Forermly : KPCL Advisory Services Pvt. Ltd.) Karvy Selenium Tower B, Plot No.31-32, Gachibowli Financial District, Nanakramguda, Hyderabad-500032 Telephone: +91 040 6716 2222

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated (Based on Audited Financial Results 2018-19)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the Company
1	Wagons & Coaches	3020	77.46%
2	Shipbuilding	3011	14.45%
3	Specialized Equipments & Bridges	4210	8.08%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

Sl. No.	Names and Address of Company	CIN	Holding/Subsidiary/ Associate	Percentage of Shares held	Applicable Section
1	Titagarh Capital Private Limited 756, Anandapur, E M Bypass Kolkata- 700107	U01122WB1994PTC138832	Subsidiary	100.00%	2(87)
2	Titagarh Singapore Pte Ltd 391B Orchard Road #23-01 Ngnee Ann City Tower-B, Singapore-238874	Company incorporated outside India	Subsidiary	100.00%	2(87)
3	Titagarh Wagons AFR 12 rue de la Chaussee d Antin Paris-750009	Company incorporated outside India	Subsidiary	100.00%	2(87)
4	Cimmco Limited 756, Anandapur, E M Bypass Kolkata- 700107	L28910WB1943PLC168801	Subsidiary	79.37%	2(87)
5	Titagarh Firema SpA Caserta, Via Provinciale Appia 8/10, Localita Pontecelice Rome (Italy)	Company incorporated outside India	Subsidiary	100.00%	2(87)
6	Matiere Titagarh Bridges Pvt. Ltd. 756, Anandapur, E M Bypass Kolkata- 700107	U28900WB2017PTC218811	Joint Venture Company	50.00%	2(6)
7	Titagarh Mermec Private Limited 756, Anandapur, E M Bypass, Kolkata- 700107	U29309WB2018PTC227080	Joint Venture Company	50.00%	2(6)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2018				No. of Shares held at the end of the year 31.03.2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1. Indian									
a. Individual/HUF	31168175	Nil	31168175	26.99	31168175	Nil	31168175	26.98	(0.01)*
b. Central Govt.	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
c. State Govt.	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
d. Bodies Corp.	21670165	Nil	21670165	18.76	21670165	Nil	21670165	18.76	N.A
e. Bank/FI	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
f. Any other	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
Sub-Total-A(1)	**52838340**	**Nil**	**52838340**	**45.75**	**52838340**	**Nil**	**52838340**	**45.74**	**(0.01)**
2. Foreign									
a. NRI-Individuals	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
b. Other Individuals	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
c. Body Corporate	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
d. Bank/FI	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
e. Any Other	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	N.A
Sub-Total-A(2)	**Nil**	**Nil**	**Nil**	**N.A**	**Nil**	**Nil**	**Nil**	**N.A**	**N.A**
Total Shareholders of Promoters (1+2)	**52838340**	**Nil**	**52838340**	**45.75**	**52838340**	**Nil**	**52838340**	**45.74**	**(0.01)**
B. Public Shareholding									
1. Institution									
a. Mutual Funds	11428781	Nil	11428781	9.90	10742492	Nil	10742492	9.30	(0.60)
b. Bank/FI	537253	Nil	537253	0.47	801696	Nil	801696	0.69	0.22
c. Cent. Govt./ State Govt.	Nil	Nil	Nil	N.A	Nil	Nil	Nil	Nil	Nil
d. Venture Capital	Nil	Nil	Nil	N.A	Nil	Nil	Nil	Nil	Nil
e. Insurance Co.	Nil	Nil	Nil	N.A	Nil	Nil	Nil	Nil	Nil
f. FIIs	Nil	Nil	Nil	N.A	Nil	Nil	Nil	Nil	Nil
g. Foreign Portfolio Corporate	5489058	Nil	5489058	4.75	3630025	Nil	3630025	3.14	(1.61)
h. Foreign Venture Capital Fund	Nil	Nil	Nil	N.A	Nil	Nil	Nil	Nil	Nil
i. Others	Nil	Nil	Nil	N.A	Nil	Nil	Nil	Nil	Nil
Sub Total B(1)	**17455092**	**Nil**	**17455092**	**15.11**	**15174213**	**Nil**	**15174213**	**13.13**	**(1.98)**
2. Non-Institution									
a. Body Corp									
(i) Indian	7392025	Nil	7392025	6.40	6731259	Nil	6731259	5.83	(0.57)
(ii) Overseas	Nil	Nil	Nil	N.A	Nil	Nil	Nil	N.A	Nil
b. Individual									
i. Individual Shareholders holding nominal share capital up to Rs. 1 Lakh.	28755844	25225	28781069	24.92	32445891	23555	32469446	28.11	3.19

*There is no transfer or disposal of shares, the change is due to increase in the paid up capital of the Company as a result of allotment of shares to eligible employees upon exercise of ESOP

Category of Shareholders	No. of Shares held at the beginning of the year 01.04.2018				No. of Shares held at the end of the year 31.03.2019				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
ii. Individual Shareholders holding nominal share capital in excess of Rs. 1 Lakh.	6631859	Nil	6631859	5.74	6407272	Nil	6407272	5.55	(0.19)
C. Others									
(i) NBFCs registered with RBI	50089	Nil	50089	0.04	141099	Nil	141099	0.12	0.08
(ii) Clearing Members	251886	Nil	251886	0.22	161901	Nil	161901	0.14	(0.08)
(iii) Foreign Bodies	Nil	Nil	Nil	N.A.	Nil	Nil	Nil	N.A.	N.A.
(iv) Foreign Bodies Corporate	Nil	88060	88060	0.08	Nil	88060	88060	0.08	Nil
(v) Non Resident Indians	1985390	Nil	1985390	1.72	1285863	Nil	1285863	1.28	(0.61)
(vi) Trust	1950	Nil	1950	0.00	1950	Nil	1950	0.00	Nil
(vii) IEPF	19607	Nil	19607	0.02	23514	Nil	23514	0.02	Nil
(viii)Beneficial Holdings under MGT-4	5003	Nil	5003	0.00	5003	Nil	5003	0.00	Nil
Sub-Total-B(2)	**45093653**	**113285**	**45206938**	**39.14**	**45917889**	**111615**	**46029504**	**39.85**	**0.71**
Net Total (1+2)	**62548745**	**113285**	**62662030**	**54.25**	**62577965**	**111615**	**62689580**	**54.25**	**0.32**
c. Shares held by Custodian for GDRs & ADRs	**Nil**	**Nil**	**Nil**	**N.A**	**Nil**	**Nil**	**Nil**	**N.A**	**N.A**
Grand Total (A+B+C)	**115387085**	**33224101**	**115500370**	**100.00**	**115416305**	**111615**	**115527920**	**100.00**	

(ii) Shareholding of Promoters

Sl. No.	Share Holders' Names	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Titagarh Capital Management Services Private Limited	21670165	18.76	Nil	21670165	18.76	Nil	Nil
2	Smt. Savitri Devi Chowdhary	18116035	15.68	Nil	18116035	15.68	Nil	Nil
3	Smt. Rashmi Chowdhary	12816105	11.10	Nil	12816105	11.09	Nil	(0.01)*
4	Shri J P Chowdhary	156540	0.14	Nil	156540	0.14	Nil	Nil
5	Shri Umesh Chowdhary	77530	0.07	Nil	77530	0.07	Nil	Nil
6	Smt.Vinita Bajoria	80	0.00	Nil	80	0.00	Nil	Nil
7	Smt. Sumita Kandoi	85	0.00	Nil	85	0.00	Nil	Nil
8	Smt. Bimla Kajaria	1800	0.00	Nil	1800	0.00	Nil	Nil
	Total	**52838340**	**45.75**	**Nil**	**52838340**	**45.74**	**Nil**	**(0.01)**

*There is no transfer or disposal of shares, the change is due to increase in the paid up capital of the Company as a result of allotment of shares to eligible employees upon exercise of ESOP

(iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	52838340	45.75	52838340	45.75
2.	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease(e.g. allotment/ transfer/bonus/ sweat equity etc)	Nil	Nil	52838340	45.74
3.	At the End of the year	52838340	45.74	52838340	45.74

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

Sl. No.	Top Ten Shareholders	Shareholding at the beginning of the year 1.4.18		Shareholding at the end of the year 31.3.19	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	HDFC TRUSTEE COMPANY LIMITED - HDFC PRUDENCE FUND	6151556	5.33	Nil	N.A.
2.	POLUNIN EMERGING MARKETS SMALL CAP FUND, LLC	1665402	1.44	1728526	1.50
3.	HDFC SMALLCAP FUND	1509045	1.31	Nil	N.A.
4.	AKASH BHANSALI	1435745	1.24	1435745	1.24
5.	HDFC TRUSTEE COMPANY LTD - HDFC CORE AND SATELLITE	1755900	1.52	Nil	N.A.
6.	AADI FINANCIAL ADVISORS LLP	1082694	0.94	1082694	0.94
7.	HDFC TRUSTEE COMPANY LIMITED - HDFC CAPITAL BUILDER FUND	1005900	0.8713	10742012	9.30
8.	LATA BHANSHALI	965000	0.8358	Nil	N.A.
9.	MEENU BHANSHALI	820312	0.7105	820312	0.71
10.	EMERGING MARKETS CORE EQUITY PORTFOLIO (THE PORTFOLIO) OF DFA INVESTMENT DIMENSIONS GROUP INC. (DFAIDG)	608236	0.5268	530117	0.46
11.	MANGAL BHANSALI	965000	0.84	965000	0.84
12.	PAYAL BHANSALI	604500	0.52	604500	0.52
13.	BLUE LOTUS INVESTMENT FUND	Nil	Nil	435496	0.37
14.	THE ORIENTAL INSURANCE CO. LTD	Nil	Nil	432160	0.37

(v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Top Ten Shareholders	Shareholding at the beginning of the year 1.4.18		Shareholding at the end of the year 31.3.19	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
1.	Shri J P Chowdhary	156540	0.14	156540	0.14
2.	Shri Umesh Chowdhary	77530	0.07	77530	0.07
3.	Smt. Rashmi Chowdhary	12816105	11.10	12816105	11.09
4.	Shri Sudipta Mukherjee	12500	0.01	12500	0.01
5.	Shri Anil Kumar Agarwal	25000	0.02	26000	0.02
6.	Shri Dinesh Arya	12500	0.01	13100	0.01

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (Rs/Lacs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	9916.30	–	–	9916.30
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	
Total of (1+2+3)	**9916.30**	**–**	–	**9916.30**
Change in Indebtedness during the financial year				
+Addition	9421.36	–	–	9421.36
-Reduction	1744.62	–	–	1744.62
Net Change	7676.74	–	–	7676.74
Indebtedness at theend of the financial year				
i) Principal Amount	17593.04	–	–	17593.04
ii) Interest due but not paid	–	–	–	–
iii) Interest accrued but not due	–	–	–	–
Total of (1+2+3)	**17593.04**	**–**	–	**17593.04**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL Rs.

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Shri J P Chowdhary	Shri Umesh Chowdhary	Shri Sudipta Mukherjee	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	2,57,28,000/-	2,57,28,000/-	36,14,568/-	5,50,70,568/-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	430,668/-	430,668/-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	
4.	Commission- as % of profit- others, specify…	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	
	Total (A)	**2,57,28,000/-**	**2,57,28,000/-**	**40,45,236/-**	**5,55,01,236/-**
	Ceiling as per the Act				

Note: Shri J P Chowdhary and Shri Umesh Chowdhary have not drawn any remuneration from any of the subsidiary companies.

B. Remuneration to other directors:

Rs.

Particulars of Remuneration Name of Directors	Name of Directors Independent Directors					Total Amount
	Shri D N Davar	Shri Manoj Mohanka	Shri Sunirmal Talukdar	Shri Ramsebak Bandyopadhyay	Shri Atul Joshi	
Fee for attending board committee meetings:	4,50,000/-	8,50,000/-	2,40,000/-	8,10,000/-	5,30,000/-	
Commission	Nil	Nil	Nil	Nil	Nil	
Others	Nil	Nil	Nil	Nil	Nil	
Total (1)	**4,50,000/-**	**8,50,000/-**	**2,40,000/-**	**8,10,000/-**	**5,30,000/-**	**28,80,000/-**
Non-Executive Director	**Name of Directors**					
Name of Directors	Smt. Rashmi Chowdhary	Mr. Vincenzo Soprano				
Fee for attending board committee meetings:	1,20,000/-	Nil				
Commission	Nil	Nil				
Others	Nil	Nil				
Total (2)	**1,20,000/-**	**Nil**				**1,20,000/-**
Total (B)=(1+2)						**30,00,000/-**
Total Managerial Remuneration						**5,85,01,236/-**
Overall Ceiling as per the Act						

Note: Shri Sunirmal Talukdar resigned from the Board of the Company w.e.f. 13th October, 2018. Mr. Vincenzo Soprano, Additional Director, vacated his office on the date of 21st AGM of the Company, i.e. 29th September, 2018.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

Rs.

Sl. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
		Shri Anil Kumar Agarwal (CFO)	Shri Dinesh Arya (CS)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act,1961	52,06,260	28,92,384	80,98,644
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	81,560	48,936	1,30,496
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission- as % of profit- others, specify…	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	Total (A)	**52,87,820**	**29,41,320**	**82,29,140**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NONE

For and on behalf of the Board

Kolkata
J P Chowdhary

August 14, 2019
Executive Chairman

Annexure DR-3

Form No. AOC-2

Pursuant to clause (h) of sub-section (3) of section 134 of the Act and
Rule 8(2) of the Companies (Accounts) Rules, 2014

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis

   Not Applicable.

2. Details of material contracts or arrangement or transactions at arm's length basis

Sl No.	Name (s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date (s) of approval by the Board, if any	Amount paid as advances, if any
1	Cimmco Limited [Related party as per section 2(76) (viii) of the Companies Act, 2013]	Continuing Contract for sale/ purchase of goods/ materials in the ordinary course of business with a ceiling of supply value of Rs. 150 crore per year	3 years w.e.f. 10th November 2018	Upto Rs. 150 crore on the following terms and conditions: a) Delivery terms: Ex-works of supplier b) Freight charges: To be paid by purchaser c) Packing and Loading charges: To be paid by supplier d) Payment: Within 30 days e) Amount payable will include all applicable taxes. f) Other terms and conditions as may be mutually agreed by TWL and Cimmco g) The terms and conditions stated above are standard in nature and subject to mutually agreed modifications in accordance with purchase order/requisition.	10.11.2018	Nil

For and on behalf of the Board

Kolkata
August 14, 2019

J P Chowdhary
Executive Chairman

Annexure DR - 4

To
The Board of Directors
Titagarh Wagons Limited
Titagarh Towers
756, Anandapur, E M Bypass
Kolkata 700 107

Secretarial Audit Report

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

For the Financial Year 2018-19

Foreword

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Titagarh Wagons Limited, (hereinafter called the "Company"). 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 books, papers, minutes 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 March 31 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined books, papers, minutes books, forms and returns filed and other records maintained by Company for the financial year ended on March 31, 2019 according to the provisions of:

(i) The Companies Act, 2013 and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the applicable rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');

(i) The Companies Act, 2013 (the Act) and the Rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the applicable rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (no foreign exchange transactions during the audit period);

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act');

(SEBI regulations are not applicable since the company is not a listed company.)

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and 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 Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India ((Registrar to an Issue and Share Transfer Agents) Regulations, 1993;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (Not applicable as the Company has not bought back/ proposed to buy-back any of its securities during the financial year under review);

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

(vi) The other laws applicable specifically to the auditee company as per the representations made by the Management.

a. Factories Act, 1948 and all allied State laws

b. The Environment (Protection) Act, 1986

c. Water (Prevention & Control of Pollution) Act, 1974 & Water (Prevention & Control of Pollution) Rules, 1975

d. Air (Prevention & Control of Pollution) Act, 1981 & the rules and standards made thereunder.

We have also examined compliance with the applicable clauses of the following:

- Secretarial Standards issued by The Institute of Company Secretaries of India.
- The Listing Agreements entered into by the Company with Bombay Stock Exchange & National Stock Exchange;

During the period under review, based on our examination and verification of the books, papers, minute books, forms and returns filed and other records produced to us and according to information and explanations given to us by the Company, we report that the Company has in our opinion, complied with the provisions of the Companies Act, 2013 and the Rules made thereunder, the Memorandum and Articles of Association of the Company and also applicable provisions of the aforesaid laws, standards, guidelines, agreements, etc., subject to the following observations: NIL

We report that, during the year under review:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.

Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda are sent at least seven days in advance, 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that:

Based on review of compliance mechanism established by the Company and on the basis of the Compliance Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

We further report that:

During the audit period, the Company has effected the following activities/ events/actions having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

- Mr. S Talukdar resigned as an Independent director, while Mr. Vincenzo Soprano ceased to be the Director.
- Constituted the Finance Committee and dissolved the Special Committee of Directors.
- Issued/increased Corporate Guarantees to banks for credit facilities sanctioned in favour of Cimmco Ltd.
- Availed credit facilities from banks by pledging Tax Free Bonds.
- Pledged the company's shareholdings in Titagarh Capital Pvt Ltd in favour of SBI.

- Consented to the variation in terms of 8% Non-Cumulative, Non-Convertible Redeemable Preference Shares subscribed by the company in Cimmco Ltd.
- Dilution of Company's shareholding in Cimmco Ltd
- Sale of investments by the Company in other group entities.
- Passed an enabling resolution to invest upto Rs. 20 crore in Titagarh Capital Pvt Ltd by way of loan.
- Take on rent, premises from Titagarh Enterprises Ltd.
- Entered into a Cooperation Agreement with Titagarh Firema SpA, Italy.
- Proposed to enter into settlement of dues of Arshiya Rail Infrastructure Ltd
- Opened a branch at Nepal.

For and on behalf of
Vanita Sawant & Associates
Practising Company Secretary

Vanita Sawant
Proprietress
FCS 6210. CP No. 10072

Mumbai
May 15, 2019

Annexure A to Secretarial Auditor Report

To
The Members
Titagarh Wagons Limited
Titagarh Towers
756, Anandapur
E M Bypass
Kolkata 700 107

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. I 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 check whether correct facts are reflected in secretarial records. I believe that the processes and practices that were followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My 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.

Mumbai
15th May 2019

Vanita Sawant & Associates
Membership No: 6210
Certificate of Practice No: 10072

Annexure DR - 5

Details 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

Rule	Particulars			
(i)	The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.	a	Shri J P Chowdhary, Executive Chairman	122.72
		b	Shri Umesh Chowdhary, Vice Chairman & Managing Director	122.72
		c	Shri Sudipta Mukherjee, Wholetime Director	17.24
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.	a	Shri J P Chowdhary, Executive Chairman	Nil
		b	Shri Umesh Chowdhary, Vice Chairman & Managing Director	Nil
		c	Shri Sudipta Mukherjee, Wholetime Director	Nil
		d	Shri Anil Kumar Agarwal, Chief Financial Officer	Nil
		e	Shri Dinesh Arya, Company Secretary	Nil
(iii)	The percentage increase in the median remuneration of employees in the financial year			11.76%
(iv)	The number of permanent employees on the rolls of the Company			586
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	There has been no increase in the remuneration of managerial personnel and others		
(vi)	It is hereby affirmed that the remuneration is as per the Remuneration policy of the Company.			

Annexure DR-6

Particulars required under Section 134(3)(m) read with Rule 8 of the Companies (Accounts) Rules, 2014

A. CONSERVATION OF ENERGY

i) Steps taken or impact on conservation of energy :

a) Energy audit has been conducted and inter alia in accordance therewith-

1. Use of transparent sheets in sheds to utilize sunlight for illumination and thus reducing electrical energy input for illumination.
2. Installation of power saver compressor units replacing old and inefficient compressors.
3. Installation of capacitor bank at load end to reduce Reactive Energy intake and thus improving Power Factor.
4. Welding machines with power savers (inverter base) installed to save power.
5. Use of HSD in DG sets.

b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy :

1. Usage of CFL/Energy Efficient lighting system for shop floor illumination.
2. Energy saving units being installed in lighting circuit to reduce consumption by 20%.
3. One power efficient 500 cfm compressor to be installed replacing old and inefficient compressor.
4. System being designed for reduction in No-Load Losses of Welding transformers, by automatically cutting off supply when not in operation.
5. Replacement of rewound and inefficient drives.
6. Water management by delinking industrial and domestic use.

ii) Steps taken by the Company for utilizing alternate sources of energy :

The measures taken as above have resulted in saving of non renewable sources of power and energy which are scarce and expensive in the country thereby lowering the cost of production as well as saving the non renewable sources of energy.

iii) Capital investment on energy conservation equipments :

Rs. 85.17 Lakhs for the year ended 31st March, 2019.

B. TECHNOLOGY ABSORPTION

i) **Efforts made towards technology absorption**

Techno-commercial activity in advanced stage for development of the following special purpose Wagons:

- Railway Wagons of BCNA-HL specification;
- Roll-on Roll-off Wagons (Ro-Ro);
- Cars on Rail (CoR) Wagons for carrying automobiles;

Defence Wagons of MBVT specifications.

A highly cost effective ‘Break-van’ for Freight Container Rake (BLCA) has been designed and the Company has obtained the Patent for ‘Ro-Ro’ Wagons. Applications submitted for patents pertaining to the ‘COR’ Wagons for carrying automobiles and ‘Break-van’ for Freight Container Rake are under consideration of the appropriate authority.

Efforts, in brief, made towards technology absorption, adaptation and innovation:

a) A few critical wagon parts were produced by using specially developed Press Tools. More accurate parts by this innovative process have been achieved. Earlier these parts were produced by Plasma Cutting process.

b) Saving a considerable amount of Man-hours after making a few innovative process changes during the fabrication of wagons has been attended. As a result, re-work was reduced considerably.

c) After the implementation of various innovative press tools, our NBC (IFS) productivity as well as Quality, has been improved substantially.

d) Some of the Hydraulic Tanks required chilling plant from outside sources which are very costly. Own innovative design has been made and two machines in place of Hydraulic Tanks installed. Results were very effective.

ii) **Benefits derived like product improvement, cost reduction, product development or import substitution :**

The benefits from the above are expected to be significant, however, the same can only be ascertained in tangible terms in future.

Future plan of action:

While implementation of the plans described hereinbefore is being pursued, the Company is focused on value addition in the manufacture & marketing of Wagons and Coaches. The Company has already set up an EMU manufacturing facility at its Uttarpara unit and a few rakes of the same have already been despatched.

iii) **In case of Imported Technology (imported during the last three years reckoned from the beginning of the Financial Year) :**

a) The details of the technology imported: A large size VMC has been imported to machine co-co bogies in-house.

b) Year of import : 2009-10

c) Whether the technology has been fully absorbed: Partially absorbed till date.

d) If not fully absorbed, areas where this has not taken place, reasons thereof: Step by step absorption is taking place.

iv) **Expenditure on R & D :**

₹ in lakhs

	2018-19	2017-18
Capital	Nil	Nil
Recurring	53.26	37.87
Total	53.26	37.87
Total R & D expenditure as a percentage of total turnover	0.06%	0.12%

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

a) Activities relating to exports, initiatives taken to increase exports, development of new export markets and export plans :

(i) A Memorandum of Understanding is proposed to be signed with the Government of India's agency RITE International for cooperation in respect of exclusive export market.

(ii) Efforts are being made to secure an order for limestone carrying wagons for Malaysian railway tracks.

b) Total foreign exchange earned and used :

Inflow Rs. 5699.28 Lakhs and outflow Rs. 3165.08 Lakhs.

For and on behalf of the Board
J P Chowdhary
Executive Chairman

Kolkata
August 14, 2019

Annexure DR – 7

Report on CSR Activities

Annual Report on the CSR Activities pursuant to Section 135 of the Companies Act, 2013
read with the Companies (Social Responsibility Policy) Rules, 2014

1. **A brief outline of the Company's CSR Policy:**

   To actively contribute to the social and economic development of the society in which we operate and participate in the endeavor to build a better, sustainable way of life for the weaker sections of society and raise the country's human development index. Education is vital for inclusive growth. As the education is the best possible way to attempt achievement of inclusive growth, due emphasis is on setting up/supporting imparting of basic education to the underprivileged sections of society, particularly girl child and differently abled children. In addition to providing medical interventions to the young people suffering from cancer, free health checkups to the elderly and filtered water to the school children, from economically weaker sections of society, providing shelter and care to the street animals are some of the activities approved by the CSR Committee of the Company.

   The Company has adopted a CSR Policy in compliance with the provisions of the Companies Act, 2013 which can be accessed on the Company's website through the following link: http://titagarh.in/downloads/Policies-and-Codes.pdf.

2. **Composition of CSR Committee:**

Sl. No.	Name	Designation	Category
1	Smt. Rashmi Chowdhary	Chairperson	Non- Executive Director
2	Shri J P Chowdhary	Member	Executive Chairman
3	Shri Umesh Chowdhary	Member	Vice Chairman & Managing Director
4	Shri Atul Joshi	Member	Independent Director

   Note: Shri Sunirmal Talukdar ceased to be a member of the CSR Committee w.e.f. 13th October, 2018. Shri Atul Joshi was inducted as a member of the Committee w.e.f. 10th November, 2018.

3. Average net profit of the Company for last three financial years: Rs. 648.44 Lakhs

4. Prescribed CSR Expenditure (2% of the amount as in Sl. No. 3): Rs. 12.97 Lakhs

5. Details of CSR spend during the financial year:

   a) Total amount to be spent for the financial year: Rs. 12.97 Lakhs

   b) Amount unspent: Rs. Nil

   c) Manner in which the amount spent during the financial year ended 31/03/2019 is detailed below:

₹ in lakhs

1	2	3	4	5	6	7	8
Sl. No.	CSR Project of activity identified	Sector in which the project is covered	Projects and Programs 1) Local area or other 2) Specify the state or district where project or programs was undertaken.	Amount outlay (budget) project or program wise	Amount spent on the project or programs Sub-heads: 1.Direct Expenditure on projects or programs 2.Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
a)	Jeevan Nirog	Health	– Free health checkups and cancer screening camps near Factory premises at Titagarh and Uttarpara	1.25	1.10	1.10	Direct Cancer Screening campaign with Narayana Super speciality Hospital
			– Treatment of a young person suffering from leukemia who is recovering satisfactorily	7.50	7.50	8.60	Tata Medical Centre
			– Treatment of Cancer in Kolkata, W.B.-Medical assistance & care for destitute children	3.5	3.5	12.1	Society for Indian Children Welfare
b)	Gyan Jyoti	Education	Education Support to underprivileged children aged 3 years to 13 years of age at Titagarh factory	3.00	2.39	14.49	Muskaan School at Titagarh Factory premises
			– Education, therapy and environment for children of women in prostitution	8.00	7.84	22.33	South Kolkata Hamari Muskan, Kolkata WB
			– Mid day meal to 555 school going children in Kolkata	5.00	4.99	27.32	Annamrita, ISKCON
			School Uniform & accessories to rural children	0.30	0.39	27.71	Calcutta Marudyan
c)	Parvaah	Animal welfare	Animal care- shelters and care for street animals including dogs	2.50	2.50	30.21	People for animals, Kolkata (ASHARI)
d)	Implementation	All projects	Need assessment study, capacity building programs such as training, workshops, etc. and communi- cation strategies for engagement of all stakeholders to implement as well as CSR Volunteers	2.00	1.97	32.18*	Direct (Footnote)

*The amount spent in excess of the prescribed CSR expenditure includes the unspent CSR amount brought forward from previous year(s).

6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending in the Board Report: Not applicable.

7. The CSR Committee affirms that the implementation and monitoring of the CSR Policy, is in compliance with CSR objectives and policies of the Company.

For and on behalf of the Board

Rashmi Chowdhary
Chairperson, CSR Committee

Umesh Chowdhary
Vice Chairman & Managing Director

Kolkata
August 14, 2019

Corporate Governance Report

Titagarh Wagons Limited (TWL's) Philosophy on Code of Governance

TWL's corporate culture is imbued with high standards of integrity and transparency by adhering to the sound & pragmatic corporate policies laid down by the Board of Directors based on business needs aimed at sustainability maintained by two important principles of 'team-work' and 'professionalism' and value maximisation for the stakeholders is at the core.

Board of Directors

TWL's Board as at March 31, 2019 comprised eight directors including Executive Chairman, Vice Chairman & Managing Director, Wholetime Director being the three Executive Directors, four Independent Directors and one Non-Executive Director (Woman Director). The composition of the Board is in compliance with the provisions of the Companies Act, 2013 and Regulation 17(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). The Managing Director(s), the Wholetime Director and the Non-Executive Director (except Independent Directors) are liable to retire by rotation unless otherwise specifically approved by the shareholders. The composition of the Board and other provisions as to Board and Committees are in compliance with the Listing Regulations. In the opinion of the Board, the Independent Directors of the Company fulfil the criteria for "independence" and/or "eligibility" as prescribed under the Listing Regulations and Section 149 of the Companies Act, 2013 (the Act) and are independent of the management.

None of the Directors on the Board is a member of more than 10 committees and/or Chairman of more than 5 committees, reckoned in terms of Regulation 26 of the Listing Regulations. The Independent Directors of the Company do not serve in more than the prescribed number of companies as independent directors in terms of the requirements of the Listing Regulations.

Composition, Attendance at the Board Meetings and the last Annual General Meeting ('AGM'), Outside Directorships and other Board Committees:

Sl. No.	Director	Category	No. of Board Meetings attended	Attendance at previous AGM on 29.09.2018	No. of Shares held (Face value of Rs. 2 each)	No. of other directorships Held		Chairmanship in other Committees Chairman	Membership in other Committees Member
						Total	Listed		
1	Shri J P Chowdhary DIN: 00313685	Promoter & Executive Chairman	5	Present	1,56,540	3	1	Nil	Nil
2	Shri Umesh Chowdhary DIN: 00313652	Promoter & Vice Chairman and Managing Director	4	Absent	77,530	3	1	Nil	1
3	Shri Sudipta Mukherjee DIN: 06871871	Wholetime Director	3	Absent	12,500	Nil	Nil	Nil	Nil
4	Shri D N Davar DIN:00002008	Independent & Non-executive	2	Absent	Nil	7	5	2	6
5	Shri Manoj Mohanka DIN: 00128593	Independent & Non-executive	5	Present	Nil	5	2	Nil	2
6	Smt Rashmi Chowdhary DIN: 06949401	Non-Independent & Non-executive	3	Present	128,16,105	Nil	Nil	Nil	Nil
7	Shri Ramsebak Bandyopadhyay DIN: 01122778	Independent & Non-executive	5	Present	Nil	3	1	Nil	1
8	Shri Atul Joshi DIN: 03557435	Independent & Non-executive	5	Present	Nil	3	Nil	Nil	Nil
#9	Shri Sunirmal Talukdar DIN: 00920608	Independent & Non-executive	3	Present	Nil	N.A.	N.A.	N.A.	N.A.
## 10	Mr. Vincenzo Soprano DIN: 07975047	Non-Independent & Non-executive	Nil	Not Applicable	Nil	N.A.	N.A.	N.A.	N.A.

Notes:

1. Shri Umesh Chowdhary is son of Shri J P Chowdhary. Smt. Rashmi Chowdhary is wife of Shri Umesh Chowdhary.
2. Independent Directors meet with the criteria of their Independence as mentioned in Regulation 25(3) of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.
3. Other directorships do not include directorship of Section 8 companies and of companies incorporated outside India.
4. Chairmanships/Memberships of Board Committees include Audit and Stakeholders' Relationship Committees only.

#	Shri Sunirmal Talukdar resigned from the Board of Directors of the Company with effect from 13th October, 2018 stating in his resignation letter that he has tendered resignation due to his personal reasons only.

Mr. Vincenzo Soprano, Additional Director, vacated his office on the date of the 21st AGM of the Company, i.e. on 29th September, 2018.

Details of Directorships in other Listed Entities as at 31.03.2019

Name and Category of the Director	Details of Directorships of other Listed Entities and Category of Directorship	
Shri J P Chowdhary Executive Chairman	Cimmco Limited	Executive Chairman
Shri Umesh Chowdhary Vice Chairman and Managing Director	Cimmco Limited	Non-Executive Director
Shri Sudipta Mukherjee Wholetime Director	Nil	N.A.
Shri D.N Davar Independent Director	Sandhar Technologies Ltd Dalmia Bharat Limited Maral Overseas Ltd HEG Ltd RSWM Ltd	Non-Executive Director & Chairman Non-Executive Director Independent Director Independent Director Independent Director
Shri Manoj Mohanka Independent Director	Indian Terrain Fashions Limited India Carbon Limited	Independent Director Independent Director
Smt Rashmi Chowdhary Non Executive Director	Nil	N.A.
Shri Ramsebak Bandyopadhyay Independent Director	VLS Finance Limited	Independent Director
Shri Atul Joshi Independent Director	Nil	N.A.

Separate Meeting of Independent Directors

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 4th February, 2019 to review the performance of Non-independent Directors (including the Chairman) and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and Committees of the Board which is necessary to effectively and reasonably perform and discharge their duties.

Agenda

All the meetings are conducted as per well designed and structured agenda. All the agenda items are backed by necessary supporting information and documents (except for the critical price sensitive information, which is circulated at the meeting) to enable the Board to take informed decisions. Agenda also includes minutes of the meetings of all the Board Committees and Subsidiaries for the information of the Board. Additional agenda items in the form of "Other Business" are included with the permission of the Chairman. Agenda papers are circulated seven days prior to the Board Meeting. In addition, for any business exigencies, the resolutions are passed by circulation and later placed in the ensuing Board Meeting for ratification/approval.

Invitees & Proceedings

Apart from the Board members, the Company Secretary and the CFO are invited to attend all the Board Meetings. Other senior management executives are called as and when necessary, to provide additional inputs for the items being discussed by the Board. The Chairpersons of various Board Committees brief the Board on all the important matters discussed and decided at their respective committee meetings, which are generally held prior to the Board meeting.

Directors' Induction, Familiarization & Training of Board Members

Pursuant to Regulation 25(7) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015, the Company is mandatorily required to provide suitable training to the Independent Directors to familiarize them with the Company, their role, nature of the industry in which the Company operates, business model of the Company etc. the details of such training imparted are also required to be disclosed in the Annual Report.

The Directors are offered visits to the Company's plants, where plant head makes them aware of the operational and sustainability aspects of the plants to enable them to have full understanding on the activities of the Company and initiatives taken on safety, quality, CSR, Sustainability etc.

At various Board meetings during the year, presentations are made to the Board on safety, health and environment and sustainability issue, risk management, company policies, changes in the regulatory environment applicable to the corporate sector and to the industry in which it operates, with areas of improvement and other relevant issue. Quarterly presentations on operations made to the Board include information on business performance, operations, market share, financial parameters, working capital management, fund flows, senior management change, major litigation, compliances, subsidiary information, donations, regulatory scenario etc.

The details of such familiarization programmes have been placed on the website of the Company under the web link: **http://titagarh.in/downloads/Policies-and-Codes.pdf**

Skills/expertise/competence of the Board of Directors

Pursuant to Para C(2) of Schedule V to the Listing Regulations, the Board has identified the following core skills/expertise/competencies required in the context of business of the Company for its effective functioning:

Sl. No.	Core skills/ expertise/ competencies	Whether such Core skills/ expertise/ competencies are available with the Company's Board
1	Expertise in Freight and Passenger Rolling Stock, Shipbuilding, Bridges and Special Projects for Defence including respective value chain and engineering	Yes
2	Experience in strategy formulation, planning and devising corporate policies, corporate governance including risk management, finance, tax and legal compliances	Yes
3	Leadership qualities and indepth knowledge and experience in general management of bodies corporate	Yes
4	Interpersonal relations, human resources management communication, corporate social responsibility including environment and sustainability	Yes
5	Expertise in technology including design, research and innovation and digitalization	Yes

Evaluation of the Board's Performance

The Board had adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structured evaluation process covering various aspects of the Board functioning such as composition of the Board & Committees, experience and competencies, performance of specific duties and obligations, governance issues etc.

A separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest etc. The Board peruse the oral assessments provided by the individual Directors during interaction(s) and carry out the evaluation of individual Directors including the Independent Directors, with each Director present in the meeting withdrawing from the meeting at the time of his/her evaluation. Criteria for evaluation of Board is annexed hereto - Annexure CG - 1.

Board Meetings held during the Financial Year Ended the 31st March, 2019

Five (5) meetings of the Board of Directors were held in the financial year ended March 31st 2019 on 29th May, 10th August, 29th September and 4th February, 2019.

Appointment/Re-appointment of Directors

The details of the directors proposed to be appointed/ reappointed at the ensuing Annual General Meeting (AGM) are given in the Notice of AGM and the same should be considered as compliance of Regulation 36 of SEBI (LODR), Regulations, 2015.

Board Committees

Audit Committee

The Audit Committee as at 31st March, 2019 comprises Shri D N Davar, Shri Manoj Mohanka, Shri Ramsebak Bandyopadhyay and Shri Atul Joshi (all Independent Directors). Shri D N Davar, Ex-Chairman of Industrial Finance Corporation of India who is an expert inter alia in banking, development banking, financial and internal control areas, is the Chairman of the Audit Committee. The Audit Committee at its meetings exercised the role and duties, which had been defined by the Board of Directors pursuant to provisions of the Companies Act read with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Shri Dinesh Arya, Company Secretary acts as Secretary to the Audit Committee.

Shri Sunirmal Talukdar, who resigned as Director on 13th October, 2018, ceased to be a member of the Audit Committee from the date of his resignation. Shri Atul Joshi was appointed as a member of Audit Committee with effect from 4th February, 2019.

The role and duties of the Audit Committee have been defined by the Board of Directors under Section 177 of the Companies Act, 2013 and cover the areas mentioned under Regulation 18 read with Part C of Schedule –II of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

At least one meeting of the Audit Committee was held in every quarter and the time gap between two consecutive meetings of the Audit Committee did not exceed 120 days during the financial year 2018-19.

Terms of Reference of Audit Committee are broadly as follows

The terms of reference of the Audit Committee are as per the guidelines set out in Regulation 18 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with Section 177 of the Companies Act, 2013. These broadly include (i) overseeing the financial reporting process (ii) review of financial statements (iii) ensuring compliance with the regulatory guidelines (iv) compliance with listing and other legal requirements concerning financial statements (v) scrutiny of inter-corporate loans and investments (vi) review of internal audit reports (vii) recommending appointment and remuneration of auditors to the Board of Directors and (viii) to review adequacy of internal control systems and internal audit function and other matters specified for Audit Committee under the Listing Regulations and Section 177 of the Act. The Audit Committee also reviews the information as per the requirement of Part C of Schedule II of the Listing Regulations.

Attendance of the Directors at the Audit Committee Meetings held

During the year 4 meetings of the Audit Committee of the Company were held i.e. on 29th May 2018, 10th August 2018, 10th November 2018 and 4th February, 2019. The attendance of Directors at these meetings was as under:

Sl No	Name of the Directors	Designation	No of meetings attended
1	Shri D N Davar	Chairman	2
2	Shri Sunirmal Talukdar *	Member	2
3	Shri Manoj Mohanka	Member	4
4	Shri Ramsebak Bandyopadhyay	Member	4
5	Shri Atul Joshi **	Member	1

* Shri Sunirmal Talukdar ceased to be a member of the Audit Committee w.e.f. 13th October, 2018.
** Shri Atul Joshi was appointed as a member of Audit Committee with effect from 4th February, 2019.

The previous Annual General Meeting (AGM) of the Company was held on 29th September, 2018 and was attended by Shri Manoj Mohanka, a Member of the Committee, who was authorised by Shri D N Davar, Chairman of the Audit Committee, to attend the meeting on his behalf.

Stakeholders' Relationship Committee

Stakeholders' Relationship Committee which considers and resolves the grievances of the security holders of the Company is headed by Shri Manoj Mohanka, an Independent Director, with Shri Umesh Chowdhary and Shri Ramsebak Bandyopadhyay being the other two members. Shri D N Davar is a Special Invitee. The attendance at and dates of Stakeholders' Relationship Committee meetings held and the Status of Investors' complaints are as follows:

Attendance at the Stakeholders' Relationship Committee meetings

During the year 4 meetings of the Stakeholders' Relationship Committee of the Company were held i.e. on 29th May, 2018, 10th August, 2018, 10th November, 2018 and 4th February, 2019. The attendance of Directors at these meetings is as under:

Sl No	Name of the Directors	Designation	No of meetings attended
1	Shri Manoj Mohanka	Chairman	4
2	Shri Umesh Chowdhary	Member	4
3	Shri Sunirmal Talukdar *	Member	2
4	Shri Ramsebak Bandyopadhyay **	Member	1

* Shri Sunirmal Talukdar ceased to be a member of the Stakeholders' Relationship Committee w.e.f. 13th October, 2018.
** Shri Ramsebak Bandyopadhyay was appointed as a member of Audit Committee with effect from 10th November, 2018.

In aggregate 100 cases of Investors' Grievances (including routine queries) were received during the Financial Year 2018-19 pertaining to Non-Receipts of Dividend Warrants, Annual Reports, Non-Receipt of Securities and Non-Receipt of securities after transfer which were duly redressed in time and no Investors' Grievance is pending as at 31st March, 2019. There was also no Investor complaint pending against the Company as at 31st March, 2019 on SCORES, the web based complaint redressal system of SEBI.

Share transfers and requests for other services are disposed of by the RTA within the time stipulated in the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Shri Dinesh Arya, Company Secretary is the Compliance Officer.

All valid requests for transfer of shares in physical mode received during the financial year ended the 31st March, 2019 have been acted upon by the Company and no such transfer is pending.

Nomination and Remuneration Committee (NRC)

Nomination and Remuneration Committee (NRC) comprised of Shri D N Davar, Shri Manoj Mohanka, Shri Ramsebak Bandyopadhyay, all Independent Directors and Shri J P Chowdhary, Executive Chairman, and is headed by Shri D N Davar.

Terms of Reference of NRC are broadly as follows:

The NRC shall act in accordance with the prescribed provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and shall be responsible for:

i) Formulate the criteria for determining qualification, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration for the Directors, Key Managerial Personnel and other employees;

ii) Formulation of criteria for evaluation of Independent Directors and the Board;

iii) Devising the policy on Board Diversity;

iv) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and carry out evaluation of every Directors' performance.

Attendance of the Directors at the Nomination & Remuneration Committee Meetings held

During the year 3 meetings of the NRC of the Company were held i.e. 29th May, 2018, 10th August 2018 and 4th February, 2019.

The attendance of Directors at these meetings is as under:

Sl No	Name of the Directors	Designation	No of meetings attended
1	Shri D N Davar	Chairman	1
2	Shri Manoj Mohanka	Member	3
3	Shri J P Chowdhary	Member	3
4	Shri Ramsebak Bandyopadhyay	Member	3

The previous AGM of the Company held on 29th September, 2018 was attended by Shri Manoj Mohanka, a Member of the Committee, who was authorised by Shri D N Davar, Chairman of the Nomination & Remuneration Committee, to attend the meeting on his behalf.

Remuneration Policy

Remuneration policy of the Company is based on the need to attract the best available talent and is in line with the prevailing trends in the industry. The remuneration policy therefore is market led and aimed at leveraging the performance appropriately. The remuneration of Non-Executive Directors is decided by the NRC in accordance with the Remuneration Policy of the Company. The Remuneration Policy is attached hereto - Annexure CG-2.

The criteria for making payments to Non-Executive Directors have been placed on the website of the Company under the web link: **http://titagarh.in/downloads/Policies-and-Codes.pdf**

Remuneration of Managing and whole time Directors for the financial year ended the 31st March, 2019 and their shareholding in the Company:

₹ in lakhs

	Shri J P Chowdhary	Shri Umesh Chowdhary	Shri Sudipta Mukherjee
Salary and Perquisites	257.28	257.28	40.45
Commission	Nil	Nil	Nil
Total	257.28	257.28	40.45
Stock Option Granted	Nil	Nil	Nil
Period for which appointed by the Board	5 years w.e.f. 08/01/2017	5 years w.e.f. 01/10/2015	5 years w.e.f. 15/05/2019
Appointment by shareholders on	20th AGM on 31/07/2017	18th AGM on 24/09/2015	17th AGM on 11/09/2014 (Proposes reappointment at 22nd AGM)
No. of Shares held	156540	77530	12500

Note: Shri J P Chowdhary and Shri Umesh Chowdhary have not drawn any remuneration from any subsidiary company.

Remuneration of Non-Executive Directors

₹ in lakhs

Name of the Director	Sitting Fees	Salary & Perquisites	Commission	Total
Shri D N Davar	4.50	NIL	NIL	4.50
Shri Manoj Mohanka	8.50	NIL	NIL	8.50
Shri Sunirmal Talukdar #	2.40	NIL	NIL	2.40
Smt. Rashmi Chowdhary	1.20	NIL	NIL	1.20
Shri Atul Joshi	5.30	NIL	NIL	5.30
Shri Ramsebak Bandyopadhyay	8.10	NIL	NIL	8.10
Mr. Vincenzo Soprano ##	NIL	NIL	NIL	NIL
Total	30.00	NIL	NIL	30.00

Shri Sunirmal Talukdar resigned from the Board of Directors of the Company with effect from 13th October, 2018.
Mr. Vincenzo Soprano, Additional Director, vacated his office on the date of the 21st AGM of the Company, i.e. on 29th September, 2018.

Corporate Social Responsibility Committee

Smt. Rashmi Chowdhary heads the Corporate Social Responsibility (CSR) Committee and Shri J P Chowdhary, Shri Umesh Chowdhary and Shri Atul Joshi are the other members. CSR policy adopted by the Board is available on the web site of the Company - **http://titagarh.in/downloads/Policies-and-Codes.pdf**.

Shri Sunirmal Talukdar ceased to be a member of the CSR Committee w.e.f. 13th October, 2018. Shri Atul Joshi was inducted as a member of the Committee w.e.f. 10th November, 2018.

During the year 2 meetings of the CSR Committee of the Company were held i.e. on 10th August, 2018 and 4th February, 2019.

Attendance of the directors at the Corporate Social Responsibility Committee meetings:

Sl No	Name of the Directors	Designation	No of meetings attended
1	Smt. Rashmi Chowdhary	Chairperson	2
2	Shri J P Chowdhary	Member	2
3	Shri Umesh Chowdhary	Member	2
4	Shri Sunirmal Talukdar #	Member	1
5	Shri Atul Joshi ##	Member	1

Shri Sunirmal Talukdar ceased to be a member of CSR Committee w.e.f. 13th October, 2018.
Shri Atul Joshi was inducted as a member of the Committee w.e.f. 10th November, 2018.

Internal Complaints Committee

The Committee has been formed by the Board as per the requirement of Section 4 of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Committee is headed by Smt. Paramjeet Walia as Presiding Officer, Smt. Rita Kanjilal, Smt. Elizabeth Banik and Smt. Bina Mooljee (Project Coordinator- Disha Foundation-NGO) are the other members.

There was no complaint of any issue falling under the purview of the Committee during the Financial Year ended March 31st, 2019.

Special Committee

The Board of the Company at its meeting held on 10th August, 2018 decided to dissolve the Special Committee of Directors. No Meeting of the Special Committee was held during the financial year 2018-19 till then.

Other non-mandatory Committee

No meeting of the Finance Committee and Asset Disposal Committee of Directors was held during the financial year 2018-19.

Compliance Officer

Shri Dinesh Arya, Company Secretary is the Compliance Officer and acts as the Secretary to all the Committees.

General Body Meetings

Annual General Meetings held during the last three years are as follows:

Year	Annual General Meeting	Venue	Date	Time	No. of Special Resolutions passed
2015 -2016	19th	Manovikas Kendra, 482, Madudah, Plot-I-24 Sector-J, E M Bypass, Kolkata-700107	29.09.2016	10.00 A.M	Three
2016 -2017	20th	Manovikas Kendra, 482, Madudah, Plot-I-24 Sector-J, E M Bypass, Kolkata-700107	31.07.2017	10.00 A.M	Three
2017 -2018	21st	Rotary Sadan, 94/2 Chowringhee Road Kolkata – 700020	29.09.2018	3.15 P.M	Three

Postal Ballot

No postal ballot exercise was conducted during the financial year ended 31st March, 2019.

Remote e-voting and ballot voting at AGM

To allow the shareholders to vote on the Resolutions proposed at the AGM, Company has arranged for remote e-voting facility. The Company has engaged Karvy to provide e-voting facility to all the members. Members whose names appear on the Register of Members as on the cut-off date i.e. Friday, the 13th day of September, 2019, shall be eligible to participate in the e-voting. The facility for voting through ballot will also be made available at the AGM and the members who have not already cast their vote by remote e-voting can exercise their vote at AGM.

Disclosures

(i) Related Party Transactions

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the financial year 2018-19 were in the ordinary course of business and on arm's length pricing basis. Suitable disclosures as required by applicable Accounting Standard have been made in the Financial Statements. The Board has approved a policy for related party transactions which can be accessed at the Company website link: http://titagarh.in/downloads/Policies-and-Codes.pdf

(ii) Compliance with Accounting Standard:

In the preparation of the financial statements, the Company has followed the Accounting Standards specified under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014. The significant accounting policies which are consistently applied have been set out in the notes to the financial statements.

(iii) Disclosures on materially significant related party transactions that may have potential conflict with the interest of Company at large:

Details of transactions with the related parties as specified in applicable Accounting Standard have been reported in the Financial Statements. There was no transaction of a material nature with any of the related parties which was in conflict with the interest of the Company.

(iv) Certificate on Corporate Governance:

A certificate has been obtained from CS Vanita Sawant, Proprietor, Vanita Sawant & Associates, Company Secretaries, confirming that none of the Directors of the Company have been debarred or disqualified by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as Directors of the Company and the same is appended to this Report.

(v) Fees paid to Statutory Auditor:

A total fee of Rs. 53.84 lakhs was paid by the Company and its subsidiaries, on a consolidated basis, for all services to Price Waterhouse & Co Chartered Accountants LLP, Statutory Auditors and all entities in the network firm/ network entity of which they are part.

(vi) Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years:

There was no such instance in the last three years.

(vii) Whistle-Blower Policy and affirmation that no personnel has been denied access to the Audit Committee:

In compliance with the provisions of Section 177(9) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 the Company has framed a Vigil Mechanism/Whistle Blower Policy and the same has also been placed in the website of the Company. The Company affirms that no personnel have been denied access to the Audit Committee. Vigil Mechanism Policy is available on the website of the Company - www.titagarh.in. No grievance has been reported to the Audit Committee during the year. The Board has approved a policy for the same which can be accessed at the Company website link: **http://titagarh.in/downloads/Policies-and-Codes.pdf**.

(viii) Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:

The Company is compliant with all the mandatory requirement of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for 2018-19.

The following non-mandatory requirement under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 which has been adopted is mentioned below:

– The Internal Auditors of the Company directly make presentation to the Audit Committee on their reports.

Code of Conduct

The Board of Directors has laid down a Code of Conduct for all Board members and all employees in management grade of the Company. The Code of Conduct is posted on the website of the Company. All Board members and senior management personnel have confirmed compliance with the Code.

Chief Executive Officer's certificate of compliance of the Code of Conduct by the Directors and Senior Management is appended to this Report.

Code of Conduct to Regulate, Monitor and Report Trading by Insiders

In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015 the Board has approved and adopted a code of conduct governing all the directors, senior management and other employees at all locations of the Company. Shri Dinesh Arya, Company Secretary has been designated Compliance Officer in respect of compliance of the Code. Code of Conduct is posted on the Company's website.

Code of Conduct for Independent Directors

The Board has adopted the Code of Conduct for Independent Directors as per Schedule IV of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

Means of Communication

Half-yearly report to shareholders, Quarterly Results, Newspapers in which published, Website etc.

The Quarterly, Half-yearly and Annual Results are published by the Company generally in English (Business Standard and/or Mint) and Vernacular (Ekdin or Aajkal) dailies. Interim Results/reports are not sent to the household of shareholders since the same are posted on the web sites of the Company and BSE and NSE. The address of the Company's web site is www.titagarh.in

General Shareholder Information

Annual General Meeting

Day, Date and Time	: Friday, 20th September, 2019 at 3.15 P.M.
Venue	: Bharatiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata - 700017
Dividend Payment Date	: Shall be paid within the statutory time limit (If approved by the members at AGM)
Dates of Book Closure	: 13th September, 2019 to 20th September, 2019

Financial Calendar

First Quarter Results	: 14th August, 2019
Second Quarter Results	: October/November, 2019
Third Quarter Results	: January/February, 2020
Fourth Quarter Results	: April/May, 2020

Listing on Stock Exchanges and Stock Codes

Shares of the Company are listed at the BSE Limited and National Stock Exchange of India Limited (NSE) [Scrip Codes 532966 & TWL (EQ) respectively]. Listing fees for the year 2019-20 have been paid to both BSE and NSE. ISIN for dematerialization is INE615H01020.

Details of unclaimed shares pursuant to Regulation 39(4) read with Schedule VI of SEBI (LODR) Regulations, 2015

In accordance with the SEBI (LODR) Regulations, 2015, the Company dematerialized 2774 equity shares of the shareholders who had not responded to the reminder letters issued. Subsequently due to one equity share having been claimed and stock split, the balance in the demat (suspense) account with Karvy Stockbroking Limited was 13,860 equity shares as at 31st March, 2019.

Ten Equity shares of Rs. 10/- each (post split: 50 equity shares of Rs. 2/- each) of the Company allotted to an individual shareholder in the Initial Public Offer of the Company on April, 9, 2008 could not be credited to his account, both at the beginning and end of the Financial year since operation of the Demat account of the shareholder had been suspended. Despite reminders from the Company the shareholder has not got his account regularized and the voting rights on these shares shall remain frozen till the shareholder concerned claims the shares.

Market Price Data: High/Low in each month of Financial Year

(A) BSE Limited

Month	High (Rs.)	Low (Rs.)	Quantity Traded (Shares)	Sensitive Index	
				High	Low
2018					
April	123.85	110.2	2178594	35213.3	32972.56
May	119.25	100.55	1349886	35993.53	34302.89
June	103.1	91	1170027	35877.41	34784.68
July	97.4	71.35	1917364	37644.59	35106.57
August	97	85	1408917	38938.91	37128.99
September	92	68.5	1173113	38934.35	35985.63
October	76	61.6	1282240	36616.64	33291.58
November	77	67.4	999038	36389.22	34303.38
December	86.4	64.7	2225237	36446.16	35010.82
2019					
January	82.75	65	1133238	36650.47	35375.51
February	69	55.15	1305864	37172.18	35469.49
March	77	64.05	2058976	38748.54	35926.94

B) National Stock Exchange of India Limited

Month	High (Rs.)	Low (Rs.)	Quantity Traded (Shares)	CNX NIFTY	
				High	Low
2018					
April	121.7	110.5	9447140	10759	10111.3
May	119.25	100	5451626	10929.2	10417.8
June	103.7	91.3	6186506	10893.25	10550.9
July	94.85	71.05	11562987	11366	10604.65
August	95.75	85.2	8462678	11760.2	11234.95
September	91.95	69.2	7191490	11751.8	10850.3
October	75.15	61.1	7675683	10166.6	10843.75
November	77.5	67.4	6152494	10922.45	10341.9
December	86.65	64.8	13290694	10963.65	10333.85
2019					
January	82.85	65.9	7468257	10944.8	10885.75
February	68.45	55.4	11170146	10983.45	10721.5
March	76.45	63.85	8380919	11630.35	10817

Share Transfer System & Registrars and Transfer Agent ('RTA')

Pursuant to an Order passed by the National Company Law Tribunal, Hyderabad Bench, the operations of Karvy Computershare Private Limited ('KCPL'), Registrar and Transfer Agent of the Company have been transferred to Karvy Fintech Private Limited ('Karvy Fintech') w.e.f. 17th November, 2018. Further, pursuant to the said Order all the existing agreements to which KCPL is a party including the agreement entered into by the Company shall be in full force and vest with Karvy Fintech. Accordingly, Karvy Fintech is the Registrar and Share Transfer Agent of the Company.

The Company has engaged the services of Karvy Fintech as the RTA for both physical and dematerialised share maintenance. Share transfers are generally effected within 15 days of lodgement or such period as may be permissible by law/regulatory authority.

Categories of Shareholding as on the 31st March, 2019

Category	No. of Shares held	% of Total Shares
• **Promoter & Promoter Group**	52838340	45.74
• **Indian Public**		
Mutual Funds & UTI	10742492	9.30
Financial Institutions & Banks	801696	0.69
Private Corporate Bodies	6731259	5.83
Individuals/Others	39336344	34.05
• **Non-Residents**		
Foreign Institutional Investors/ Non-Residents	4915888	4.25
• **Clearing Members**	161901	0.14
TOTAL	**115,527,920**	**100.00**

Dematerialisation of shares and liquidity: 99.90% of total equity shares of the Company have been dematerialised as on 31st March, 2019

Distribution of Shareholding as on 31st March, 2019

Range of Shares	No. of Shareholders	Number of Shares	% to Total Shares
1 to 5000	70106	19558706	16.93
5001 to 10000	1290	4701362	4.07
10001 to 20000	548	4027588	3.49
20001 to 30000	172	2113801	1.83
30001 to 40000	100	1767884	1.53
40001 to 50000	51	1162921	1.01
50001 to 100000	63	2314467	2.00
100001 & above	74	79881191	69.14
TOTAL	**72404**	**115527920**	**100.00**

Subsidiary Companies

In line with the requirements of the listing agreement a policy to determine a material subsidiary has been framed and the same may be accessed on the Company's website at the link: http://titagarh.in/downloads/Policies-and-Codes.pdf.

Pursuant to the SEBI (LODR), Cimmco Limited and Titagarh Firema SpA, Italy were material subsidiaries of the Company during the previous financial year.

Plant Locations: The Company's plants are located at :

Wagons Division
P.O.: Titagarh -743 188
District : 24 Parganas (N), W. Bengal, India
Fax : 91 33 2501 0736

Coaches/Heavy Engineering Division (HED)
Hind Motor-712 233
District : Hooghly, W. Bengal, India
Telephone : 91 33 2664 1755; Fax : 91 33 2664 7333

Steel Castings Division
1 Abdul Quddus Road, Titagarh-743 188
District : 24 Parganas (N), W.Bengal, India
Telephone : 91 33 2545 7067; Fax : 91 33 2545 7068

Address for Correspondence :

Registered Office :
Titagarh Wagons Limited
Titagarh Towers
756, Anandapur, E. M. Bypass, Kolkata 700 107
Telephone : 91 33 4019 0800
Fax: 91 33 4019 0823
Email : investors@titagarh.in

Registrar & Transfer Agent (RTA) :
Karvy Fintech Private Limited, Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad 500 032, Phone : 91 40 6716 2222, Fax : 91 40 2300 115
Email for Investor complaints : einward.ris@karvy.com

For and on behalf of the Board

Kolkata
August 14th, 2019

J P Chowdhary
Executive Chairman

Declaration Affirming Compliance of Provisions of the Code of Conduct

To the best of my knowledge and belief and on the basis of declarations given to me, I hereby affirm that all the Board members and the senior management personnel have fully complied with the provisions of the Code of Conduct for Directors and Senior Management Personnel during the financial year ended 31st March, 2019.

Kolkata
May 30th, 2019

For Titagarh Wagons Limited
Umesh Chowdhary
Vice Chairman and Managing Director

Certificate on Corporate Governance

To
The Members
Titagarh Wagons Limited
756, Anandapur
E.M. Bypass,
Kolkata- 700107

I have examined the compliance of conditions of Corporate Governance by Titagarh Wagons Limited for the year ended on 31st March, 2019, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. My examination was limited to the procedures and implementation thereof, adopted by the Company ensuring for compliance of the conditions of Corporate Governance. It is neither an audit nor expression of the opinion on the financial statements of the Company.

In our opinion and to the best of my information and according to the explanations given to me, I certify that the Company has complied with the conditions of Corporate Governance, as stipulated by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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.

Vanita Sawant & Associates
(Practicing Company Secretary)
Membership No. : 6210
C.P. No. : 10072

Mumbai
May 29th, 2019

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certification in terms of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Board of Directors
Titagarh Wagons Limited

We have reviewed the financial statements read with cash flow statement of Titagarh Wagons Limited for the year ended on the 31st day of March, 2019 and to the best of our knowledge and belief, we state that:

a) These statements do not contain any materially untrue statement or omit any material fact or contain statements, that might be misleading;

b) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

c) 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;

d) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and steps taken or proposed to be taken for rectifying these deficiencies;

e) We have indicated to the auditors and the Audit Committee:

   i) Significant changes in internal control during the year;

   ii) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements;

   iii) Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system.

Kolkata	**Umesh Chowdhary**	**Anil Kumar Agarwal**
30th May, 2019	Vice Chairman and Managing Director & CEO	Director (Finance) & CFO

Certificate of Non-disqualification of Directors

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

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Titagarh Wagons Ltd having CIN L27320WB1997PLC084819 and having registered office at 756, Anandapur, E.M. Bypass, Kolkata – 700107 (hereinafter referred to as 'the Company'), produced before me/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 Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my/our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on 31st March, 2019 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.

Sr. No.	Name of Director	DIN	Date of appointment of Company
1	DHARMENDAR NATH DAVAR	0000002008	08/12/2006
2	MANOJ MOHANKA	0000128593	21/12/2001
3	UMESH CHOWDHARY	0000313652	03/07/1997
4	JAGDISH PRASAD CHOWDHARY	0000313685	24/09/2009
5	RAMSEBAK BANDYOPADHYAY	0001122778	10/08/2017
6	ATUL RAVISHANKER JOSHI	0003557435	24/01/2018
7	SUDIPTA MUKHERJEE	0006871871	15/05/2014
8	RASHMI CHOWDHARY	0006949401	14/08/2014

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.

Mumbai
29th May 2019

Vanita Sawant
Membership No.: F6210
CP No.: 10072

ANNEXURE TO CG REPORT

ANNEXURE CG - 1

Criteria For Performance Evaluation of Board & Independent Directors

An effective Board consciously creating a culture of leadership and transparent corporate governance with a long term vision and requisite strategies to enable the Company to become a responsible entity working for maximization of the stakeholders' value while contributing to society is at the core of its approach. Towards this Titagarh Wagons Limited ensures constitution of a Board of Directors with an appropriate composition, size, diversified expertise and experience and commitment to discharge their responsibilities and duties effectively.

Titagarh Wagons Limited also recognizes the importance of Independent Directors in achieving the effectiveness of the Board and aims to have an optimum combination of Executive, Non-Executive and Independent Directors.

Pursuant to the provisions of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, the Board carries out an annual evaluation of its own performance, as well as the evaluation of the working of its Committees and Individual Directors. The performance evaluation of all the Directors was carried out by Nomination and Remuneration Committee. The performance evaluation was carried out in accordance with the Remuneration Policy framed by the Company within the framework of applicable laws.

Qualification and Criteria of Independence

- The Board shall review on an annual basis appropriate skills, knowledge and experience required of the Board as a whole and its individual members.
- The Nomination and Remuneration Committee (NRC) shall also assess the independence of the directors at the time of appointment/reappointment and the Board shall assess the same annually.
- The Board shall reassess determinants of independence when any new interest or relationships are disclosed by a Director.
- In evaluating the suitability of the individual members NRC may take into account factors such as, general understanding of the Company's business dynamics, global business and social perspective.

The Board may review and update the criteria from time to time as it may deem appropriate.

ANNEXURE CG - 2

Remuneration Policy

Titagarh Wagons Limited recognizes the importance of aligning the business objectives with specific and measurable individual objectives and targets. The Remuneration policy is designed to attract, motivate and retain talented employees in a competitive market.

Therefore, the Remuneration Policy has been formulated with the following objectives and features:

a. Ensuring that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate employees, to run the Company successfully.

b. Ensuring that relationship of remuneration to performance is clear and meets the performance benchmarks.

c. Ensuring that remuneration involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goal.

d. Aligning the remuneration of Directors, KMPs and Senior Management Personnel with the Company's financial position as well as with trends in the industry to the extent applicable to the Company.

e. Performance evaluation of the Committees of the Board and Directors including Independent Directors.

f. Ensuring Board Diversity.

g. Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down.

Policy Relating to Remuneration of Directors, KMP & Senior Management Personnel

- The Board on the recommendation of the Nomination & Remuneration Committee shall review and approve the remuneration payable to the directors/KMPs which shall be within the limits approved by the shareholders.
- It is to be ensured that relationship of remuneration to the performance is clear and meets appropriate performance benchmarks which are unambiguously laid down and communicated.

Review

The policy shall be reviewed by the Nomination and Remuneration Committee and the Board, from time to time as may be necessary.

The Remuneration Policy is available on the Company's website under the following web link: **http://titagarh.in/downloads/Policies-and-Codes.pdf**

Independent Auditor's Report

To the Members of
Titagarh Wagons Limited

Report on the Audit of Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Titagarh Wagons Limited ("the Company"), which comprise the balance sheet as at March 31, 2019, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

2. 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, 2019, and total comprehensive income (comprising of profit and other comprehensive income) , changes in equity and its cash flows for the year then ended.

Basis for opinion

3. 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 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 matter

4. 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 year. 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.

Key audit matter	How our audit addressed the key audit matter
1 -Assessment of carrying value of Investment in subsidiaries (Refer to Note 2.8 – "Investments in subsidiaries and Joint Venture", Refer Note 2.32 – "Critical Estimates and Judgements – Impairment of Investments in Subsidiaries", Note 4 – "Non-Current Assets – Financial Assets – Investments" and Note 43 – "Fair Values). The Company has investments in equity and compulsorily convertible cumulative preference shares in subsidiaries aggregating to Rs 27,190.22 Lacs, which are carried at cost, and an investment of Rs. 2,500 Lacs in cummulative reedemable preference shares in a subsidiary which is carried at fair value in accordance with the accounting policies as stated in notes referred above. For investments carried at cost where an indication of impairment exists, the carrying value of investment is	Our audit procedures included the following: • Assessed and tested the design and operating effectiveness of the Company's key controls over the assessment of the carrying value of investments. • Checked on a sample basis, relevant input data used in the impairment assessment back to the latest budgets, actual past results and other supporting documents as appropriate and also checked the mathematical accuracy of the impairment model. • Together with auditors' valuation experts:- o Assessed the appropriateness of the methodology used in the impairment model, and the underlying assumptions used such as discount rate, future growth rates and terminal value also considered historical performance vis-à-vis budgets.

Key audit matter	How our audit addressed the key audit matter
assessed for impairment. For investments carried at fair value, a fair valuation is done at the period end. Impairment assessment requires significant judgements and estimates such as future expected level of operations and related forecast of cash flows, market conditions, discount rates, terminal growth rate etc. Based on impairment assessment carried out by the management, impairment loss of Rs. 10,758.43 lacs has been provided for during the year ended March 31, 2019 in respect of certain investments. Assessment of the carrying value of investments has been considered as a key audit matter as the amounts are significant to the financial statements and assessment of impairment involves significant management judgement and estimates.	o Performed sensitivity analysis and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment or material change in fair valuation. • Evaluated the adequacy of the disclosures made in the standalone financial statements. Based on the above procedures performed, we noted that the management's assessment in relation to the carrying value of investments in equity and preference shares in subsidiaries is reasonable.
2 -Appropriateness of estimation of total costs to complete contracts and determination of contract margin (Refer to Note 2.18 – "Revenue Recognition", Refer Note 2.32 – "Critical Estimates and Judgements – Accounting for revenue from contracts wherein company satisfies performance obligation and recognises revenue over time" and Note 21 – "Revenue from operations"). In respect of certain contracts with customers, the Company recognises revenue over a period of time in accordance with its accounting policy. This involves determination of margin to be recognised on the contract, which are dependent on the total costs to complete contracts, that is, the cost incurred till date and estimation of future cost to complete the contract. This estimation involves exercise of significant judgement by the management in making cost forecasts considering future activities to be carried out in the contract, and the related assumptions. This has been considered as a key audit matter given the involvement of management estimates and judgments and complexities in determining future costs to complete and the contract margin	Our audit procedures included the following: • Assessed and tested the design and operating effectiveness of key controls around estimation of contract margin and future costs to complete the contracts. • Discussed with the management the status of the contracts, basis for estimates of future cost to complete the contracts and other factors such as consideration of any specific identified risks. • Obtained the contract financial summaries and performed the following procedures: (a) verified the contract revenue with the underlying contracts on a sample basis, and its relevant terms and conditions (b) obtained and examined the computation of the total costs to complete, and percentage of contract project completion. (c) verified the actual cost incurred upto the year end on sample basis with vendor invoices and other supporting documents as appropriate. (d) verified on sample basis future cost to complete with order placed with vendors, management technical estimates, and other relevant supporting documents, as appropriate. (e) verified the mathematical accuracy of the calculation of percentage completion including contract margin. Based on the above procedures performed, management's assessment of total costs to complete contracts and determination of contract margin is considered reasonable.

Other Information

5. The Company's Board of Directors is responsible for the other information. The other information comprisesthe information included in the Directors report, but does not include the financial statements and our auditor's report thereon.

   Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

   In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

   We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the financial statements

6. The Company's Board of Directors is responsible for the matters stated in section 134(5) of 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 statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

7. 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. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

8. 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.

9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism 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.
   - Obtain 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 Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements 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.

10. 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.

11. 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.

12. 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 year 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 matter or when, in extremely rare circumstances, 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.

Report on other legal and regulatory requirements

13. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

14. 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), the Statement of Changes in Equity and Cash Flow Statement 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.

    (e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 A".

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

        (i) The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 14 and 37 to the financial statements;

        (ii) The Company has long-term contracts including derivative contracts as at March 31, 2019 for which there were no material foreseeable losses.

        (iii) There were no amounts which were required to transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2019.

        (iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2019.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Pramit Agrawal
Partner
Membership Number 09903

Kolkata
May 30, 2018

Annexure A to Independent Auditors' Report

Referred to in paragraph 14(f) of the Independent Auditors' Report of even date to the members of Titagarh Wagons Limited on the standalone financial statements as of and for the year ended March 31, 2019.

Report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 ofSection 143 of the Act

1. We have audited the internal financial controls with reference to financial statements of Titagarh Wagons Limited ("the Company") as ofMarch 31, 2019 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 Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the"Guidance Note") and the Standards on Auditing deemed to be prescribedunder section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness.Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that amaterial weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial controls with reference to financial statements 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. Acompany's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail,accurately and fairly reflect the transactions and dispositions of the assets of the company; (2)provide reasonable assurance that transactions are recorded as necessary to permit preparationof financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance

regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control controls with reference to financial statements 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 respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019 , 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 issued by the Institute of Chartered Accountants of India.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Pramit Agrawal
Partner
Membership Number 099903

Kolkata
May 30, 2019

Annexure B to Independent Auditors' Report

Referred to in paragraph 13 of the Independent Auditors' Report of even date to the members of Titagarh Wagons Limited on the standalone financial statements as of and for the year ended March 31, 2019.

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of threeyears which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.

(c) The title deeds of immovable properties, as disclosed in Note 3 on property, plant and equipment to the standalone financial statements, are held in the name of the Company, except for the followings (details of which are set out in the note 3(a) to standalone financial statements).

No. of cases	Particulars	Gross Carrying Amount (Rs. in lacs)	Net Carrying Amount (Rs. in lacs)	Remarks
1	Freehold Land	9,409.78	9,409.78	Original copy of title deeds not available with the Company
1	Freehold Land	3,391.29	3,391.29	Title deeds are not in the name of the Company
1	Buildings	181.91	173.67	Registration of title deeds is pending
2	Buildings	572.04	532.32	Title deeds are not in the name of the Company

ii. The physical verification of inventory (excluding stocks with third parties)have been conducted at reasonable intervals by the Management during the year.In respect of inventory lying with third parties, these have substantially been confirmed by them.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 accounts.

iii. The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the loans and investments made, and guarantees and security provided by it as applicable.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products.We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

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 generally regular in depositing undisputed statutory dues in respect of goods and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.Also refer note 50 to the financial statements regarding management's assessment on certain matters relating to provident fund.

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service tax and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of customs, duty of excise and value added taxas at March 31, 2019, which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where dispute is pending
The Customs Act, 1962	Customs duty	1,280.61	2006-2007 to 2012-2013	Customs, Excise and Service Tax appellate Tribunal
The West Bengal Sales Tax Act, 1944	Sales tax	5.24	2004-05	West Bengal Taxation Tribunal
The West Bengal Value Added Tax Act, 2003	Value added tax	17.43	2010-11	Additional Commissioner of Commercial Tax West Bengal
	Value added tax	1,199.64	2012-13 to 2015-16	West Bengal Taxation Tribunal
Foreign Trade Development and Regulation Act, 1992	Terminal excise duty	693.2	2008-10	Directorate General of Foreign Trade
The Central Excise Act, 1944	Excise duty	1096.42	2007-08, 2008-09, August 2007 to April 2009, April 2012 to June 2012	Customs, excise and service tax appelate Tribunal
	Excise duty	525.37	2011-12 to 2015-16	Additional Commissioner of Central Excise and Service Tax
	Excise duty	74.58	2009-10 to 2010-11 2014-15 and 2015-16	Assistant Commissioner of Central Excise and Service Tax
	Excise duty	18,718.89	1995-96 to 2013-14	Commissioner of Central Goods and Service Tax
	Excise duty	157.57	2006-07 to 2013-14	Commissioner of Central Excise (Appeal)
	Excise duty	329.21	2013 to 2015	Joint Commissioner of Central Excise and Service Tax
The Income- tax Act, 1961	Income Tax	91.41	AY 2011-12 AY 2013-14 AY 2015-16	Commissioner of Income Tax (Appeal)

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders, as applicable as at the balance sheet date.

ix. The Company has not raised any moneys by way of initial public offer, further public offer (including debt instruments) and term loans. Accordingly, the provisions of Clause 3(ix) of the Order are not applicable to the Company.

x. 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 material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it,the provisions of

Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Section 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Pramit Agrawal
Partner
Membership Number 09903

Kolkata
May 30, 2018

Balance Sheet as at March 31, 2019

Rs.in Lacs

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current Assets			
a) Property, Plant and Equipment	3 (i)	29,584.88	28,865.72
b) Capital Work-in-progress	3 (ii)	1,548.28	1,210.56
c) Intangible Assets (Other than Goodwill)	3 (i)	1,509.76	1,336.90
d) Intangible Assets Under Development	3 (iii)	241.76	387.29
e) Financial Assets			
i) Investments	4	30,165.08	38,356.86
ii) Trade Receivables	5	166.14	88.11
iii) Loans	6	124.44	183.20
iv) Other Financial Assets	7	20.23	192.37
f) Non-current Tax Asset (Net)	8	2,802.39	1,633.46
g) Other Non-current Assets	9	461.95	276.37
Total Non-current Assets		**66,624.91**	**72,530.84**
Current Assets			
a) Inventories	10	21,437.60	13,261.33
b) Financial Assets			
i) Trade Receivables	5	20,727.70	10,497.90
ii) Cash and Cash Equivalents	11.1	168.85	272.84
iii) Other Bank Balances	11.2	1,651.37	1,244.48
iv) Loans	6	854.72	7,629.33
v) Other Financial Assets	7	9,104.93	6,873.70
c) Current Tax Assets (Net)	8	–	1,010.99
d) Other Current Assets	9	15,642.19	4,932.64
Total Current Assets		**69,587.36**	**45,723.21**
TOTAL - ASSETS		**136,212.27**	**118,254.05**
EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	12	2,310.56	2,310.01
b) Other Equity	13	78,145.47	86,676.67
Total Equity		**80,456.03**	**88,986.68**
Liabilities			
Non-current Liabilities			
a) Provisions	14	291.66	275.25
b) Deferred Tax Liabilities (Net)	16	2,389.82	2,968.07
c) Other Non-current Liabilities	20	–	11.01
Total Non-current Liabilities		**2,681.48**	**3,254.33**
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	17	17,593.04	9,916.30
ii) Trade Payables	18		
a) total outstanding dues of micro and small enterprises		80.12	36.02
b) total outstanding dues of creditors other than (ii)(a) above		27,712.28	3,663.93
iii) Other Financial Liabilities	19	511.36	416.01
b) Other Current Liabilities	20	6,319.37	10,753.55
c) Provisions	14	752.18	1,197.67
d) Current Tax Liabilities	15	106.41	29.56
Total Current Liabilities		**53,074.76**	**26,013.04**
TOTAL - LIABILITIES		**55,756.24**	**29,267.37**
TOTAL - EQUITY AND LIABILITIES		**136,212.27**	**118,254.05**

The accompanying notes are an integral part of the financial statements

This is the Standalone Balance Sheet referred to in our Report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No.: 304026E/E-300009
Chartered Accountants

Pramit Agrawal
Partner
Membership No. 099903

Place: Kolkata
Dated : May 30, 2019

For and on behalf of the Board of Directors of Titagarh Wagons Limited

J P Chowdhary
Executive Chairman
DIN : 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN : 00313652

Atul Joshi
Director
DIN : 03557435

Manoj Mohanka
Director
DIN : 00128593

Anil Kumar Agarwal
Director (Finance) & CFO
DIN : 01501767

Dinesh Arya
Company Secretary

Statement of Profit & Loss as at March 31, 2019

Rs.in Lacs

	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
Revenue from Operations	21	91,011.28	31,652.05
Other Income	22	2,209.25	2,328.20
Total Income		**93,220.53**	**33,980.25**
Expenses			
Cost of Raw Materials and Components Consumed	23	67,553.37	15,842.90
Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap	24	(1,864.91)	1,968.89
Excise Duty Expense		–	256.17
Employee Benefits Expense	25	2,771.76	2,873.03
Finance Costs	26	2,390.02	864.45
Depreciation and Amortization Expense	27	1,237.85	1,297.20
Other Expenses	28	17,173.40	10,956.40
Total Expenses		**89,261.49**	**34,059.04**
Profit / (Loss) before Exceptional items and Tax		**3,959.04**	**(78.79)**
Exceptional Items	30	12,695.46	–
Loss Before Tax		(8,736.42)	(78.79)
Income Tax Benefits			
Current Tax		136.34	171.87
Deferred Tax		(585.36)	(542.20)
Total Income Tax Benefits		**(449.02)**	**(370.33)**
Profit / (Loss) for the Year		**(8,287.40)**	**291.54**
Other Comprehensive Income			
Item that will not be reclassified to Profit or Loss in Subsequent Periods :			
Remeasurement Losses on Defined Benefit Plans		(7.51)	(5.63)
Income Tax on above		2.62	1.97
Other Comprehensive Income for the Year (Net of Tax)		**(4.89)**	**(3.66)**
Total Comprehensive Income for the Year		**(8,292.29)**	**287.88**
Earnings / (Loss) per Equity Share [Nominal Value per Share Rs. 2/- (March 31, 2018: Rs 2/-)]	**31**		
Basic (In Rs.)		(7.17)	0.25
Diluted (In Rs.)		(7.17)	0.25

The accompanying notes are an integral part of the financial statements

This is the Standalone Statment of Profit and Loss referred to in our Report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No.: 304026E/E-300009
Chartered Accountants

Pramit Agrawal
Partner
Membership No. 099903

Place: Kolkata
Dated : May 30, 2019

For and on behalf of the Board of Directors of Titagarh Wagons Limited

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DIN : 01501767

Dinesh Arya
Company Secretary

Statement of Changes in Equity for the year ended March 31, 2019

A) Equity Share Capital (Refer Note 12)

	Number in Lacs	Amount Rs. in Lacs
Balance as at March 31, 2017	**1,154.12**	**2,308.24**
Issue of Equity Shares Pursuant to Employee Stock Option Scheme during the year (Refer Note 12)	0.88	1.77
Balance as at March 31, 2018	**1,155.00**	**2,310.01**
Issue of Equity Shares Pursuant to Employee Stock Option Scheme during the year (Refer Note 12)	0.28	0.55
Balance as at March 31, 2019	**1,155.28**	**2,310.56**

B) Other Equity

Rs. in Lacs

Particulars	Reserves and Surplus (Refer Note 13)						
	Securities Premium Account	General Reserve	Capital Reserve	Employee Stock Options Outstanding Account	Share Application Money Pending Allotment	Retained Earnings	Total
Balance as at March 31, 2017	**40,462.44**	**5,411.39**	**9.18**	**120.12**	**–**	**41,171.35**	**87,174.48**
Profit for the Year	–	–	–	–	–	291.54	291.54
Other Comprehensive Income (Net of Tax) - Remeasurement Losses on Defined Benefit Plans	–	–	–	–	–	(3.66)	(3.66)
Total Comprehensive Income for the year	**–**	**–**	**–**	**–**	**–**	**287.88**	**287.88**
Transactions with Owners in their Capacity as Owners:							
Premium on Issue of Equity Shares Pursuant to ESOP Scheme	37.35	–	–	–	–	–	37.35
Recognition of Share Based Payment	–	–	–	288.56	–	–	288.56
Transfer from ESOPs Outstanding Account on Exercise and Lapse	96.81	–	–	(134.81)	–	38.00	–
Final Dividend for the Year ended March 31, 2017	–	–	–	–	–	(923.58)	(923.58)
Dividend Distribution Tax on above	–	–	–	–	–	(188.02)	(188.02)
Balance as at March 31, 2018	**40,596.60**	**5,411.39**	**9.18**	**273.87**	**–**	**40,385.63**	**86,676.67**
-Change in accounting policy (as per impact of Ind AS 115) [Refer Note 47]	–	–	–	–	–	18.12	18.12
Restated balance as at April 1, 2018	**40,596.60**	**5,411.39**	**9.18**	**273.87**	**–**	**40,403.75**	**86,694.79**
Loss for the Year	–	–	–	–	–	(8,287.40)	(8,287.40)
Other Comprehensive Income (Net of Tax) - Remeasurement Losses on Defined Benefit Plans	–	–	–	–	–	(4.89)	(4.89)
Total Comprehensive Income for the year	**–**	**–**	**–**	**–**	**–**	**(8,292.29)**	**(8,292.29)**
Transactions with Owners in their Capacity as Owners:							
Premium on Issue of Equity Shares Pursuant to ESOP Scheme	11.62	–	–	–	–	–	11.62
Recognition of Share Based Payment	–	–	–	133.01	–	–	133.01
Transfer from ESOPs Outstanding Account on Exercise and Lapse	24.56	–	–	(52.93)	–	28.37	–
Final Dividend for the Year ended March 31, 2018	–	–	–	–	–	(346.58)	(346.58)
Dividend Distribution Tax on above	–	–	–	–	–	(70.55)	(70.55)
Share Application Money Pending Allotment	–	–	–	–	15.47	–	15.47
Balance as at March 31, 2019	**40,632.78**	**5,411.39**	**9.18**	**353.95**	**15.47**	**31,722.70**	**78,145.47**

The accompanying Notes form an integral part of the Standalone Financial Statement
This is the Standalone Statement of Changes in Equity referred to in our Report of even date.

This is the Standalone Statment of Changes in Equity referred to in our Report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No.: 304026E/E-300009
Chartered Accountants

Pramit Agrawal
Partner
Membership No. 099903

Place: Kolkata
Dated : May 30, 2019

For and on behalf of the Board of Directors of Titagarh Wagons Limited

J P Chowdhary
Executive Chairman
DIN : 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN : 00313652

Atul Joshi
Director
DIN : 03557435

Manoj Mohanka
Director
DIN : 00128593

Anil Kumar Agarwal
Director (Finance) & CFO
DIN : 01501767

Dinesh Arya
Company Secretary

Cash Flow Statement for the year ended March 31, 2019

Rs.in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Loss before Tax	(8,736.42)	(78.79)
Adjustments for:		
Depreciation and Amortisation Expense	1,237.85	1,297.20
Finance Costs	2,390.02	864.45
Employee Stock Option Expenses	133.01	288.56
Unrealised Foreign Exchange Fluctuations Gain	(16.01)	(495.17)
Fair Value Loss on Derivatives Not Designated as Hedges	44.72	115.79
Irrecoverable Debts / Advances Written Off (Net)	44.59	0.93
Provision for Doubtful Debts and Advances	354.43	501.58
Net (Gain) / Loss on Disposal of Property, Plant and Equipment	3.35	(366.74)
Net Gain on Disposal of Investment	(21.60)	–
Fair Value Gain on Investment in Equity Securities at FVTPL	(416.46)	(26.22)
Unspent Liabilities / Provisions No Longer Required Written Back	(113.45)	(340.84)
Commission Income Accrued on Fair Valuation of Financial Guarantees	(25.71)	(14.69)
Exceptional Item	12,695.46	–
Intangible Assets under Development Written Off	–	66.00
Interest Income Classified as Investing Cash Flows	(1,079.37)	(1,095.91)
Operating Profit before Changes in Operating Assets and Liabilities	**6,494.41**	**716.15**
Increase in Non-current and Current Financial and Non-financial Liabilities and Provisions	19,231.95	6,173.38
(Increase) / Decrease in Trade Receivables	(12,123.36)	123.52
(Increase) / Decrease in Inventories	(8,158.15)	1,745.81
Increase in Non-current and Current Financial and Non-financial Assets	(13,471.14)	(5,865.38)
Cash Generated From / (Used in) Operations	**(8,026.29)**	**2,893.48**
Income Taxes Paid (Net of Refunds)	(217.43)	(50.68)
Net Cash From / (Used in) Operating Activities	**(8,243.72)**	**2,842.80**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for Acquisition of Property, Plant and Equipment including Capital Work-in-Progress and Intangible Assets	(2,369.31)	(2,040.28)
Proceeds from Disposal of Property, Plant and Equipment	4.65	815.54
Loans Given to Subsidiaries	(1,900.00)	(7,723.20)
Loans Refunded by Subsidiaries	6,747.33	3,535.00
Investments in Subsidiaries	–	(1,684.51)
Sale of Investments in Subsidiaries	222.15	–
Investment in a Joint Venture	–	(74.99)
Fixed Deposits (Made) / Matured	(403.33)	(289.96)
Interest Received	760.13	770.21
Net Cash From / (Used in) Investing Activities	**3,061.62**	**(6,692.19)**

Rs.in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Short-term Borrowings - Receipts/(Payments)	7,676.74	5,569.02
Finance Costs Paid	(2,212.70)	(842.87)
Proceeds from Issue of Equity Shares Pursuant to Employee Stock Option Scheme	12.17	39.12
Proceeds from Share Application money received pending for Allotment	15.47	–
Dividend Paid (including Dividend Distribution Tax)	(413.57)	(1,111.59)
Net Cash From Financing Activities	**5,078.11**	**3,653.68**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)	**(103.99)**	**(195.71)**
Cash and Cash Equivalents - Opening Balance (Refer Note 11.1)	272.84	468.55
Cash and Cash Equivalents - Closing Balance (Refer Note 11.1)	**168.85**	**272.84**

(a) The above Standalone Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.
(b) Refer Note 46 for Debt Reconciliation.

The accompanying Notes form an integral part of the Standalone Cash Flow Statement.

This is the Standalone Cash Flow Statement referred to in our Report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No.: 304026E/E-300009
Chartered Accountants

Pramit Agrawal
Partner
Membership No. 099903

Place: Kolkata
Dated : May 30, 2019

For and on behalf of the Board of Directors of Titagarh Wagons Limited

J P Chowdhary
Executive Chairman
DIN : 00313685

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Anil Kumar Agarwal
Director (Finance) & CFO
DIN : 01501767

Dinesh Arya
Company Secretary

Notes to Financial Statements as at and for the year ended March 31, 2019

1 Corporate Information

Titagarh Wagons Limited (the Company) is a public limited company incorporated and domiciled in India. The registered office of the Company is located at 756, Anandapur, EM-Bypass, Kolkata - 700107 and its manufacturing facilities are located in West Bengal. The equity shares of the Company are listed on the BSE Limited and the National Stock Exchange of India Limited.

The Company is mainly engaged in the manufacturing and selling of Freight Wagons, Passenger Coaches, Steel Castings, Specialised Equipments & Bridges, Ships, Heavy Earthmoving and Mining Equipments, etc. The Company caters to both domestic and export market.

The standalone financial statements were approved and authorised for issue in accordance with the resolution of the Company's Board of Directors on May 30, 2019.

2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of the standalone financial statements.

2.1 Basis of Preparation

(i) Compliance with Indian Accounting Standards

The standalone financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Accounting Standards) Rules, 2015] and other provisions of the Act.

(ii) Historical Cost Convention

The standalone financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Certain financial assets and liabilities (including derivative instruments
- Defined benefits plan - plan assets
- Share based payments

(iii) Current versus Non-current Classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is classified as current when it is:

a) expected to be realised or intended to be sold or consumed in the normal operating cycle,

b) held primarily for the purpose of trading,

c) expected to be realised within twelve months after the reporting period, or

d) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

a) it is expected to be settled in the normal operating cycle,

b) it is held primarily for the purpose of trading,

c) it is due to be settled within twelve months after the reporting period, or

d) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as Non-current.

(iv) Rounding of Amounts

All amounts disclosed in the standalone financial statements and notes have been rounded off to the nearest lacs and decimals thereof (Rs. 00,000.00) as per the requirement of Schedule III to the Act, unless otherwise stated.

2.2 Property, Plant and Equipment

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation Method, Estimated Useful Lives and Residual Values

Depreciation is calculated on pro-rata basis using the straight-line method to allocate their cost, net of their estimated residual value, over their estimated useful lives. The useful lives have been determined based on technical evaluation done by the management's expert which are different than those specified by Schedule II to Companies Act 2013 in respect of factory buildings / other buildings , plant and equipment and railway sidings, in order to reflect the actual usage of assets. Each component of an item of property, plant and equipment with a cost that is significant in relation to the cost of that item is depreciated separately if its useful life differs from the other components of the item.

The useful lives of the property, plant and equipment as estimated by the management are as follows:

Particulars	Useful Life
Factory Buildings / Other Buildings	35 / 65 years
Plant and Equipments	30 years
Railway Sidings	30 years
Furniture and Fixtures	10 years
Office Equipments	5 years
Computers	3 years
Vehicles	8 years

Leasehold land is amortised on straight - line basis over the primary lease period of 99 years or its estimated useful life, whichever is shorter.

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within 'Other Income'/'Other Expenses'.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as 'Capital Advances' under 'Other Non-current Assets' and the cost of property, plant and equipment not ready to use are disclosed under 'Capital Work-in-progress'.

2.3 Intangible Assets

Intangible assets have a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Computer Software

Computer Software for internal use, which is primarily acquired from third-party vendors is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of computer software includes license fees and cost of implementation/system integration services, where applicable.

Brand and Design and Drawings

The Company had acquired the brand name of "Sambre et Meuse" along with all the available designs and drawings for manufacturing of bogies during the year ended March 31, 2017 which was capitalised.

Amortisation Method and Period

Computer Software, Brand and Design and Drawings are amortised on a pro-rata basis using the straight-line method over its estimated useful life of 5 years , 8 years and 5 / 10 years respectively from the date they are available for use. Amortisation method and useful lives are reviewed periodically including at each financial year end.

Research and Development

Research costs are expensed as incurred. Expenditure on development that do not meet the specified criteria under Ind AS 38 on 'Intangible Assets' are recognised as an expense as incurred.

2.4 Impairment of Non-financial Assets

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

2.5 Inventories

Inventories are stated at the lower of cost and net realisable value. However, material and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of inventories comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost are assigned to individual items of inventory on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Cost of raw materials and components consumed is a derived figure out of opening stock, closing stock and purchases including adjustment if any during the period.

2.6 Leases

As a Lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.7 Investments (other than Investments in Subsidiaries and Joint Venture) and Other Financial Assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

– those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and

– those to be measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt Instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

- **Amortised Cost :** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit for loss when the assets is derecognised or impaired.
- **Fair Value through Other Comprehensive Income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Other Income/Other Expenses'.
- **Fair Value through Profit or Loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within 'Other Gain / (Losses)' in the period in which it arises.

Equity Instruments

The Company subsequently measures all equity investments (other than investments in subsidiaries and joint venture) at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Other Gain / (Losses)' in the Statement of Profit and Loss.

(iii) Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments, if any. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 44(II) details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109,'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Modification of Financial Instruments

The Company if renegotiates or otherwise modifies the contractual cash flows of financial instrument, the Company assesses whether or not the new terms are substantially different to the original terms.

If the terms are substantially different, the original financial instrument is derecognised and recognizes a 'new' instrument at fair value and recalculates a new effective interest rate for the instrument. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the management recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate.

(v) Derecognition of Financial Assets

A financial asset is derecognised only when

– the Company has transferred the rights to receive cash flows from the financial asset or

– retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(vi) Income Recognition

Interest Income

Interest income on financial assets at amortised cost is accrued on a time proportion basis using the effective interest rate method and is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit impaired financial assets the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(vii) Fair Value of Financial Instruments

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

2.8 Investments in Subsidiaries and Joint Venture

Investments in subsidiaries and joint venture are carried at cost less provision for impairment, if any. Investment in subsidiaries and joint venture are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of investments exceeds its recoverable amount.

2.9 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.10 Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. These are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.11 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

2.12 Other Financial Liabilities

Other financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Other financial liabilities are initially measured at the fair value and subsequently measured at amortised cost using the effective interest method.

2.13 Derivative Instruments

The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Derivative instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period, with changes included in 'Other Income' / 'Other Expenses'.

2.14 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.15 Financial Guarantee Contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.

2.16 Cash and Cash Equivalents

For the purpose of presentation in the Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held with banks / financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.17 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the year in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.18 Revenue Recognition

Effective April 1, 2018, the Company has applied Ind AS 115 'Revenue from Contracts with Customers', which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The Company has adopted Ind AS 115 using the modified retrospective effect method.

The Company has applied five step model as per Ind AS 115 'Revenue from contracts with customers' to recognise revenue in the financial statements. The Company satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

a) The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or

b) The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

c) The Company's performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.Revenue is recognised either at point of time and over a period of time based on various conditions as included in the contracts with customers.

Revenue is measured at fair value of the consideration received or receivable and is reduced by rebates, allowances and taxes and duties collected on behalf of the government. Revenue also includes adjustments made towards liquidated damages, normal product warranty and price variations wherever applicable.

Revenue is recognised in the income statement to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if applicable, can be measured reliably.

Sale of Products

Revenue for sale of products mainly comprises of wagons/locomotive shells and related items, where revenue is recognised at a point in time, when control of the asset is transferred to the customer, which generally occurs on receipts of dispatch memo / inspection certificate from customer as per terms of contract. On receipt of same, the title of goods passes on to the customer basis the laid down criteria under the standard.

Revenue from sale of specialized products

Revenue from specialized products mainly consists of defence related products (i.e Bailey bridge, Shelters ect), Ship building, Mainline electric multiple unit and Electric multiple unit in respect of which revenue is recognised over a period of time as performance obligations are satisfied over time as per criteria laid down under the standard and specified above.

Revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Profit (contract revenue less contract cost) is recognised when the outcome of the contract can be estimated reliably. When it is probable that the total cost will exceed the total revenue from the contract, the expected loss is recognised immediately. For this purpose, total contract costs are ascertained on the basis of contract costs incurred and cost to completion of contracts which is arrived at by the management based on current technical data, forecast and estimate of net expenditure to be incurred in future including for contingencies etc.

The outcome of a construction contract is considered as estimated reliably when (a) all approvals necessary for commencement of the project have been obtained; (b) the stage of completion of the project reaches reasonable level of development. The stage of completion is determined as a proportion that contract costs incurred for work performed up to the closing date bear to the estimated total costs of respective project. Profit (contract revenue less contract cost) is recognised when the outcome of the contract can be estimated reliably. When it is probable that the total cost will exceed the total revenue from the contract, the expected loss is recognised immediately. For this purpose total contract costs are ascertained on the basis of contract costs incurred and cost to completion of contracts which is arrived at by the management based on current technical data, forecast and estimate of net expenditure to be incurred in future including for contingencies etc. For determining the expected cost to completion of the contracts, cost of steel, labour and other related items are considered at current market price based on fixed cost purchase orders placed or firm commitments received from suppliers / contractors as these purchase orders and future firm commitments are enforceable over the period of the contracts.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probably recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When contract costs incurred to date plus recognised profit less recognised losses exceed progress billing, the surplus is shown as unbilled revenue. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as liability as advance from customer. Amounts received before the related work is performed are included as a liability as advance from customer. Amounts billed for work performed but not yet paid by customer are included under trade receivables.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract Liabilities are recognised when there is billing in excess of revenue and advance received from customers.

Generally, the Company receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods or services to the customer and when the customer pays for that goods or services will be one year or less.

Sale of Services

Revenue from service contracts are recognised in the accounting period in which the services are rendered. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the standalone selling price and revenue is recognised at point in time on fulfillment of respective performance obligation. In case, the service contracts include one performance obligation revenue is recognised based on the actual service provided to the end of the reporting period as proportion of the total services to be provided. This is determined based on the actual expenditure incurred to the total estimated cost.

Other Operating Revenues

Export entitlement are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Company and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. Management fees are recognised on an accrual basis as per the terms of the agreement/arrangement with the concerned party.

2.19 Foreign Currency Transactions and Translation

(i) Functional and Presentation Currency

Items included in the standalone financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (‘the functional currency’). The financial statements are presented in Indian Rupee (Rupees or Rs.), which is the Company’s functional and presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit and loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

2.20 Employee Benefits

(i) Short-term Employee Benefits

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees’ services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Post-employment Benefits

Defined Benefit Plans

The liability recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. These are included in 'Retained Earnings' in the Statement of Changes in Equity.

Defined Contribution Plans

Contributions under defined contribution plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

(iii) Other Long-term Employee Benefits

Long-term compensated absences are provided for based on actuarial valuation, as per projected unit credit method, done at the end of each financial year. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

(iv) Termination Benefits

Termination benefits, in the nature of voluntary retirement benefits, are recognised as expense in the Statement of Profit and Loss if the Company has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.21 Share Based Payments

Share-based compensation benefits are provided to employees via the Titagarh Wagons Limited Employee Stock Option Scheme namely ESOP Scheme 2014.

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in Employee Stock Options Outstanding Account in equity, over the period in which the performance and/or service conditions are fulfilled, in Employee Benefit Expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.22 Income Taxes

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax credits and to unused tax losses.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax credits and losses.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

2.23 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, 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. The expenses relating to a provision is recognised in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranties

Provisions for warranty related costs are recognised when the product is sold. Initial recognition is based on historical experience i.e. claims received up to the year end and the management's estimate of further liability to be incurred in this regard during the warranty period, computed on the basis of past trend of such claims. The initial estimate of warranty related costs is revised annually.

Liquidated Damages

Liquidated damages on supply of materials are provided based on the contractual obligations, deduction made by the customers, as the case may be based on management's best estimate of the expenditure required to settle the obiligations.

Litigations, Claims and Contingencies

The management estimates the provisions for pending litigations, claims and demands based on its assessment of probability for these demands crystalising against the Company in due course. Also refer Note 2.24.

Onerous Contract

Provision is recognised for the contract, where unavoidable cost of meeting the obligation under the contract exceeds the economic benefits expected to be received. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

2.24 Contingencies

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, 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 a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

2.25 Earnings Per Equity Share

(i) Basic Earnings Per Equity Share

Basic earnings per equity share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted Earnings Per Equity Share

Diluted earnings per equity share adjusts the figures used in the determination of basic earnings per equity share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.26 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Board of Directors of the Company. Refer Note 41 for segment information presented.

2.27 Business Combinations

A common control business combination, involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for using the pooling of interest method.

Other business combinations, involving entities or businesses are accounted for using acquisition method.

2.28 Governments Grants

Grants from the Government are recognised at there fair value where there is reasonable assurance that the grant will be received and the Company will comply with all attached conditions.

Government grants relating to purchase of property, plant and equipment are included in non current liabilities as deferred income and are credited to statement of profit and loss on straight line basis over the expected lives of related assets and presented within other income

2.29 Dividends

Provision is made for the amount of any divident declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.30 Exceptional items

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 there disclosure is relevant to explain the performance of the enterprise for the period, the nature and amount of such material items are disclosed seperately as exceptional items.

2.31 Recent Accounting Pronouncements

Standard issued but not yet effective

The Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 including the following amendments to Ind AS which the Company has not applied in these standalone financial statements as they are effective for annual periods beginning on or after April 1, 2019.

Ind AS 116 - 'Leases''

Ind AS 116 will impact primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for almost all lease contracts. An optional exemption exists for short-term and low-value leases.

Appendix C, 'Uncertainty over Income Tax Treatments' , to Ind AS 12, 'Income Taxes''

This appendix clarifies how the recognition and measurement requirements of Ind AS 12 'Income Taxes', are applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The Company is evaluating the requirements of the above amendments and the effect on the standalone financial statements is being evaluated.

2.32 Critical Estimates and Judgements

The preparation of standalone financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the standalone financial statements.

The areas involving critical estimates or judgements are:

Employee Benefits (Estimation of Defined Benefit Obligations) - Notes 2.20 and 32

Post-employment benefits represent obligations that will be settled in the future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit costs over the employee's approximate service period, based on the terms of the plans and the investment and funding decisions made. The accounting requires the Company to make assumptions regarding variables such as discount rate and salary growth rate. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

Impairment of Trade and Other Receivables - Notes 2.7(iii) and 44(II)

The risk of uncollectability of trade and other receivables is primarily estimated based on prior experience with, and the past due status of, doubtful receivables, based on factors that include ability to pay, bankruptcy and payment history. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically.

Estimation of Expected Useful Lives of Property, Plant and Equipment and Intangible Assets - Notes 2.2, 2.3 and 3

Management reviews its estimate of the useful lives of property, plant and equipment and intangible assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment and intangible assets.

Accounting for revenue from contracts wherein company satisfies performance obligation and recognises revenue over time - Notes 2.18 and 21

For contracts wherein performance obligation are satisfied over time, an entity recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation, in order to depict an entity's performance in transferring control of goods or services promised to a customer. This method requires estimates of the final revenue and costs of the contract, as well as measurement of progress achieved to date as a proportion of the total work to be performed. This involves determination of margin to be recognised on the contract, which are dependent on the total costs to complete contracts, that is, the cost incurred till date and estimation of future cost to complete the contract and price variations etc. This estimation involves exercise of significant judgement by the management in making cost forecasts considering future activities to be carried out in the contract, and the related assumptions etc. Experience, reduces but does not eliminate the risk that estimates may change significantly.

Litigations, Claims and Contingencies - Notes 2.23, 2.24 and 37

Legal proceedings covering a range of matters are pending against the Company. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against the Company often raise factual and legal issues that are subject to uncertainties and complexities, including the facts and circumstances of each particular case/claim, the jurisdiction and the differences in applicable law. The Company consults with legal counsel and other experts on matters related to specific litigations where considered necessary. The Company accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

Valuation of Deferred Tax Assets - Notes 2.22 and 16

Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

Warranties and Liquidated Damages - Notes 2.23 and 14

The Company's product warranty obligations and estimations thereof are determined using historical information of claims received up to the year end and the management's estimate of further liability to be incurred in this regard during the warranty period, computed on the basis of past trend of such claims.

Liquidated damages on supply of products are provided based on the contractual obligations or deduction made by the customers considering the current situation and status of the project, the reasons for delays and past experience with the customers.

Changes in estimated frequency and amount of future warranty claims/ liquidated charges, can materially affect warranty / liquidated damage expenses.

Impairment of Investments in Subsidiaries - Notes 2.8 and 4

Determining whether the investments in subsidiaries are impaired requires an estimate of the value in use of investments. In considering the value in use, the management anticipates the future commodity prices, capacity utilisation of plant, order book position, operating margins, discount rates and other factors of the underlying businesses / operations of the subsidiaries.

Fair Value Measurements - Notes 2.7(vi) , 2.21, 33 and 43

When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

3(i) Property, Plant and Equipment and Intangible Assets (Other Than Goodwill)

Rs in Lacs

Particulars	Freehold Land (Refer 'a' below)	Leasehold Land	Buildings (Refer 'a' below)	Plant and Equipments	Railway Sidings	Furniture and Fixtures	Office Equipments	Computer	Vehicles	Total Property, Plant and Equipment	Computer Software	Brand	Design and Drawings	Total Intangible Assets
Gross Carrying Amount														
At March 31 2017	**18,686.16**	**335.61**	**6,238.08**	**4,989.57**	**244.75**	**223.05**	**30.05**	**213.89**	**192.41**	**31,153.57**	**129.93**	**227.79**	**1,298.22**	**1,655.94**
Additions	–	–	291.73	664.86	64.45	67.83	33.07	19.56	39.65	1,181.15	44.10	–	–	44.10
Disposals	–	–	462.97	–	–	–	–	–	38.21	501.18	–	–	–	–
At March 31 2018	**18,686.16**	**335.61**	**6,066.84**	**5,654.43**	**309.20**	**290.88**	**63.12**	**233.45**	**193.85**	**31,833.54**	**174.03**	**227.79**	**1,298.22**	**1,700.04**
Additions	–	–	313.05	1,171.65	61.62	7.01	40.86	30.07	85.57	1,709.83	169.80	–	258.24	428.04
Disposals	–	–	–	–	–	–	–	–	40.23	40.23	–	–	–	–
At March 31 2019	**18,686.16**	**335.61**	**6,379.89**	**6,826.08**	**370.82**	**297.89**	**103.98**	**263.52**	**239.19**	**33,503.14**	**343.83**	**227.79**	**1,556.46**	**2,128.08**
Accumulated Depreciation and Amortization														
At March 31 2017	**–**	**8.65**	**391.61**	**1,273.85**	**50.45**	**45.76**	**22.95**	**92.30**	**44.80**	**1,930.37**	**75.35**	**–**	**80.41**	**155.76**
Charge for the Year	–	4.33	203.48	737.13	26.81	25.01	37.73	22.58	32.75	1,089.82	30.48	28.47	148.43	207.38
Adjustment on disposals	–	–	28.72	–	–	–	–	–	23.65	52.37	–	–	–	–
At March 31 2018	**–**	**12.98**	**566.37**	**2,010.98**	**77.26**	**70.77**	**60.68**	**114.88**	**53.90**	**2,967.82**	**105.83**	**28.47**	**228.84**	**363.14**
Charge for the Year	–	3.85	197.64	639.65	23.54	31.34	35.42	18.71	32.52	982.67	39.51	28.47	187.20	255.18
Disposals	–	–	–	–	–	–	–	–	32.23	32.23	–	–	–	–
At March 31 2019	**–**	**16.83**	**764.01**	**2,650.63**	**100.80**	**102.11**	**96.10**	**133.59**	**54.19**	**3,918.26**	**145.34**	**56.94**	**416.04**	**618.32**
Net Carrying Amount														
At March 31 2019	**18,686.16**	**318.78**	**5,615.88**	**4,175.45**	**270.02**	**195.78**	**7.88**	**129.93**	**185.00**	**29,584.88**	**198.49**	**170.85**	**1,140.42**	**1,509.76**
At March 31 2018	**18,686.16**	**322.63**	**5,500.47**	**3,643.45**	**231.94**	**220.11**	**2.44**	**118.57**	**139.95**	**28,865.72**	**68.20**	**199.32**	**1,069.38**	**1,336.90**

a) The title deeds of immovable properties, as disclosed above are held in the name of the Company, except for the following:

Particulars	No. of Cases		Gross Carrying Amount (Rs. in Lacs)		Net Carrying Amount (Rs. in Lacs)		Remarks
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	
Freehold Land	1	1	9,409.78	9,409.78	9,409.78	9,409.78	Original copy of title deeds not available with the Company. Company has the photocopy of the same.
Freehold Land	1	1	3,391.29	3,391.29	3,391.29	3,391.29	Title deeds are not in the name of the Company
Buildings	1	1	181.91	181.91	173.67	176.44	Registration of title deeds is pending
Buildings	2	2	572.04	572.04	532.32	533.58	Title deeds not in the name of the Company

b) The management, based on technical evaluation, has revised estimated useful life of Plant & Equipment, Building and Railway Siding effective from January 01, 2019 . As a result, the depreciation expense and profit before tax for the year ended March 31, 2019 is lower by Rs. 107.18 Lacs (Plant & Equipment - Rs. 85.21 lacs, Railway Siding - Rs. 4.16 lacs, Building - 17.81 lacs).

c) Refer Note no. 17 and 40 for information on property, plant and equipment pledged as security by the Company.

d) Refer Note 36(a) for disclosure of contractual commitments for acquisition of Property, Plant & Equipment.

e) The Company had opted to fair value its Property, Plant and Equipment as on April 1, 2015 (date of transition to Ind AS) and considered the same as deemed cost as at April 1, 2015.

3(ii) CAPITAL WORK-IN-PROGRESS

(Rs. In Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Total	1,548.28	1,210.56

a) Capital work in progress as on March 31, 2019 is in respect of Plant and Equipment Rs.981.13 Lacs and Building Rs. 567.15 Lacs (March 31, 2018 are in respect of Plant and Equipments amounting to Rs. 1,061.06 Lacs and Rs. 149.50 Lacs in respect of Building).

3(iii) INTANGIBLE ASSETS UNDER DEVELOPMENT

(Rs. In Lacs)

Particulars	As at March 31, 2019	As at March 31, 2018
Total	241.76	387.29

a) Intangible assets under development as on March 31, 2019 are in respect of new accounting software [March 31, 2018 in respect of design of new wagon model Rs. 250.72 Lacs and Rs. 136.55 Lacs in respect of new accounting software]

Notes to Financial Statements as at and for the year ended March 31, 2019

4 Investments (Non-current)

	No of Shares/Units As at March 31, 2019	No of Shares/Units As at March 31, 2018	Face vale per share/unit (Rs)	As at March 31, 2019 Rs. in Lacs	As at March 31, 2018 Rs. in Lacs
Investment in Equity Instrument					
In Subsidiary Companies (Quoted) (at Cost)					
Cimmco Limited	21,707,382	22,265,350	10.00	7,802.15	8,002.70
In Subsidiary Companies (Unquoted) (at Cost)					
Titagarh Singapore Pte Limited** (a)	20,000,000	20,000,000	USD 1	6,959.32	12,833.86
[Net of Rs. 5,874.54 Lacs impairment (March 31, 2018: Rs. Nil Lacs)] (Also Refer Note- 30)					
Titagarh Capital Private Limited (d)	1,500,000	1,500,000	100	1,542.57	1,542.57
Titagarh Wagons AFR** (a) and Note 6 (b)	7,000,500	4,500,000	EURO 1	–	2,864.60
[Net of Rs. 4,883.89 Lacs impairment (March 31, 2018: Rs. Nil Lacs)] (Also Refer Note- 30)					
Titagarh Firema S.p.A (a) (formerly Titagarh Firema Adler S.p.A)	180,000	180,000	EURO 1	127.75	127.75
In Joint Venture (Unquoted) (at Cost)					
Matiere Titagarh Bridges Pvt Ltd	754,882	754,882	10.00	75.49	75.49
In Others (Unquoted) (at FVTPL) (e)					
Titagarh Enterprises Limited	4,933,000	4,933,000	10	2,752.97	2,339.42
Tecalemit Industries Limited (merged with Traco International Investment Private Limited)	685,000	685,000	10	24.22	22.82
Titagarh Industries Limited	50,000	50,000	10	31.02	30.83
Continental Valves Limited	160,000	160,000	10	30.09	28.77
				19,345.58	**27,868.81**
Investment in Preference Shares					
Compulsorily Convertible Cumulative Preference Shares in Subsidiary Companies (fully paid up) (at Amortised cost) (Unquoted)					
Titagarh Capital Private Limited (b), (d)	2,500,000	2,500,000	100	2,500.00	2,500.00
In Cumulative, Non-convertible, Redeemable Preference Shares (CNCRPS) in Subsidiary Companies (fully paid up) (Unquoted) (at FVTPL)					
Cimmco Limited (c)	25,000,000	25,000,000	10	2,500.00	–
In Non-cumulative, Non-convertible, Redeemable Preference Shares (NCNCRPS) in Subsidiary Companies (fully paid up) (Unquoted) (at Amortised Cost)					
Cimmco Limited (c)	25,000,000	25,000,000	10	–	2,168.55
				5,000.00	**4,668.55**
Investment in Tax Free Bonds (Quoted) (At Amortised Cost)					
7.40% India Infrastructure Finance Company Limited***	140000	140,000	1,000	1,481.41	1,481.41
7.04% Indian Railways Finance Corporation Limited***	50	50	1,000,000	508.16	508.16
7.38% Indian Railways Finance Corporation Limited***	100	100	1,000,000	1,106.55	1,106.55
7.39% National Highway Authority of India***	180000	180,000	1,000	1,960.46	1,960.46
7.39% National Highway Authority of India***	50	50	1,000,000	526.24	526.24
8.67% Power Finance Corporation Limited***	20000	20,000	1,000	236.68	236.68
				5,819.50	**5,819.50**
				30,165.08	**38,356.86**

4 Investments (Non-current) (Contd.)

	No. of Shares/Units As at March 31, 2019	No. of Shares/Units As at March 31, 2018	Face vale per share/unit (Rs.)	As at March 31, 2019 Rs. in Lacs	As at March 31, 2018 Rs. in Lacs
Total					
Aggregate book value of quoted investments				13,621.65	13,822.20
Aggregate Market value of quoted investments				13,158.77	23,613.90
Aggregate book value of Unquoted investments				16,543.43	24,534.66
Aggregated amount of impairment in the value of investment				10,758.43	–

**Represents following shares pledged/to be pledged with the banks for loans taken by the respective subsidiary company:

Name of the Subsidiary	No. of Shares/Units As at March 31, 2019	No. of Shares/Units As at March 31, 2018	Face vale per share/unit (Rs.)	Amount Pledged As at March 31, 2019 Rs. in Lacs	Amount Pledged As at March 31, 2018 Rs. in Lacs
Titagarh Singapore Pte Limited	20,000,000	20,000,000	USD 1	12,833.86	12,833.86
Titagarh Wagons AFR	6,300,450	4,500,000	EURO 1	4,395.50	2,864.60
				17,229.36	**15,698.46**

*** All the units are pledged against the working capital loan taken by Titagarh Wagons Limited.

Notes:

(a) Valued at exchange rate prevailing on the date of transaction.

(b) The 1% Compulsorily Convertible Cumulative Preference Shares are convertible into equity shares on or before August 27, 2022 at par.

(c) 8% Non-cumulative Non-convertible Redeemable Preference Share (NCNCRPS) were converted into 11% Cumulative Non-Convertible redeemable (CNCRPS), which has been approved by Board of Directors of Titagarh Wagons in the board meeting dated February 4, 2019 and by the shareholders of Cimmco Limited by postal ballot on March 30, 2019. The terms of NCNCRPS are as follows: Dividend at the rate of 11% payable annually and redeemable: Rs. 2500 lakh and Rs.1500 lakh within June 27, 2024 and July 7, 2024 respectively. The said preference shares are not listed at any stock exchange.

(d) The Company has investment in the equity and preference shares aggregating to Rs. 4,042.57 lacs (March 31, 2018: Rs. 4,042.57 lacs in its wholly owned subsidiary company "Titagarh Capital Private Limited" (TCPL). As at March 31, 2019, being the last audited balance sheet date, the accumulated losses in the books of TCPL is Rs. 1,465.63 lacs (March 31, 2018: Rs. 1,449.49 lacs). However, certain Property, Plant and Equipment of TCPL, having net block of Rs 1,035.48 lacs (March 31, 2018: Rs. 1,035.48 lacs) representing 887 wagons, are in possession of Indian Railways since 1998 which have significant residual value. TCPL also has raised claims on Indian Railways on account of secondary lease rentals / user charges and interest thereon along with returning possession of wagons, which is under arbitration proceedings. Considering the above, the management believes there is no impairment on this investment.

(e) Refer Note 43 for determination of fair values.

(f) Refer Note 44 for credit risk and market risk on investments.

5 Trade Receivables (At Amortised Cost)

(Unsecured, considered good unless stated otherwise)

Rs. in Lacs

	Non-current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Trade Receivables				
Considered good	166.14	88.11	21,266.45	10,497.90
Having Significant Increase in Credit Risk	–	–		
Credit Impaired	62.42	50.93	2,195.62	433.95
	228.56	139.04	23,462.07	10,931.85
Less: Loss Allowances [Refer Note 44 (c)]	62.42	50.93	2,195.62	433.95
Less : Liquidated Damages	–	–	538.75	–
Total	**166.14**	**88.11**	**20,727.70**	**10,497.90**

a) Trade Receivables - Considered Good includes dues from related parties Rs. 6,439.12 Lacs (March 31, 2018: Rs. 2,374.66 Lacs). Refer Note 42 for details.

b) Liquidated damages has been adjusted with trade receivable in accordance with the requirement of IND AS 115.

c) Refer Note 17 for information on trade receivables pledged as security by the Company and Note 44 for information about credit risk and market risk on trade receivables.

6 Loans (At Amortised Cost)

(Unsecured, Considered Good unless stated otherwise)

Rs. in Lacs

	Non-current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Loans to Related Parties [Refer (a) and (b) below]				
Considered Good	–	–	490.00	7,353.29
Having Significant Increase in Credit Risk	–	–	–	–
Credit Impaired	–	–	–	–
	–	–	490.00	7,353.29
Less: Loss Allowances	–	–		
	–	–	490.00	7,353.29
Security Deposits				
Considered Good	124.44	183.20	364.72	276.04
Having Significant Increase in Credit Risk	–	–	–	–
Credit Impaired	41.63	41.63	–	–
	166.07	224.83	364.72	276.04
Less: Loss Allowances	41.63	41.63	–	–
	124.44	183.20	364.72	276.04
Total	**124.44**	**183.20**	**854.72**	**7,629.33**

Notes:

(a) Loans to Related Parties are non-derivative financial assets receivable on demand which generate a fixed interest income for the Company. Also Refer Note 42.

(b) Loan to Titagarh Wagons AFR of Euro 2.50 million (Rs. 2,019.29 Lacs) has been converted into equity shares in December 2018.

7 Other Financial Assets

(Unsecured, Considered Good unless stated otherwise)

Rs. in Lacs

	Non-current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Measured at Amortised Cost				
Bank Deposits with Remaining Maturity of More than Twelve Months	20.23	192.37	–	–
Receivable from Related Parties (Refer Note 42)				
Considered Good	–	–	210.12	796.45
Considered Doubtful	–	–	235.93	–
	–	–	446.05	796.45
Less: Provision for Doubtful Receivable from Related Parties	–	–	235.93	–
	–	–	210.12	796.45
Interest Accrued on				
Fixed Deposits with Banks and Tax Free Bonds	–	–	165.81	175.56
Loans to Subsidiaries (Refer Note 42)				
Considered Good	–	–	15.44	154.85
Considered Doubtful	–	–	139.97	–
	–	–	155.41	154.85
Less: Provision for Doubtful Interest Accrued on Loan to Subsidiaries	–		139.97	–
	–	–	15.44	154.85
Unbilled Revenue	–	–	6,244.68	4,827.92
Subsidy Receivable [Refer (a) below]	–	–	1,568.59	–
Charges Recoverable				
Considered Good	–	–	900.29	918.92
Considered Doubtful	–	–	24.48	24.48
	–	–	924.77	943.40
Less: Provision for Doubtful Charges Recoverable	–	–	24.48	24.48
	–	–	900.29	918.92
Total	**20.23**	**192.37**	**9,104.93**	**6,873.70**

(a) Represent subsidy receivable accounted by the Company relating to the ship building division.

8 Tax Assets(Net)

Rs. in Lacs

	Non-current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Advance Tax (Including Tax Deducted at Source and Net of Provision for Tax) (Net of provision for tax Rs. 6,984.59 Lacs; March 31, 2018 Rs. 9,348.59)	2,802.39	1,633.46	–	1,010.99
Total	**2,802.39**	**1,633.46**	**–**	**1,010.99**

Notes to Financial Statements as at and for the year ended March 31, 2019

9 Other Assets

(Unsecured, considered Good unless stated otherwise)

Rs. in Lacs

	Non-current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Capital Advances	58.55	21.75	–	–
Security Deposits	284.16	196.31	–	–
Advances Recoverable in Cash or in Kind				
Considered Good - Related Parties [Refer (a) below]	–	–	34.50	34.50
Considered Good - Others	4.20	18.51	6,275.37	2,160.74
Considered Doubtful - Others	88.40	88.40	37.70	16.90
	92.60	106.91	6,347.57	2,212.14
Less: Provision For Doubtful Advances - Others	88.40	88.40	37.70	16.90
	4.20	18.51	6,309.87	2,195.24
Balance with Government Authorities				
Considered Good	–	–	9,091.70	2,453.41
Considered doubtful	–	–	141.67	20.09
	–	–	9,233.37	2,473.50
Less: Provision For Doubtful Balances	–	–	141.67	20.09
	–	–	9,091.70	2,453.41
Prepaid Expenses	115.04	39.80	240.62	283.99
Total	**461.95**	**276.37**	**15,642.19**	**4,932.64**

(a) Represents recoverable from an Officer of the Company. Also Refer Note 42.

10 Inventories

(Valued At Lower Of Cost And Net Realisable Value)

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Raw Materials and Components [Includes Goods in transit Rs. 630.20 lacs (March 31, 2018: Rs 1,670.57 lacs]	14,126.93	7,907.94
Work-in-progress	5,203.80	3,552.43
Finished Goods	828.85	1,074.55
Saleable Scrap	340.58	127.04
Stores and Spares	937.44	599.37
Total	**21,437.60**	**13,261.33**

a) Refer Note 17 for information on inventories pledged as security by the Company.

b) Write-downs of inventories to net realisable value amounted to Rs. 99.79 lacs (March 31, 2018: Rs 11.86 lacs). These were recognised as an expense during the year and included in Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap in the Statement of Profit and Loss.

11 Cash and Bank Balances (At Amortised Cost)

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
11.1 Cash and Cash Equivalents		
Balances with Banks:		
On Current Accounts	139.45	260.70
Deposits with Original Maturity of Less Than Three Months	20.82	–
Cash on Hand	8.58	12.14
	168.85	272.84
11.2 Other Bank Balances **Balances with Banks:**		
On Unpaid Dividend Accounts	18.59	15.03
Deposits with Original Maturity of More Than Twelve Months #	87.58	740.85
Deposits with Original Maturity of More than Three Months but Less Than Twelve Months #	1,545.20	488.60
	1,651.37	**1,244.48**

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
# Includes deposits held as Margin money whose receipts are lying with banks as security against loans, guarantees/letters of credits issued by them as mentioned below:		
Deposits with Original Maturity of More Than Twelve Months	84.65	–
Deposits with Original Maturity of More than Three Months but Less Than Twelve Months	123.94	1.5
	208.59	1.50

Notes to Financial Statements as at and for the year ended March 31, 2019

12 Equity Share Capital

	As at March 31, 2019		As at March 31, 2018	
	No. of shares in Lacs	Rs.in Lacs	No. of shares in Lacs	Rs.in Lacs
Authorised Shares				
Equity Shares of Rs. 2/- each	8,805.00	17,610.00	8,805.00	17,610.00
Preference Shares of Rs. 10/- each	520.00	5,200.00	520.00	5,200.00
		22,810.00		22,810.00
Issued, Subscribed and Paid-up Shares				
Equity Shares of Rs. 2/- (March 31, 2018: Rs. 2/-) each, fully paid-up	1,155.28	2,310.56	1,155.00	2,310.01
	1,155.28	2,310.56	1,155.00	2,310.01

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	No. of shares in Lacs	Rs. In Lacs	No. of shares in Lacs	Rs. In Lacs
Equity Shares				
At the beginning of the year	1,155.00	2,310.01	1,154.12	2,308.24
Shares Issued Pursuant to the Employee Stock Option Scheme @	0.28	0.55	0.88	1.77
Outstanding at the end of the Year	1,155.28	2,310.56	1,155.00	2,310.01

@ During the year, 27,500 equity shares (March 31, 2018: 88,500 equity shares) of Rs 2 each were issued and allotted to the eligible employees of the Company under the Employee Stock Option (ESOP) Scheme.

b) Shares reserved for issue under Employee Stock Options

For details of shares reserved for issue under ESOPs of the Company, please refer Note 33.

b) Terms and Rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 2/- (March 31, 2018: Rs. 2/-) per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of shareholders holding more than 5% shares in the Company

Name of the Shareholder Holder	As at March 31, 2019		As at March 31, 2018	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs 2/- (March 31, 2018: Rs. 2/-) each fully paid				
Titagarh Capital Management Services Private Limited	21,670,165	18.76%	21,670,165	18.76%
Savitri Devi Chowdhary	18,116,035	15.68%	18,116,035	15.68%
Rashmi Chowdhary	12,816,105	11.09%	12,816,105	11.10%
HDFC Trustee Company Limited - HDFC Capital Builder Fund	10,742,012	9.30%	–	–
HDFC Trustee Company Limited - HDFC Prudence Fund	–	–	6,151,556	5.33%

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownership of shares.

13 Other Equity
- Reserves & Surplus

Rs. in Lacs

		As at March 31, 2019	As at March 31, 2018
a)	**Securities Premium Account**		
	Premium received on Equity Shares issued are recognised in the Securities Premium Account. This reserve can be utilised in accordance with the provisions of Section 52 of the Act.		
	Balance as per the Last Financial Statements	40,596.60	40,462.44
	Premium on Issue of Equity Shares Pursuant to ESOP Scheme [Refer Note 12(a)]	11.62	37.35
	Transfer from ESOPs Outstanding Account on Exercise	24.56	96.81
		40,632.78	40,596.60
b)	**General Reserve (Refer Note 13.1)**		
	Balance as per the Last Financial Statements	5,411.39	5,411.39
	Movement during the year	–	–
		5,411.39	5,411.39
c)	**Capital Reserve**		
	Balance as per the Last Financial Statements	9.18	9.18
	Movement during the year	–	–
		9.18	9.18
d)	**Employee Stock Options (ESOPs) Outstanding Account (Refer Note 33)**		
	Employee Stock Options Outstanding Account relates to stock options granted by the Company to employees under the Company's ESOP Scheme. This Account is transferred to Securities Premium Account or Retained Earnings on exercise or lapse of vested options.		
	Balance as per the Last Financial Statements	273.87	120.12
	Recognition of Share Based Payment (Refer Note 33)	133.01	288.56
	Transfer from ESOPs Outstanding Account on Exercise and Lapse	(52.93)	(134.81)
		353.95	273.87
e.	**Retained Earnings**		
	Balance as per the Last Financial Statements	40,385.63	41,171.35
	Adjustment on account of Ind AS 115	18.12	–
	Restated balance at April 1, 2018	40,403.75	41,171.35
	Profit / (Loss) for the Year	(8,287.40)	291.54
	Item of Other Comprehensive Income recognised directly in Retained Earnings		
	Remeasurements Losses on Defined Benefit Plan (Net of Tax)	(4.89)	(3.66)
	Transfer from ESOPs Outstanding Account on Options Lapsed	28.37	38.00
	Final Dividend for the Year ended March 31, 2018 [Refer Note 45(b)]	(346.58)	–
	Final Dividend for the Year ended March 31, 2017 [Refer Note 45(b)]	–	(923.58)
	Dividend Distribution Tax on above	(70.55)	(188.02)
		31,722.70	40,385.63
f.	**Share Application Money Pending Allotment**	15.47	–
	Total Other Equity	**78,145.47**	**86,676.67**

13.1 General Reserve: Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

14 Provisions

Rs. in Lacs

	Non-current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Provisions for Employee Benefits :				
Gratuity [Refer Note 32 (i)]	291.66	275.25	91.96	94.21
Leave Benefits [Refer Note 32 (iii)]	–	–	114.25	102.58
	291.66	275.25	206.21	196.79
Other Provisions:				
Warranties [Refer (a) below for movement]	–	–	187.48	151.27
Liquidated Damages [Refer note 44 (II) ('c)]	–	–	–	532.64
Litigations, Claims and Contingencies [Refer (a) below for movement]	–	–	358.49	316.97
	–	–	545.97	1,000.88
Total	**291.66**	**275.25**	**752.18**	**1,197.67**

a) Movement of provisions for warranty and Litigation, Claims and Contingencies are as follows:

Rs. in Lacs

	Warranties		Litigation Claims and Contingencies	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
At the beginning of the year	**151.27**	**184.06**	**316.97**	**386.69**
Made during the year	296.92	96.25	41.52	10.28
Utilized during the year	(260.71)	(129.04)	–	–
Unused amounts reversed	–	–	–	(80.00)
At the end of the year	**187.48**	**151.27**	**358.49**	**316.97**

Information about individual provisions and significant estimates

Warranties

Provision is made for estimated warranty Claims in respect of products sold which are under warranty at the end of the reporting period. Management estimates the provision based on contractual terms, historical warranty claims information and any recent trends that may suggest future claims could differ from historical amounts.

Litigation, claims and contingencies

The amounts represent best possible estimates of pending litigations / claims filed by vendors, customers, labours etc and probable claims arising out of certain tax matters. The timing and probability of outflow and expected reimbursements, if any, with regard to these matters depends on the ultimate outcome of the legal process or settlement / conclusion of the matter with the relevant authorities / customers / vendors etc.

15 Current Tax Liabilities

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Provision for Income Tax (Net of Advance tax and TDS Rs. 9,642.93 Lacs ; March 31, 2018 Rs. 2,983.54)	106.41	29.56
Total	**106.41**	**29.56**

16 Deferred Tax Liabilities (Net)

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Deferred Tax Liabilities		
Arising out of Temporary Differences in Depreciable Assets	4,436.35	4,420.05
Unrealised Gain on FVTPL Equity Investments	332.85	242.25
Gross Deferred Tax Liabilities	**4,769.20**	**4,662.30**
Deferred Tax Assets		
Provision for Doubtful Debts and Advances	913.66	228.71
Provision for Warranties and Liquidated Damages	188.26	186.12
Provision for Litigations, Claims and Contingencies	125.27	–
Provision for Employee Benefits	187.94	164.94
Fair Valuation of Derivative Instruments - Foreign Exchange Forward Contracts	15.63	40.46
Carried Forward Business Losses	108.77	370.49
MAT Credit Entitlement	839.85	703.51
Gross Deferred Tax Assets	**2,379.38**	**1,694.23**
Deferred Tax Liabilities (Net)	**2,389.82**	**2,968.07**

The movement in deferred tax assets and liabilities during the year ended March 31, 2019 and March 31, 2018:

	As at April 1, 2017 Deferred tax asset / (Liability)	Credit/(Charge) in Statement of Profit and Loss #	As at March 31, 2018 Deferred tax asset / (Liability)	Credit/(Charge) in Statement of Profit and Loss #	As at March 31, 2019 Deferred tax asset / (Liability)
Arising out of Temporary Differences in Depreciable Assets	(4,282.92)	(137.13)	(4,420.05)	(16.30)	(4,436.35)
Unrealised Gain on FVTPL Equity Investments	(288.34)	46.09	(242.25)	(90.60)	(332.85)
Fair Valuation of Derivative Instruments - Foreign Exchange Forward Contracts	(58.79)	58.79	–	–	–
Total Deferred Tax Liabilities	**(4,630.05)**	**(32.25)**	**(4,662.30)**	**(106.90)**	**(4,769.20)**
Provision for Doubtful Debts and Advances	93.84	134.87	228.71	684.95	913.66
Provision for Loss on Onerous Contract	47.72	(47.72)	–	–	
Provision for Warranties and Liquidated Damages	149.83	36.29	186.12	2.14	188.26
Provision for Litigations, Claims and Contingencies	134.34	(134.34)	–	125.27	125.27
Provision for Employee Benefits	142.42	22.52	164.94	23.00	187.94
Expected Credit Loss on Financial Assets	–	–	–		
Fair Valuation of Derivative Instruments - Foreign Exchange Forward Contracts	–	40.46	40.46	(24.83)	15.63
Carried Forward Business Losses	–	370.49	370.49	(261.72)	108.77
Unabsorbed Depreciation	18.03	(18.03)	–	–	–
MAT Credit Entitlement	531.64	171.87	703.51	136.34	839.85
Total Deferred Tax Assets	**1,117.82**	**576.41**	**1,694.23**	**685.15**	**2,379.38**
Net Deferred Tax Liabilities (Net)	**(3,512.23)**	**544.16**	**(2,968.07)**	**578.25**	**(2,389.82)**

Includes income tax impact on remeasurement gains/(losses) on defined benefit plan amounting to Rs. 2.62 Lacs (March 31, 2018 Rs. 1.96 Lacs) included in Other Compreshensive Income and impact of IND AS 115 of Rs. (9.73) Lacs (March 31, 2018 Rs. Nil).

17 Borrowings - Current (At Amortised Cost)

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Secured		
From Banks		
Cash Credits and Working Capital Demand Loans	17,593.04	8,171.68
Buyers' Credit (in foreign currency)	–	1,744.62
Total	**17,593.04**	**9,916.30**

Notes:

(a) Cash Credits, Working Capital Demand Loans and Buyer's Credit (in foreign currency) are secured by first charge on the Company's current assets, present and future and by way of collateral charge on Property, Plant and Equipment of the Company, both present and future. All the mortgages and charges created in favour of the above lenders rank pari passu with consortium member banks.

(b) Cash Credits carry interest at Banks's MCLR plus spread ranging from .5 % to 3.35 % p.a (effectively 8.8 % to 11.5 % p.a.) and are repayable on demand.

(c) Working Capital Demand Loans carry interest at Bank's MCLR plus spread ranging from 0.85 % to 2.8% p.a (effectively 8.2 % to 10.5 % p.a.) and are repayable within six months.

(d) Buyer's Credit (in foreign currency) as on March 31, 2018 carry interest rate ranging from 2.42% to 3.21% p.a for USD and from 0.53% to 0.90% p.a. for Euro and are repayable within maximum of six months from the date of drawdown.

(e) Refer Note 44 for information about market risk and liquidity risk on borrowings.

18 Trade Payables (At Amortised Cost)

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Trade Payables [refer (a) below]		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 38)	80.12	36.02
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	27,712.28	3,663.93
Total	**27,792.40**	**3,699.95**

(a) Trade Payables include dues to related parties of Rs. 742.50 Lacs (March 31, 2018 Rs. 57.96). Refer Note 42 for details.

(b) Refer Note 44 for information about market risk and liquidity risk on trade payables.

19 Other Financial Liabilities

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Measured at Fair Value through Profit and Loss		
Derivative Instruments at Fair Value through Profit and Loss:	44.72	115.79
Foreign Exchange Forward Contracts [Refer (a) below]		
Measured at Amortised Cost		
Interest Accrued and Due on Borrowings	201.33	24.01
Investor Education and Protection fund will be credited by following amounts (as and when due)		
Unpaid dividends	18.59	15.03
Others		
Employee Related Liabilities	230.14	131.16
Payable for Purchase of Property, Plant and Equipment	16.58	19.03
Other Liabilities	–	110.99
Total	**511.36**	**416.01**

(a) While the Company entered into foreign exchange forward contracts with the intention of reducing the foreign exchange risk of expected sales and purchases, these contracts are not designated in hedge relationships and are measured at Fair Value through Profit and Loss.

20 Other Liabilities

Rs. in Lacs

	Non-current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Deferred Guarantee Income	–	11.01	–	14.69
Advance from Customer	–	–	6,139.02	10,594.60
Statutory Dues	–	–	180.35	119.74
Other Liabilities	–	–	–	24.52
Total	**–**	**11.01**	**6,319.37**	**10,753.55**

21 Revenue from Operations

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue from Contract with Customers:		
Sale of products (including excise duty)		
Finished Goods	77,408.18	29,823.15
Raw Materials and Components	11,280.44	992.97
Sales of Service		
Management Fees	–	181.05
Other Operating Revenues		
Scrap Sales	427.30	436.53
Subsidy Income [Refer Note 7(a)]	1,568.59	–
Export Entitlement (Duty Drawback, etc.)	175.94	88.03
Others	150.83	130.32
Total	**91,011.28**	**31,652.05**

Sale of Products includes excise duty collected from customers amounting to Rs. Nil (March 31, 2018: Rs. 411.66 Lacs). Post applicability of Goods and Service Tax (GST) w.e.f. July 1, 2017, revenue from operations is disclosed net of GST. However, revenue for the period up to June 30, 2017 is inclusive of excise duty. Accordingly, revenue from operations and total expenses for the year ended March 31, 2019 are not comparable with the previous year.

Revenue from operation includes revenue from contract with customers under IND AS 115 amounting to Rs. 88,688.62 Lacs (March 31, 2018 Rs 30,997.17 Lacs). The details of which are given below:

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Revenue recognised at a point in time	68,211.31	22,261.59
Revenue recognised over time	20,477.31	8,735.58
	88,688.62	**30,997.17**

Reconciliation of revenue recognised with contract price:

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Contract price	**86,878.47**	**29,819.29**
Adjustment for:		
Liquidated Damages	(389.95)	(474.60)
Escalation	2,200.10	1652.48
Revenue from continuing operation	**88,688.62**	**30,997.17**

Also refer note 47

Notes to Financial Statements as at and for the year ended March 31, 2019

22 Other Income

Rs. in Lacs

		For the year ended March 31, 2019	For the year ended March 31, 2018
22.1	**Interest Income**		
	From Financial Assets at Amortised Cost		
	Bank Deposits	522.61	558.65
	Loan to Subsidiary	225.31	300.60
	Investment in Preference Shares in a Subsidiary	331.45	236.66
	From Income Tax Authorities	105.78	64.91
		1,185.15	**1,160.82**
22.2	**Others Gains / (Losses)**		
	Fair Value Gain on Investment in Equity Securities at FVTPL	416.46	26.22
	Foreign Exchange Fluctuations and Fair Value (Gain)/ Loss on Derivatives Not Designated as Hedges *	258.58	124.67
	Gain on Sale of Investments	21.60	–
		696.64	**150.89**
22.3	**Others**		
	Unspent Liabilities / Provisions No Longer Required Written Back	113.45	340.84
	Net Gain on Disposal of Property, Plant and Equipment	–	366.74
	Commission Income on Guarantees, etc. @	210.84	220.50
	Other Non-operating Income	3.17	88.41
		327.46	**1,016.49**
Total		**2,209.25**	**2,328.20**

* Includes unrealised Fair Value (Gain)/ Loss on Derivatives Not Designated as Hedges Rs. 44.72 Lacs [March 31, 2018: (Rs.115.79 Lacs)]
@ Includes Commission Income Accrued on Fair Valuation of Financial Guarantees Rs. 25.71 Lacs (March 31, 2018: Rs. 14.69 Lacs)

23 Cost of Raw Materials and Components Consumed

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the beginning of the year	7,907.94	7,513.33
Add: Purchases	73,772.36	16,237.51
	81,680.30	**23,750.84**
Less: Inventories at the end of the year	14,126.93	7,907.94
Cost of Raw Materials and Components Consumed	67,553.37	15,842.90

24 Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap

Rs. in Lacs

		For the year ended March 31, 2019	For the year ended March 31, 2018
Inventories at the beginning of the year			
Finished Goods		1,074.55	2,370.48
Work-in-Progress		3,552.43	4,245.55
Saleable Scrap		127.04	106.88
	(A)	**4,754.02**	**6,722.91**
Inventories at the end of the year			
Finished Goods		828.85	1,074.55
Work-in-Progress		5,203.80	3,552.43
Saleable Scrap		340.58	127.04
	(B)	**6,373.23**	**4,754.02**
Adjustment on account of IND AS 115	**(C)**	**(245.70)**	**–**
(Increase) / Decrease	**(A-B+C)**	**(1,864.91)**	**1,968.89**

25 Employee Benefits Expense

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Salaries, Wages and Bonus	2,244.01	2,172.06
Employee Stock Option Expenses (Refer Note 33)	133.01	288.56
Contribution to Provident and Other Funds [Refer Note 32 (ii)]	178.83	179.81
Gratuity Expense [Refer Note 32 (i)]	61.36	57.78
Staff Welfare Expenses	154.55	174.82
Total	**2,771.76**	**2,873.03**

26 Finance Costs

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Interest Expenses on Financial Liabilities Carried at Amortised Cost - Borrowings, etc	1,919.38	560.20
Bank charges	470.64	304.25
Total	**2,390.02**	**864.45**

27 Depreciation and Amortisation

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Depreciation on Plant Property & Equipment [Refer Note 3 (i)]	982.67	1,089.82
Amortisation on Intangible Assets [Refer Note 3 (i)]	255.18	207.38
	1,237.85	**1,297.20**

28 Other Expenses

Rs. in Lacs

	For the year ended March 31, 2019		For the year ended March 31, 2018	
Consumption of Stores and Spares		3,632.39		1,602.50
Job Processing and Other Machining Charges (including Contract Labour Charges)		5,694.77		3,108.42
Power and Fuel		2,633.54		1,460.99
Design and Development Expenses		222.11		178.85
Repairs				
Plant and Machinery		390.85		320.01
Buildings		17.81		11.10
Others		12.03		34.06
Rent and Hire charges (Refer Note 34)		309.54		317.47
Rates and Taxes		115.47		83.24
Insurance		71.00		47.75
Security Services		139.71		143.70
Freight and Forwarding Charges [Net of recovery of Rs. 43.72 lacs (March 31, 2018 Rs. 218.16 lacs)]		490.67		612.19
Advertising and Sales Promotion		169.01		161.94
Brokerage and Commission		722.26		44.14
Travelling and Conveyance		448.59		448.17
Legal and Professional Fees		659.84		453.60
Directors Sitting Fees		29.80		30.89
Payment to Auditors				
As Auditors				
Audit Fee	20.00		20.00	
Limited Review	9.00		9.00	
Other Certification Services	3.75		4.34	
Other Services *	–		13.10	
Reimbursement of Expenses	4.55	37.30	1.58	48.02
Warranty Claims	260.71		129.04	–
Less: Adjusted with Provision	260.71	–	129.04	–
Provision for Warranties		296.92		96.25
Liquidated Damages	383.34		513.60	
Less: Adjusted with Provision	383.34	–	374.90	138.70
Provision for Liquidated Damages		–		474.60
Irrecoverable Debts/ Advances Written Off	86.96		35.93	
Less: Adjusted with Provision	42.37	44.59	35.00	0.93
Provision For Doubtful Debts and Advances		354.43		501.58
Net Loss on Disposal of Property, Plant and Equipment		3.35		–
Corporate Social Responsibility Expenses (Refer Note 28.1)		32.19		42.64
Intangible Asset under Development Written off		–		66.00
Miscellaneous Expenses		645.23		528.66
Total		**17,173.40**		**10,956.40**

*Payment to Auditors- Other Services for the year ended March 31, 2018 includes Rs 13.10 lacs paid to the preceding auditors of the Company.

28.1 Corporate Social Responsibility Expenses

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
(a) Amount required to be spent during the year	30.73	29.63
(b) Amount spent during the year on		
(i) Construction/acquisition of an asset	–	–
(ii) On purposes other than (i) above (fully paid)	32.19	42.64
Total	**32.19**	**42.64**

29 Income Tax Expense / (Benefit)

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
(A) Amount recognised in the Statement of Profit and Loss		
Current Tax	136.34	171.87
Deferred Tax	(585.36)	(542.20)
Total Income Tax Expense Recognised in Profit and Loss	**(449.02)**	**(370.33)**
(B) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable		
Accounting Profit / (Loss) before Tax	(8,736.42)	(78.79)
At India's Statutory Income Tax Rate of 34.944% (March 31, 2018: 34.608%)	(3,052.85)	(27.27)
Adjustments:		
Expenses not allowed as deductions	3,187.75	104.36
Income not taxable	(238.97)	(223.33)
Impact of lower tax rate (Capital Gains tax rate) on the fair valuation of land and investment in equity shares through FVTPL	(17.98)	(26.00)
Adjustment for change in tax rate	6.84	95.16
Adjustment relating to earlier years	(333.81)	(293.25)
	(449.02)	**(370.33)**

30 Exceptional Item

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Impairment in value of investment of Subsidiary Companies	10,758.43	–
Provision for Doubtful Debt for Financial and Non Financial Assets of Subsidiary Company	1,937.03	–
	12,695.46	–

Exceptional items for year ended March 31, 2019 represent impairment in the value of investment in equity shares of Titagarh Wagons AFR of Rs. 4,883.89 lacs and investment in Titagarh Singapore Pte Ltd of Rs. 5,874.54 lacs which in turn holds equity shares in Titagarh Wagons AFR. Also there is an impairment provision in respect of certain trade and other receivables of Rs. 1,937.03 lacs from Titagarh Wagons AFR.

31 Earnings / Loss Per Equity Share

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
(A) Basic		
(i) Number of Equity Shares at the Beginning of the Year	115,500,370	115,411,870
(ii) Number of Equity Shares at the End of the Year	115,527,920	115,500,370
(iii) Weighted Average Number of Equity Shares Outstanding during the year	115,519,885	115,446,869
(iv) Face Value of Each Equity Share (Rs)	2	2
(v) Profit / (Loss) after Tax Available for Equity Shareholders		
Profit / (Loss) for the Year (Rs.in Lacs)	(8,287.40)	291.54
(vi) Basic Earnings per Equity Share (Rs.) [(v)/(iii)]	(7.17)	0.25
(B) Diluted		
(i) Dilutive Potential Equity Shares on account of Employee Stock Options Outstanding	269,940	485,946
(ii) Weighted Average Number of Equity Shares Outstanding during the year for Diluted Earnings per Equity Share	115,789,825	115,932,815
(iii) Diluted Earnings per Equity Share (Rs) [(A)(v)/(B(ii)]	(7.17)	0.25

For year ended March 31, 2019, Basic and Diluted earning per share are same as the potential dilutive equity shares are anti-dilutive.

32 Employee Benefits

(i) Post-employment Defined Benefit Plans:

Gratuity

The Company has a defined benefit gratuity plan which is unfunded (except for Titagarh Steels unit where it is administered through a trust and funded with a bank through its special deposit scheme with State Bank of Bikaner and Jaipur. Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972.

The following tables sets forth the particulars in respect of the gratuity plan of the Company.

Rs. in Lacs

	Gratuity (Funded)		Gratuity (Unfunded)	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Statement of Profit and Loss				
Net Employee Benefits Expense recognised in the Employee Cost				
Current Service Cost	5.01	5.11	28.29	25.47
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	4.76	5.70	23.30	21.50
Total	**9.77**	**10.81**	**51.59**	**46.97**
Expenses recognised in Other Comprehensive Income (OCI)				
Remeasurements (Gains) / Losses	10.57	15.15	(18.08)	(9.53)
Total	**10.57**	**15.15**	**(18.08)**	**(9.53)**
Net Liability recognised in Balance Sheet				
Benefit Liability				
Present Value of Defined Benefit Obligation	118.95	119.52	321.35	306.85
Fair Value of Plan Assets	56.68	56.91	–	
Net Liability	**62.27**	**62.61**	**321.35**	**306.85**

32 Employee Benefits *(Contd.)*

Rs. in Lacs

	Gratuity (Funded)		Gratuity (Unfunded)	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Bifurcation of Net Liability at the end of the year as per revised Schedule III of the Companies Act, 2013				
Current Liability (Short term)	16.08	27.86	75.88	66.35
Non-Current Liability (Long term)	46.19	34.75	245.47	240.50
	62.27	**62.61**	**321.35**	**306.85**
Changes in the present value of the Defined Benefit Obligation are as follows:				
Opening Defined Benefit Obligation	119.52	135.32	306.85	309.58
Current Service Cost	5.01	5.11	28.29	25.47
Interest Cost	9.08	9.40	23.30	21.50
Past Service Cost	–	–	–	22.68
Benefits Paid	(20.68)	(45.46)	(19.01)	(62.86)
Remeasurements (Gains) / Losses				
Financial assumption changes	4.28	(2.98)	11.87	(14.12)
Demographic assumptions	3.91	–	18.56	–
Experience Variance	(2.17)	18.13	(48.51)	4.60
Closing Defined Benefit Obligation	**118.95**	**119.52**	**321.35**	**306.85**
Changes in the Fair Value of Plan Assets are as follows:				
Fair Value of Plan Assets at the beginning of the year	56.91	53.22		
Return on Plan Assets	(4.55)	3.69		
Investment Income	4.32	–		
Fair Value of Plan Assets at the end of the year	**56.68**	**56.91**		
The major categories of Plan Assets as a percentage of the Fair Value of Total Plan Assets are as follows:				
Special Deposit Scheme with State Bank of Bikaner and Jaipur	100%	100%		
Maturity profile of the Defined Benefit Obligation				
Weighted average duration of the Defined Benefit Obligation	4 years	4 years	4 years	7 years
Expected benefit payments for the year ending				
Not later than 1 year	72.75	27.87	7.59	66.34
Later than 1 year and not later than 5 years	56.41	92.41	17.45	96.17
Later than 5 year and not later than 10 years	2.15	23.51	13.49	164.22
More than 10 years	0.64	20.16	7.70	247.76
The principal assumptions used in determining gratuity obligation are shown below:				
Discount rate	6.60%	7.60%	7.05%	7.60%
Rate of increase in salary	5.00%	5.00%	5.00%	5.00%

Assumptions regarding future mortality experience are based on mortality tables of Indian Assured Lives Mortality (2006-2008) published by the Institute of Actuaries of India.

The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The Company expects to contribute Rs.65.44 Lacs (March 31, 2018 Rs.67.49 Lacs) to the funded gratuity plans during the next financial year.

32 Employee Benefits *(Contd.)*

A quantitative sensitivity analysis of impact on defined benefit obligations for significant assumption on the gratuity plan is as shown below:

(Rs. in Lacs)

	Gratuity (Funded)				Gratuity (Unfunded)			
Sensitivity Level	As at March 31, 2019		As at March 31, 2018		As at March 31, 2019		As at March 31, 2018	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount Rate (+/- 1%)	(117.09)	120.86	(115.26)	124.09	(307.48)	336.43	(287.24)	328.92
Salary Growth Rate (+/- 1%)	120.86	(117.04)	124.16	(115.12)	336.03	(307.40)	326.74	(288.33)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(ii) Post-employment Defined Contribution Plans:

(A) Superannuation Fund

Certain categories of employees of the Company participate in superannuation, a defined contribution plan. The Company has no further obligations under the plan beyond its annual contributions.

(B) Provident Fund

Certain categories of employees of the Company receive benefits from a provident fund, a defined contribution plan. Both the employee and employer make monthly contributions to a government administered fund at specified percentage of the covered employee's qualifying salary. The Company has no further obligations under the plan beyond its monthly contributions.

The amounts paid to Defined Contribution Plans are as follows:

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Provident Fund	145.15	179.27
Superannuation Fund	–	0.54
Total	**145.15**	**179.81**

(iii) Leave Benefits

The Company provides for accumulation of leave by its employees. The employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a provision for leave benefits in the period in which the employee renders the services that increases this entitlement. This is an unfunded plan.

The total provision recorded by the Company towards these benefits as at year end was Rs. 114.25 lacs (March 31, 2018: Rs. 102.58 lacs). The amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these benefits. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Leave provision not expected to be settled within the next 12 months	73.23	74.43

(iv) Risk Exposure

Through its defined benefit plans, the Company is exposed to some risks, the most significant of which are detailed below:

(i) Discount Rate Risk

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of the liability.

(ii) Salary Growth Risk

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

(iii) Demographic Risk

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Company is exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

33 Employee Stock Option Plan (ESOP)

The Company provides share-based payment schemes to its employees. On September 11, 2014, the shareholders, by way of a special resolution passed at the Annual General Meeting, approved the issue of shares to eligible employees under Employee Stock Option Scheme (Scheme 2014). The Scheme has been approved by the authorized Compensation Committee pursuant to a resolution passed at its meeting held on March 4, 2015. According to the Scheme 2014, the employee selected by the ESOS Compensation Committee from time to time will be entitled to the stock options. The total number of options granted should not exceed 25,00,000 options and will be granted in one or more tranches over a period of 5 years. Each option, when exercised, will be converted into 1 equity share of Rs 2 each fully paid up.

Tranche 1 - First Allotment

a)	Vesting period	As stated below
	Exercise period	Within a period of 6 months from the date of vesting
	Grant Date	March 4, 2015
	Exercise price	Rs 44.20
	Market price at March 4, 2015	Rs 135.60
	The vesting schedule of the options is as follows:	
	At the end of first year from the date of grant	10%
	At the end of second year from the date of grant	15%
	At the end of third year from the date of grant	25%
	At the end of fourth year from the date of grant	50%

The movement of the option is summarised below:

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	171,250	44.20	312,500	44.20
Lapsed during the year	12,500	44.20	41,250	44.20
Forfeited during the year	21,250	44.20	11,500	44.20
Exercised during the year	10,000	44.20	88,500	44.20
Outstanding at the end of the year	127,500	44.20	171,250	44.20
Exercisable at the end of the year	127,500	44.20	28,750	44.20

The weighted average fair value of the option as on the grant date is Rs.102.55 (March 31, 2018: Rs. 102.21) and weighted average contractual life of the option as at March 31, 2019 is 3.95 years (March 31, 2018: 3.78 years).

The weighted average fair value of stock options granted was Rs. 130.76 lacs (March 31, 2018: Rs 141.21 lacs). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

The share prices on the date of exercise are:

Date of Exercise	Share Price (Rs.)
September 12, 2018	87.20

	Grant Date-March 4, 2015			
Share price (Rs)	135.60	135.60	135.60	135.60
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	7.70%	7.70%	7.70%	7.70%
Expected volatility	67.00%	58.00%	51.00%	47.00%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

33 Employee Stock Option Plan (ESOP) *(Contd.)*

Tranche 1 - Second Allotment

b)	Vesting period	As stated below
	Exercise period	Within a period of 6 months from the date of vesting
	Grant Date	May 19, 2017
	Exercise price	Rs 44.20
	Market price at May 19, 2017	Rs 122.80
	The vesting schedule of the options is as follows:	
	At the end of first year from the date of grant	10%
	At the end of second year from the date of grant	15%
	At the end of third year from the date of grant	25%
	At the end of fourth year from the date of grant	50%

The movement of the option is summarised below:

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	115,000	44.20	–	
Granted during the year	–		115,000	44.20
Lapsed during the year	–	–	–	–
Forfeited during the year	–	–	–	–
Exercised during the year	11,500	44.20	–	
Outstanding at the end of the year	103,500	44.20	115,000	44.20
Exercisable at the end of the year	–	44.20	–	–

The weighted average fair value of the option as on the grant date is Rs.89.10 (March 31, 2018: Rs 88.35 Lacs) and weighted average contractual life of the option as at March 31, 2019 is 3.39 years (March 31, 2018: 3.15 years).

The weighted average fair value of stock options granted was Rs.53.75 (March 31, 2018: Rs 33.10 lacs). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

The share prices on the date of exercise are:

Date of Exercise	Share Price (Rs.)
June 6, 2018	95.80

	Grant Date-May 19, 2017			
Share price (Rs)	122.80	122.80	122.80	122.80
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	6.70%	6.70%	6.70%	6.70%
Expected volatility	35.68%	47.71%	54.92%	55.08%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

Tranche 2 - First Allotment

c)	Vesting period	As stated below
	Exercise period	Within a period of 6 months from the date of vesting
	Grant Date	May 19, 2017
	Exercise price	Rs 44.20
	Market price at May 19, 2017	Rs 122.80
	The vesting schedule of the options is as follows:	
	At the end of first year from the date of grant	2%
	At the end of second year from the date of grant	10%
	At the end of third year from the date of grant	28%
	At the end of fourth year from the date of grant	60%

33 Employee Stock Option Plan (ESOP) *(Contd.)*

The movement of the option is summarised below:

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	382,500	44.20	–	–
Granted during the year	–	–	382,500	44.20
Lapsed during the year	1,600	44.20	–	–
Forfeited during the year	69,200	44.20	–	–
Exercised during the year	5,450	44.20	–	–
Outstanding at the end of the year	306,250	44.20	382,500	44.20
Exercisable at the end of the year	–	44.20	–	–

The weighted average fair value of the option as on the grant date is Rs. 89.51 (March 31, 2018: Rs 89.35) and weighted average contractual life of the option as at March 31, 2019 is 3.51 years (March 31, 2018: 3.46).

The weighted average fair value of stock options granted was Rs. 155.82 (March 31, 2018: 91.96 lacs). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

The share prices on the date of exercise are:

Date of Exercise	Share Price (Rs.)
June 20, 2018	96.35
September 12, 2018	87.20

	Grant Date-May 19, 2017			
Share price (Rs)	122.80	122.80	122.80	122.80
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	6.70%	6.70%	6.70%	6.70%
Expected volatility	35.68%	47.71%	54.92%	55.08%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

Tranche 2 - Second Allotment

d) Vesting period	As stated below
Exercise period	Within a period of 6 months from the date of vesting
Grant Date	November 9, 2017
Exercise price	Rs 44.20
Market price at November 9, 2017	Rs 146.75
The vesting schedule of the options is as follows:	
At the end of first year from the date of grant	2%
At the end of second year from the date of grant	10%
At the end of third year from the date of grant	28%
At the end of fourth year from the date of grant	60%

The movement of the option is summarised below:

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	55,000	44.20	–	–
Granted during the year	–	–	55,000	44.20
Lapsed during the year	–	–		
Forfeited during the year	25,000	44.20	–	–
Exercised during the year	600	44.20	–	–
Outstanding at the end of the year	29,400	44.20	55,000	44.20
Exercisable at the end of the year	–	44.20	–	

33 Employee Stock Option Plan (ESOP) *(Contd.)*

The weighted average fair value of the options as on the grant date is Rs. 112.20 (March 31, 2018: Rs 112.07) and weighted average contractual life of the option as at March 31, 2019 is 3.51 years (March 31, 2018: 3.46 years).

The weighted average fair value of stock options granted was Rs. 13.66 (March 31, 2018: Rs 7.50 lacs). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

The share prices on the date of exercise are:

Date of Exercise	Share Price (Rs.)
December 12, 2018	74.70

	Grant Date-November 9, 2017			
Share price (Rs)	146.75	146.75	146.75	146.75
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	6.50%	6.50%	6.50%	6.50%
Expected volatility	35.68%	47.71%	54.92%	55.08%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

The expected life of the stock Option is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

During the year ended the Company recorded an employee compensation expense of Rs. 133.01 (March 31, 2018 : Rs 288.56 lacs) in the Statement of Profit and loss.

34 Leases

Certain office premises and land are obtained by the Company on operating lease. The lease term is for 1-10 years and renewable for further period on mutual consent. These are cancellable by giving a notice period ranging from one month to three months. Lease agreements have price escalation clause and rent is not based on any contingencies. There is no restriction under the lease agreement. There are no subleases.

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Amount of rent and hire expenses included in statement of profit and loss (Note 28) towards operating leases	309.54	317.47

35 Disclosures Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Loans to Subsidiaries :		
(i) Titagarh Wagons AFR		
Balance as at year end [Refer Note 6(b)]	–	2,015.96
Maximum amount outstanding at any time during the year [Titagarh Wagons AFR has utilised the loan for meeting working capital requirements with an average rate of interest 4% p.a [March 31, 2018 : 4% p.a]	2,015.96	2,015.96
(ii) Titagarh Capital Private Limited		
Balance as at year end	490.00	500.00
Maximum amount outstanding at any time during the year [Titagarh Capital Private Limited has utilised the loan for meeting working capital requirements with an average rate of interest 10% [March 31, 2018 : 10%]	1,900.00	2,535.00
(iii) Titagarh Firema S.p.a		
Balance as at year end	–	4,837.33
Maximum amount outstanding at any time during the year [Titagarh Firema S.p.a has utilised the loan for meeting working capital requirements with an average rate of interest 4% [March 31, 2018 : 4%]	4,844.62	4,837.33

36 Commitments

Rs. in Lacs

		As at March 31, 2019	As at March 31, 2018
a)	Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	186.2	222.73
b)	Corporate Guarantees given / Standby Letter of Credit Issued	128,615.16	68,136.27
	The above includes following amounts backed by security as under:		
	Pledge of Investments in Tax Free Bonds	–	5,091.93
	Pledge of Investments in Subsidiary Companies (Refer Note 4)	21,212.76	22,171.11
	[Value of Investments in books carried at cost as at March 31, 2019 Rs.17,717.75 Lacs (March 31, 2018 Rs. 15,698.46 Lacs) - Refer Note 4]		
	Pledge of assets as detailed in Note 40	–	14,673.24

c) Titagarh Wagons Limited, the holding company of Cimmco Limited (Cimmco) owns majority of equity and preference shares, directly or indirectly, in Cimmco Limited. Cimmco has been incurring losses over the last few years due to low volume. The Company has given commitment to provide financial support, to the best of its ability, to Cimmco Ltd so as to ensure its business continuity.

37 Contingent Liabilities

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Claims against the Company not acknowledged as debts		
Disputed claims contested by the Company and pending at various courts/arbitration	1,625.95	1,625.95
Matters under appeal with:		
Sales tax authorities	1,350.81	1,275.95
Income tax authorities	236.12	285.30
Customs and excise authorities	20,716.31	14,444.48
Custom Duty on import of equipments and spare parts under EPCG scheme	1,193.25	1,193.25
	25,122.44	**18,824.93**

In respect of above cases, based on favourable decisions in similar cases/legal opinions taken by the Company/discussions with the solicitors etc., the management is of the opinion that it is possible, but not probable, that the action will succeed and accordingly no further provision for any liability is required in the standalone financial statements.

In respect of above contingent liabilities, it is not practicable for the Company to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above.

Notes to Financial Statements as at and for the year ended March 31, 2019

38 Information relating to Micro and Small Enterprises (MSEs):

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
(i) The Principal amount and Interest due thereon remaining unpaid to any supplier at the end of the accounting year		
Principal	80.12	36.01
Interest	–	0.01
(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.		
Principal	–	–
Interest	–	–
(iii) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	–	–
(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.		
Principal	645.86	105.21
Interest	2.52	1.09
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	2.52	2.63

The above particulars, as applicable, have been given in respect of MSEs to the extent they could be identified on the basis of the information available with the Company.

39 List of Subsidiaries and Joint Venture of the Company

The Company has following Subsidiaries and Joint Venture for which the Company prepares Consolidated Financial Statements as per Ind AS 110 "Consolidated Financial Statements". Investment in these subsidiaries and Joint Ventures has been recognised at cost.

Name of the Subsidiary	Principal Place of Business / Country of Incorporation	Proportion Interest of Ownership	
		March 31 2019	March 31 2018
Titagarh Capital Private Limited (TCPL)	India	100%	100%
Titagarh Singapore Pte. Limited (TSPL)	Singapore	100%	100%
Titagarh Wagons AFR (TWA) *	France	100%	100%
Titagarh Firema S.p.A (TFA) **	Italy	100%	90%
Cimmco Limited	India	79.37%	81.41%

*The Company holds 100% equity in TWA together with a wholly owned subsidiary company, TSPL.
**The Company holds 100% equity in TFA together with a wholly owned subsidiary company, TSPL.

Particulars		Proportion of Ownership/Interest	
Name of the Joint Venture	Country of Incorporation	March 31 2019	March 31 2018
Titagarh Mermec Private Limited #	India	50%	–
Matiere Titagarh Bridges Pvt Ltd.	India	50%	50%

A new Company Titagarh Mermec Private Limited. has been incorporated with equal stakes of Titagarh Wagons Limited and Mermec S.p.A, Italy for development and manufacture of cost effective diagnostic solutions for signalling and safety for Indian railways, however as on March 31, 2019 payment towards equity investment is yet to be made by the Company.

40 Assets Pledged as Security for Working Capital Loans Availed by the Subsidiaries Companies

The foreign subsidiaries of the Company has been sanctioned with a working capital facility, Term Loan facility and Derivative facility aggregating to Rs 21,057.35 lacs (Euro 27.1 million) [March 31, 2018: Rs 17,736.88 Lacs (Euro 22.00 million)] which is secured by the following assets of the Company:

Share of Titagarh Singapore Pte Limited and Titagarh Wagon AFR.

The total working capital facility that has been drawn out of the above sanctioned facility as on March 31, 2019 is Rs 12,685.69 lacs (Euro 16.32 million) [March 31, 2018 is Rs 13,705.77 Lacs (Euro 17.00 million)]

41 Segment Information

The Company's Board of Directors , being the chief operating decision maker examines the Company's performance on the basis of its business and has identified following reportable segments:-

a) Wagons & Coaches – Consists of manufacturing of wagons, coaches, bogies, couplers and crossings as per customer specification.

b) Specialised Equipments & Bridges - Consists of bailey / other modular bridges, nuclear biological shelters and other defence related products

c) Shipbuilding - Consists of manufacturing of barges, research vessels and other fabrication of blocks

d) Others - Consists of miscellaneous business like heavy earth moving machineries, etc which comprises of less than 10% revenue on individual basis.

Segment performance is evaluated based on profit or loss and is measured consistently with Profit or Loss in the Standalone Financial Statements . Also, the Company's borrowings (include finance costs) , income taxes ,investments and derivative instruments are managed at head office and are not allocated to operating segments.

Segment Revenue is measured in the same way as in the Statement of Profit and Loss.

Segment Assets and Liabilities are measured in the same way as in the standalone financial statements. These asset and liabilities are allocated based on the operations of the segment and physical location of assets.

Information about operating segments

For the year ended March 31, 2019

Rs. in Lacs

	Wagons & Coaches	Specialised Equipments & Bridges	Shipbuilding	Others	Total
Revenue from operations					
Segment revenue (external)	**70,499.41**	**7,352.70**	**13,151.65**	**7.52**	**91,011.28**
Segment profit	**1,689.25**	**981.91**	**3,195.69**	**(28.19)**	**5,838.66**
Unallocated (income) / expenses					
Finance Costs					1,919.39
Interest Income					(1,185.15)
Depreciation and Amortisation Expense					52.89
Other Corporate Income					(1,034.33)
Other Corporate Expenses					14,822.28
Profit / (Loss) before taxes					**(8,736.42)**
Tax expenses / (Credit)					(449.02)
Profit / (Loss) for the year					**(8,287.40)**
Material Non-cash (Income) / Expenses:					
Depreciation and Amortisation Expense	938.36	60.14	186.46	52.89	1,237.85
Provision for Doubtful Debts and Advances	316.96	37.47	–	354.43	
Unspent liabilities / provisions no longer required written back	–	–	–	113.45	113.45
Segment assets	**75,698.12**	**4,792.26**	**7,672.36**	**660.24**	**88,822.98**
Unallocated assets					
Investments					30,165.08
Cash and cash equivalents					168.85
Other bank balances					1,651.37
Tax Assets (Net)					2,802.39
Other unallocated assets					12,601.60
Total assets					**136,212.27**
Segment liabilities	**31,977.62**	**1,664.53**	**1,093.40**	**89.79**	**34,825.34**
Unallocated liabilities					
Deferred Tax Liabilities (Net)					2,389.82
Borrowings					17,593.04
Current Tax Liabilities					106.41
Other unallocated liabilities					841.63
Total liabilities					**55,756.24**

For the year ended March 31, 2018

Rs. in Lacs

	Wagons & Coaches	Specialised Equipments & Bridges	Shipbuilding	Others	Total
Revenue from Operations					
Segment Revenue (External)	**23,260.62**	**4,150.84**	**3,516.72**	**723.87**	**31,652.05**
Segment Profit	**18.83**	**619.93**	**549.08**	**248.84**	**1,436.68**
Unallocated (Income) / Expenses					
Finance Costs					864.45
Interest Income					(1,160.82)
Depreciation and Amortisation Expense					372.47
Other Corporate Income					(1,167.38)
Other Corporate Expenses					2,606.75
Profit / (Loss) before Taxes					**(78.79)**
Tax Expenses / (Credit)					(370.33)
Profit / (Loss) for the Year					**291.54**
Material Non-cash (Income) / Expenses:					
Depreciation and Amortisation Expense	874.73	3.83	46.17	–	924.73
Provision for Doubtful Debts and Advances	361.15	107.57	27.24	2.10	498.06
Segment Assets	**47,843.20**	**7,252.16**	**6,121.34**	**605.34**	**61,822.04**
Unallocated Assets					
Investments					38,356.86
Cash and Cash Equivalents					272.84
Other Bank Balances					1,244.48
Tax Assets (Net)					2,644.45
Other Unallocated Assets					13,913.38
Total Assets					**118,254.05**
Segment Liabilities	**6,026.56**	**2,259.30**	**7,182.45**	**327.68**	**15,795.99**
Unallocated Liabilities					
Deferred Tax Liabilities (Net)					2,968.07
Borrowings					9,916.30
Current Tax Liabilities					29.56
Other Unallocated Liabilities					557.45
Total Liabilities					**29,267.37**

Entity-wide Disclosures:

(a) The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown below:-

The following table shows the distribution of the Company's sales by geographical market:

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
India	84,484.80	26,594.82
Rest of the World	6,526.48	5,057.23
Total	**91,011.28**	**31,652.05**

Non-current operating assets

(b) All non-current assets (excluding Financial Assets) of the Company are located in India

(c) Total revenue from external customers includes sales to Indian Railways of Rs 39,189.66 lacs (March 31, 2018: Rs 6,313.74 lacs) and to GATX India Pvt Ltd of Rs. 13,538.55 lacs (March 31, 2018 : Rs 4,341.73 lacs) which represents more than 10% of the total revenue from external customers of the Company.

42 Related Party Disclosures

Names of Related Parties and Related Party Relationship

Related Parties where control exists:

Subsidiary Companies:	Titagarh Singapore Pte Limited Titagarh Firema S.p.A, Italy (erstwhile Titagarh Firema Adler S.p.A) Titagarh Wagons AFR Cimmco Limited Titagarh Capital Private Limited
Joint Venture Company:	Matiere Titagarh Bridges Pvt Ltd Titagarh Mermec Private Limited (Jointly controlled Entity w.e.f May 17, 2018)

Other related parties with whom transactions have taken place during the period:

Key Management Personnel (KMPs):	Mr. J P Chowdhary – Executive Chairman Mr. Umesh Chowdhary – Vice Chairman & Managing Director Mr. Dharmendar Nath Davar - Independent Director Mr. Manoj Mohanka - Independent Director Mrs. Rashmi Chowdhary - Non-Executive Director Mr. Ramsebak Bandyopadhyay - Independent Director (w.e.f August 10, 2017) Mr. Atul Ravishanker Joshi - Independent Director (w.e.f January 24, 2018) Mr. Sunirmal Talukdar - Independent Director (upto October 13, 2018) Mr. Sudipta Mukherjee - Director (Whole-Time Director) Mr. Anil Agarwal - Chief Financial Officer Mr. Dinesh Arya - Company Secretary
Close member of the family of KMPs:	Ms. Savitri Devi Chowdhary, Wife of Mr. J P Chowdhary Ms. Rashmi Chowdhary, Wife of Mr. Umesh Chowdhary Ms. Vinita Bajoria, Daughter of Mr. J P Chowdhary Ms. Sumita Kandoi, Daughter of Mr. J P Chowdhary Mrs. Bimla Devi Kajaria, Mother of Mrs. Rashmi Chowdhary
Enterprises over which KMP/ Shareholders/ Close family members have significant influence:	Titagarh Capital Management Services Private Limited Titagarh Enterprises Limited Titagarh Industries Limited Tecalemit Industries Limited (since merged with Traco International Investment Private Limited)

Details of transactions between the Company and Related Parties and outstanding balances as at the year end are given below:

Rs. in Lacs

Nature of transactions	Year	Subsidiary Companies	Joint Ventures	Enterprises over which KMP/ shareholders/close family members have significant influence	KMPs	Relatives of KMPs	Total
Sale of Products							
Cimmco Limited	2018-19 2017-18	8,236.26 1,949.02	– –	– –	– –	– –	8,236.26 1,949.02
Titagarh Wagons AFR	2018-19 2017-18	– 2,019.12	– –	– –	 –	 –	 2,019.12
Management Fees							
Titagarh Wagons AFR	2018-19 2017-18	– 181.05	– –	– –	 –	 –	 181.05
Rent Income							
Matiere Titagarh Bridges Pvt Ltd	2018-19 2017-18	– –	3.54 3.00	– –	– –	– –	3.54 3.00
Interest Income on Loans to Subsidiaries							
Titagarh Wagons AFR	2018-19 2017-18	58.15 75.44	– –	– –	– –	– –	58.15 75.44
Titagarh Firema S.p.A	2018-19 2017-18	101.26 25.07	– –	– –	– –	– –	101.26 25.07
Titagarh Capital Pvt. Ltd.	2018-19 2017-18	65.90 200.09	– –	– –	– –	– –	65.90 200.09
Corporate Guarantee Commission							
Titagarh Singapore Pte Limited	2018-19 2017-18	58.77 134.76	– –	– –	– –	– –	58.77 134.76
Titagarh Wagons AFR	2018-19 2017-18	8.34 21.26	– –	– –	– –	– –	8.34 21.26
Cimmco Limited	2018-19 2017-18	25.89 –	– –	– —	– –	– –	25.89 –
Titagarh Firema S.p.A	2018-19 2017-18	92.14 49.78	– –	– –	– –	– –	92.14 49.78
Purchase of Raw Materials and Components							
Cimmco Limited	2018-19 2017-18	2,426.87 119.06	– –	– –	– –	– –	2,426.87 119.06
Titagarh Wagons AFR	2018-19 2017-18	– –	– –	– –	– –	– –	– – –
Titagarh Industries Limited	2018-19 2017-18	– –	– –	– 28.86	 –	 –	 28.86
Job Processing and Other Machining Charges (including Contract Labour Charges)							
Cimmco Limited	2018-19 2017-18	– 344.21	– –	— –	– –	– –	– 344.21

Details of transactions between the Company and Related Parties and outstanding balances as at the year end are given below:

Rs. in Lacs

Nature of transactions	Year	Subsidiary Companies	Joint Ventures	Enterprises over which KMP/ shareholders/close family members have significant influence	KMPs	Relatives of KMPs	Total
Reimbursement of Expenses received							
Cimmco Limited	2018-19 2017-18	29.86 367.40	– –	– –	– –	– –	29.86 367.40
Titagarh Enterprises Limited	2018-19 2017-18	– –		24.88 15.34	– –	 –	24.88 15.34
Titagarh Singapore Pte Limited	2018-19 2017-18	– 54.90	– –	– –	– –	– –	– 54.90
Titagarh Firema S.p.A	2018-19 2017-18	157.92 498.22	– –	– –	– –	– –	157.92 498.22
Liquidated damage paid to							
Cimmco Limited	2018-19 2017-18	68.00 –	– –	– –	– –	– –	68.00 –
Rent paid to							
Titagarh Enterprises Limited	2018-19 2017-18	– –		246.76 228.40	– –	– –	246.76 228.40
Warranty Claims from							
Titagarh Wagons AFR	2018-19 2017-18	241.09 –	– –	– –	– –	– –	241.09 –
Dividend paid to							
Ms. Savitri Devi Chowdhary	2018-19 2017-18	– –	– –	– –	– –	54.35 144.93	54.35 144.93
Ms. Rashmi Chowdhary	2018-19 2017-18	– –	– –	– –	38.45 102.53	– –	38.45 102.53
Mr. J P Chowdhary	2018-19 2017-18	– –	– –	– –	0.47 1.25	– –	0.47 1.25
Mr. Umesh Chowdhary	2018-19 2017-18	– –	– –	– –	0.23 0.62	– –	0.23 0.62
Ms. Vinita Bajoria	2018-19 2017-18	– –	– –	– –	– –	* *	* *
Ms. Sumita Kandoi	2018-19 2017-18	– –	– –	– –	– –	* *	* *
Mr. Anil Agarwal	2018-19 2017-18	– –	– –	– –	0.08 0.10	– –	0.08 0.10
Mr. Dinesh Arya	2018-19 2017-18	– –	– –	– –	0.04 0.05	– –	0.04 0.05
Mr. Sudipta Mukherjee	2018-19 2017-18	– –	– –	– –	0.04 0.10	– –	0.04 0.10
Titagarh Capital Management Services Private Limited	2018-19 2017-18	– –	– –	65.01 173.36	– –		65.01 173.36
Bimla Devi Kajaria	2018-19 2017-18	– –	– –	– –	– –	0.01 0.01	0.01 0.01

Notes to Financial Statements as at and for the year ended March 31, 2019

Details of transactions between the Company and Related Parties and outstanding balances as at the year end are given below:

Rs. in Lacs

Nature of transactions	Year	Subsidiary Companies	Joint Ventures	Enterprises over which KMP/ shareholders/close family members have significant influence	KMPs	Relatives of KMPs	Total
Remuneration (Excluding Employee Stock Option Expense) [Refer (b) below]							
Mr. J P Chowdhary	2018-19 2017-18	– –	– –	– –	257.28 257.28	– –	257.28 257.28
Mr. Umesh Chowdhary	2018-19 2017-18	– –	– –	– –	257.28 257.28	– –	257.28 257.28
Ms. Vinita Bajoria	2018-19 2017-18	– –	– –	– –	– –	27.64 27.64	27.64 27.64
Mr. Anil Agarwal	2018-19 2017-18	– –	– –	– –	46.51 52.34	– –	46.51 52.34
Mr. Dinesh Arya	2018-19 2017-18	– –	– –	– –	25.59 26.32	– –	25.59 26.32
Mr. Sudipta Mukherjee	2018-19 2017-18	– –	– –	– –	36.14 40.73	– –	36.14 40.73
Employee Stock Option Expense							
Mr. Anil Kumar Agarwal	2018-19 2017-18	– –	– –		20.25 24.06	– –	20.25 24.06
Mr. Sudipta Mukherjee	2018-19 2017-18	– –	– –		20.25 24.06	– –	20.25 24.06
Mr. Dinesh Arya	2018-19 2017-18	– –	– –		11.44 13.23	– –	11.44 13.23
*Amounts are below the rounding off norm adopted by the Company.							
Sitting Fees to Directors							
Mr. Dharmendar Nath Davar	2018-19 2017-18	– –	– –	– –	4.50 7.60	– –	4.50 7.60
Mr. Manoj Mohanka	2018-19 2017-18	– –	– –	– –	8.50 8.40	– –	8.50 8.40
Mr. Atul Ravishanker Joshi	2018-19 2017-18	– –	– –	– –	5.30 1.20	– –	5.30 1.20
Mr. Ramsebak Bandyopadhyay	2018-19 2017-18	– –	– –	– –	7.90 4.40	– –	7.90 4.40
Mrs. Rashmi Chowdhary	2018-19 2017-18	– –	– –	– –	1.20 2.00	– –	1.20 2.00
Mr. Sunirmal Talukdar	2018-19 2017-18	– –	– –	– –	2.40 7.68	– –	2.40 7.68
Purchase of Property, Plant and Equipment / Intangible Assets							
Cimmco Limited	2018-19 2017-18	25.67 20.12	– –	– –	– –	– –	25.67 20.12

Details of transactions between the Company and Related Parties and outstanding balances as at the year end are given below:

Rs. in Lacs

Nature of transactions	Year	Subsidiary Companies	Joint Ventures	Enterprises over which KMP/ shareholders/close family members have significant influence	KMPs	Relatives of KMPs	Total
Sale of Property, Plant and Equipment							
Cimmco Limited	2018-19 2017-18	– 5.88	– –	– –	– –	– –	– 5.88
Loans given							
Titagarh Capital Private Limited	2018-19 2017-18	1,900.00 3,000.00	– –	– –	– –	– –	1,900.00 3,000.00
Titagarh Firema S.p.A	2018-19 2017-18	– 4,723.20	– –	– –	– –	– –	– 4,723.20
Security Deposit Given							
Titagarh Enterprises Limited	2018-19 2017-18	– –		57.10 57.10	– –	– –	57.10 57.10
Investments made							
Titagarh Singapore Pte. Ltd.	2018-19 2017-18	– 1,684.51	– –	– –	– –	– –	– 1,684.51
Titagarh Wagons AFR #	2018-19 2017-18	2,019.29 –	– –	– –	– –	– –	2,019.29 –
Matiere Titagarh Bridges Pvt Ltd	2018-19 2017-18	– –	– 74.99	– –	– –	–	– 74.99
# Loan of Euro 25.01 Lacs given to Titagarh Wagons AFR is converted into equity shares of Titagarh Wagons AFR in December 2018.							
Loans Refunded							
Titagarh Capital Private Limited	2018-19 2017-18	1,910.00 3,535.00	– –	– –	– –	– –	1,910.00 3,535.00
Titagarh Firema S.p.A	2018-19 2017-18	4,837.33 –	– –	– –	– –	– –	4,837.33 –
Titagarh Wagons AFR *	2018-19 2017-18	2,019.29 –	– –	– –	– –	– –	2,019.29 –
* Loan of Euro 25.01 Lacs given to Titagarh Wagons AFR is converted into equity shares of Titagarh Wagons AFR in December 2018.							
Corporate Guarantees / Standby Letter of Credit / Put Options Given							
Titagarh Singapore Pte. Ltd.	2018-19 2017-18	– 11,231.11	– –	– –	– –	–	– 11,231.11
Titagarh Firema S.p.a	2018-19 2017-18	77,702.40 –	– –	– –	– –	 –	77,702.40 –
Cimmco Limited (Refer Note 36)	2018-19 2017-18	3,500.00 19,000.00	– –	– –	– –	– –	3,500.00 19,000.00

Details of transactions between the Company and Related Parties and outstanding balances as at the year end are given below:

Rs. in Lacs

Nature of transactions	Year	Subsidiary Companies	Joint Ventures	Enterprises over which KMP/ shareholders/close family members have significant influence	KMPs	Relatives of KMPs	Total
Corporate Guarantees / Standby Letter of Credit / Put Options Released							
Titagarh Wagons AFR	2018-19 2017-18	161.24 4,069.86	– –	– –	– –	– –	161.24 4,069.86
Titagarh Firema S.p.a	2018-19 2017-18	10,642.13 –	– –	– –	– –	– –	10,642.13 –
Titagarh Singapore Pte. Ltd.	2018-19 2017-18	9,123.04 –	– –	– –	– –	 –	9,123.04 –
Cimmco Limited	2018-19 2017-18	2,000.00 –	– –	– –	– –	 –	2,000.00 –
Balances outstanding as at the year end							
Trade Receivables							
Titagarh Wagons AFR	2018-19 2017-18	1,522.64 1,765.95	– –	– –	– –	– –	1,522.64 1,765.95
Cimmco Limited	2018-19 2017-18	4,916.48 608.71	– –	– –	– –	– –	4,916.48 608.71
Trade Payables							
Titagarh Wagons AFR	2018-19 2017-18	31.73 37.20	– –	– –	– –	– –	31.73 37.20
Titagarh Enterprises Limited	2018-19 2017-18	– –		20.57 20.55	– –	– –	20.57 20.55
Cimmco Limited	2018-19 2017-18	690.20 –	– –	– –	 –	 –	690.20 –
Titagarh Industries Limited	2018-19 2017-18	– –	–	– 0.21	– –	– –	– 0.21
Loans to Related Parties							
Titagarh Wagons AFR	2018-19 2017-18	– 2,015.96	– –	– –	– –	– –	– 2,015.96
Titagarh Capital Private Limited	2018-19 2017-18	490.00 500.00	– –	– –	– –	– –	490.00 500.00
Titagarh Firema S.p.a	2018-19 2017-18	– 4,837.33	– –	– –	– –	– –	– 4,837.33
Interest Accrued on Loans							
Titagarh Wagons AFR	2018-19 2017-18	139.97 87.57	– –	– –	– –	– –	139.97 87.57
Titagarh Capital Private Limited	2018-19 2017-18	7.67 42.02	– –	– –	– –	– –	7.67 42.02
Titagarh Firema S.p.a	2018-19 2017-18	7.77 25.26	– –	– –	– –	– –	7.77 25.26

Details of transactions between the Company and Related Parties and outstanding balances as at the year end are given below:

Rs. in Lacs

Nature of transactions	Year	Subsidiary Companies	Joint Ventures	Enterprises over which KMP/ shareholders/close family members have significant influence	KMPs	Relatives of KMPs	Total
Receivable from Related Parties							
Titagarh Wagons AFR	2018-19	235.93	–	–	–	–	235.93
	2017-18	234.03	–	–	–	–	234.03
Titagarh Singapore Pte. Ltd.	2018-19	11.47	–	–	–	–	11.47
	2017-18	153.97	–	–	–	–	153.97
Titagarh Firema S.p.a	2018-19	187.06	–	–	–	–	187.06
	2017-18	335.79	–	–	–	–	335.79
Matiere Titagarh Bridges Pvt Ltd	2018-19	–	1.96	–	–	–	1.96
	2017-18	–	72.66	–	–	–	72.66
Cimmco Limited	2018-19	9.64	–	–	–	–	9.64
	2017-18	–	–	–	–	–	–
Advances Recoverable in Cash or Kind							
Mr. Anil Kumar Agarwal	2018-19	–	–	–	34.50	–	34.50
	2017-18	–	–	–	34.50	–	34.50
Advances from Customers							
Titagarh Wagons AFR	2018-19	–	–	–	–	–	–
	2017-18	243.31	–	–	–	–	243.31
Matiere Titagarh Bridges Pvt Ltd	2018-19	–	41.05	–	–	–	41.05
	2017-18	–	41.05	–	–	–	41.05
Employee Related Liabilities							
Mr. J P Chowdhary	2018-19	–	–	–	12.10	–	12.10
	2017-18	–	–	–			
Mr. Umesh Chowdhary	2018-19	–	–	–	12.14	–	12.14
	2017-18	–	–	–	–	–	–
Ms. Vinita Bajoria	2018-19	–	–	–		1.56	1.56
	2017-18	–	–	–	–	–	–
Mr. Anil Kumar Agarwal	2018-19	–	–	–	1.88	–	1.88
	2017-18	–	–	–	–	–	–
Mr. Dinesh Arya	2018-19	–	–	–	1.23	–	1.23
	2017-18	–	–	–	–	–	–
Mr. Sudipta Mukherjee	2018-19	–	–	–	1.99	–	1.99
	2017-18	–	–	–	–	–	–
Security Deposit							
Titagarh Enterprises Limited	2018-19	–	–	114.20	–	–	114.20
	2017-18	–	–	57.10	–	–	57.10

Details of transactions between the Company and Related Parties and outstanding balances as at the year end are given below:

Rs. in Lacs

Nature of transactions	Year	Subsidiary Companies	Joint Ventures	Enterprises over which KMP/ shareholders/close family members have significant influence	KMPs	Relatives of KMPs	Total
Investments							
Titagarh Wagons AFR [Refer Note (a) below]	2018-19 2017-18	4,883.89 2,864.60	– –	– –			4,883.89 2,864.60
Titagarh Singapore Pte. Ltd. [Refer Note (a) below]	2018-19 2017-18	6,959.32 12,833.86	– –	– –			6,959.32 12,833.86
Titagarh Firema S.p.a	2018-19 2017-18	127.75 127.75	– –	– –			127.75 127.75
Cimmco Limited	2018-19 2017-18	10,302.15 10,171.25	– –	– –			10,302.15 10,171.25
Titagarh Capital Private Limited	2018-19 2017-18	4,042.57 4,042.57	– –	– –			4,042.57 4,042.57
Matiere Titagarh Bridges Pvt Ltd	2018-19 2017-18	– –	75.49 75.49	– –	– –		75.49 75.49
Titagarh Enterprises Limited	2018-19 2017-18	– –		2,752.97 2,339.42	– –		2,752.97 2,339.42
Tecalemit Industries Limited	2018-19 2017-18	– –		24.22 22.82	– –		24.22 22.82
Titagarh Industries Limited	2018-19 2017-18	– –		31.02 30.83	– –		31.02 30.83
Commitments - Corporate Guarantees / Standby Letter of Credit / Put Options Outstanding [Also Refer Note 36 (b), (c) and 40)							
Titagarh Wagons AFR	2018-19 2017-18	3,263.50 3,547.38	– –	– –		– –	3,263.50 3,547.38
Titagarh Singapore Pte. Ltd.	2018-19 2017-18	25,149.26 34,946.77	– –	– –		– –	25,149.26 34,946.77
Titagarh Firema S.p.a	2018-19 2017-18	77,702.40 10,642.13	– –	– –		– –	77,702.40 10,642.13
Cimmco Limited	2018-19 2017-18	22,500.00 21,000.00	– –	– –		– –	22,500.00 21,000.00

Notes:

a) **Terms and conditions of transactions with related parties**

Transactions relating to dividend were on the same terms and conditions that applied to other shareholders. The sales / services to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest-free (except loans given) and settlement occurs in cash. The Company has recorded impairment of receivables amounting to Rs. 12,695.46 relating to investment / other receivable pertaining to subsidiary company Titagarh Wagons AFR (Refer Note -30) . This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

b) **Compensation of Key managerial Personnel**

Rs. in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Short-term employee benefits	581.11	591.02
Contribution to provident and other funds	41.69	42.93
Share-based payment transactions	51.94	61.35
	674.74	**695.30**

The remuneration to key managerial personnel does not include provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Company as a whole.

43 Fair Values

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between level 1 and level 2 fair value measurements during the year ended March 31, 2019 and March 31, 2018.

Rs. in Lacs

		Level 2	Level 3	Total
Quantitative disclosures fair value measurement hierarchy for Assets:	**Date of Valuation**			
Assets measured at Fair Value:				
Investments	March 31, 2019	–	5,338.30	5,338.30
	March 31, 2018	–	2,421.84	2,421.84
Total Financial Assets		**–**	**7,760.14**	**7,760.14**
Quantitative disclosures Fair Value measurement hierarchy for Liabilities:				
Liabilities measured at Fair Value:				
Liability for Derivatives	March 31, 2019	44.72	–	44.72
	March 31, 2018	115.79	–	115.79
Total Financial Liabilities		**160.51**	**–**	**160.51**

(ii) Fair value measurements using significant unobservable inputs (Level 3)

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy - (FVTPL assets in unquoted equity shares/units valued using Discounted Cash Flow method) together with a quantitative sensitivity analysis as at March 31, 2019 and March 31, 2018 are as shown below:

Rs. in Lacs

	March 31, 2019	March 31, 2018
Significant Unobservable Input - Weighted Average Cost of Capital		
Impact of 1% Increase	245.06	195.58
Impact of 1% Decrease	336.59	268.61
Significant Unobservable Input - Circle Rate for land owned by the respective Investee Company		
Impact of 5% Increase	68.59	70.94
Impact of 5% Decrease	68.59	70.94

43 Fair Values (Contd.)

(iii) Reconciliation of fair value measurement of financial instruments classified as FVTPL assets:

Rs. in Lacs

	Investment in unquoted equity shares
Closing Balance as on March 31, 2017	**2,395.62**
Re-measurement recognised in Statement of Profit and Loss	26.22
Closing Balance as on March 31, 2018	**2,421.84**
Addition during the period	2,500.00
Re-measurement recognised in Statement of Profit and Loss	416.46
Closing Balance as on March 31, 2019	**5,338.30**

(v) Fair value of financial assets and liabilities

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2018.

The methods and assumptions were used to estimate the fair values:

(a) The fair value of foreign exchange forward contracts is determined using forward exchange rates at the Balance Sheet date.

(b) The management assessed that the fair values of remaining financial assets and liabilities at amortised cost approximate to their carrying amounts largely due to the short-term maturities of these instruments.

(c) For financial assets / liabilities carried at fair value, the carrying amounts are equal to their fair values.

(d) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimate technique. Therefore, for substantially all financial instruments, the fair value estimates are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

44 Financial Risk Management Objectives and Policies

The Company's financial liabilities comprise short-term borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents, investments, loans and deposits and other financial assets.

The Company's Board of Directors ensures that risks are identified, measured and managed in accordance with Risk Management Policy of the Company and also reviews these risks and related risk management policy, which are summarised below.

I) Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk and other price risk, such as equity price risk and interest rate risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, borrowings, loan to foreign subsidiaries, other receivables etc.

(i) Foreign currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, borrowings and loans to subsidiaries. Such foreign currency exposures are primarily hedged by the Company through use of foreign exchange forward contracts. The Company has a treasury team which continuously monitors the foreign exchange fluctuations on a continuous basis and advises the management of any material adverse effect on the Company, and any additional remedial measures to be taken.

43 Fair Values (Contd.)

The Company's foreign currency exposure at the end of the reporting period are as follows:

Rs in Lacs

	March 31, 2019			March 31, 2018	
Particulars	NPR	USD	EURO	USD	EURO
Financial Assets					
Trade Receivables	35.51	1,206.58	1,371.00	–	1,706.06
Other Financial Assets		–	582.00	–	7,681.15
Derivative Assets					
Foreign Exchange Forward Contracts	–	(603.48)	–	(4,424.56)	(9,685.68)
Net exposure to Foreign Currency Risk (Assets)	**35.51**	**603.10**	**1,953.00**	**(4,424.56)**	**(298.47)**
Financial Liabilities					
Borrowings	–	–	–	1,031.66	712.97
Trade Payables	–	1,033.39	552.15	552.14	50.42
Derivative Liabilities					
Foreign Exchange Forward Contracts	–	(1,031.21)	(197.21)	(2,998.41)	(923.39)
Net Exposure to Foreign Currency Risk (Liabilities)	**–**	**2.18**	**354.94**	**(1,414.61)**	**(160.00)**
Net Exposure to Foreign Currency Risk (Assets less Liabilities)	**35.51**	**600.92**	**1,598.06**	**(3,009.95)**	**(138.47)**

Foreign Currency Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, NPR 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 is not material.

Rs in Lacs

	Changes in Euro rate	Foreign currency (Payable) / Receivable (net)	Effect on Profit before Tax	Changes in USD rate	Foreign currency (Payable) / Receivable (net)	Effect on Profit before Tax
March 31, 2019	5% -5%	1,598.06	79.90 (79.90)	5% -5%	600.92	30.05 (30.05)
March 31, 2018	5% -5%	(138.47)	(6.92) 6.92	5% -5%	(3,009.95)	(150.50) 150.50

	Changes in NPR rate	Foreign currency (Payable) / Receivable (net)	Effect on Profit before Tax
March 31, 2019	5% -5%	35.51 –	1.78 (1.78)
March 31, 2018	5% -5%	– –	– –

(ii) Equity price risks

Equity price risk is the 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 instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

The Company only invests in the equity shares of the subsidiaries, 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, joint ventures and group companies based on the respective business plan of each of the companies. Reports on the investment portfolio along with the financial performance of the subsidiaries, joint ventures and group companies are submitted to the Company's management on a regular basis. The Company's Board of Directors reviews and approves all investment decisions.

The Company's investment in quoted equity instruments (other than subsidiaries) is not material. For sensitivity analysis of Company's investments in equity instruments, Refer Note 43(ii).

43 Fair Values (Contd.)

(iii) Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market interest rates relates primarily to the Company's debt interest obligation. Further the Company engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings. The Company continously monitor the situation and takes remedial actions if required.

The Company's investments in bonds and term deposits with bank are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Interest rate risk exposure

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Variable Rate Borrowings	17,593.04	8,171.68
Fixed Rate Borrowings	–	1,744.62
Total Borrowings	17,593.04	9,916.30

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Rs. in Lacs

	Impact on Profit before Tax	
	March 31, 2019	March 31, 2018
Interest Rates - Increase by 100 basis points *	(175.93)	(81.72)
Interest Rates - Decrease by 100 basis points*	175.93	81.72

* Holding all other variables constant and on the assumption that amount outstanding as at reporting dates were utilised for full financial year.

II) Credit Risks

Credit Risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and loans / deposits) and from its investing activities (primarily deposits with banks and investments in tax free bonds). The Company's maximum exposure to credit risk for the components of the Balance Sheet as at March 31, 2019 and March 31, 2018 is their carrying amounts except for the financial guarantees. The Company's maximum exposure to financial guarantees is given in Note 36(b).

(a) Trade and Other Receivables

Customer credit risk is managed by the Company through established policy and procedures and control relating to customer credit risk management. Trade receivable are non-interest bearing. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.The Company uses specific identification method in determining the allowance for credit losses of trade receivable considering historical credit loss experience and is adjusted for forward looking information.

Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions.

(b) Other Financial Assets and Deposits

Credit Risk from Balances with Banks, deposits, etc is managed by the Company's finance department. Investments of Surplus funds are made only with approved counterparties in accordance with the Company's policy.

(c) Reconciliation of Impairment Provision

(Rs. in Lacs)

Particulars	Loan and Deposits	Other Financial Assets	Trade Receivable
Opening Balance as at March 31, 2017	**38.13**	**–**	**55.00**
Provision made during the year ended March 31, 2018	3.50	24.48	464.88
Provision written back during the year ended March 31, 2018	–	(35.00)	
Closing Balance as at March 31, 2018	**41.63**	**24.48**	**484.88**
Provision made during the year ended March 31, 2019	–	375.90	1,815.50
Provision written back during the year ended March 31, 2019	–	–	42.37
Closing Balance as at March 31, 2019	**41.63**	**400.38**	**2,258.01**

The impairment provision as disclosed above are based on assumptions about risk of default and expected credit loss rates. The Company uses judgement in making these assumptions based on the Company's past history, counter party's ability to pay, existing market conditions as well as forward looking estimates at the end of each reporting period.

Movement of Liquidated Damages:

Particulars	Liquidated
Opening Balance as at March 31, 2017	**432.94**
Provision made during the year ended March 31, 2018	474.60
Provision utilized during the year ended March 31, 2018	(374.90)
Opening Balance as at March 31, 2018	**532.64**
Provision made during the year ended March 31, 2019	389.95
Provision utilized during the year ended March 31, 2019	(383.84)
Closing Balance as at March 31, 2019	**538.75**

III) Liquidity Risks

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposits , which carry no market risk. 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, bank loans among others.

Maturity profile of Financial Liabilities

Maturity profile of all financial liabilities is as under:

Rs. in Lacs

Maturing within one Year	As at March 31, 2019	As at March 31, 2018
Non-derivative Financial Liabilities		
Borrowings	17,593.04	9,916.30
Trade Payables	27,792.40	3,699.95
Other Financial Liabilities @	466.64	312.06
Derivative Financial Liabilities		
Foreign Exchange Forward Contracts	44.72	115.79
Total Financial Liabilities	**45,896.80**	**14,044.10**

@ Includes contractual interest payment based on interest rate prevailing at the end of the reporting period.

45 Capital Management

(a) Risk 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 light of changes to economic conditions and strategic objectives of the Company.

The Company monitors capital on the basis of the net debt to equity ratio. Net debt are borrowings as reduced by cash and cash equivalents. The Company is not subject to any externally imposed capital requirements.

The following table summarises the capital of the Company:

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Total Borrowings	17,593.04	9,916.30
Less: Cash and Cash Equivalents	168.85	272.84
Net Debt	**17,424.19**	**9,643.46**
Equity	**80,456.03**	**88,986.68**
Total Capital (Equity + Net Debt)	**97,880.22**	**98,630.14**
Net Debt to Equity Ratio	**21.66%**	**10.84%**

(b) Dividends on Equity Shares

Rs. in Lacs

	For the year ended March 31, 2018	For the year ended March 31, 2017
Dividend Declared and Paid during the year		
Final Dividend for the year ended March 31, 2018 of Rs. 0.30 (March 31, 2017 - Rs. 0.80) per fully paid share	346.58	923.58
Dividend Distribution Tax on above	70.55	188.02
Proposed Dividend Not recognised at the End of the Reporting Period		
In addition to the above dividend, since year end the directors have recommended the payment of final dividend of Rs. 0.30 (March 31, 2018- Rs. 0.30) per fully paid share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	346.58	346.50
Dividend Distribution Tax on above	70.56	70.55

46 Debt Reconciliation

This section sets out an analysis of debt and the movement in debt during the year.

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Current Borrowings	17,593.04	9,916.30
Interest Accrued	201.33	24.01
Total	**17,794.37**	**9,940.31**

Rs. in Lacs

	For the year ended March 31, 2019
Debt as at March 31, 2017 (including interest accrued)	**4,339.05**
Finance Costs	864.45
Cash Flows	
Cash on hand	5,569.02
Finance Costs Paid	(842.87)
Non-cash Transactions	
Unrealised Foreign Exchange Fluctuation Loss on Borrowings	10.66
Debt as at March 31, 2018 (including interest accrued)	9,940.31
Finance Costs	2,390.02
Cash Flows	
Short-term Borrowings - Receipts/(Payments)	7,676.74
Finance Costs Paid	(2,212.70)
Debt as at March 31, 2019 (including interest accrued)	**17,794.37**

47 Change in accounting policy

Effective April 1, 2018, the Company has adopted IND AS 115 “Revenue from Contracts with Customers” using the modified retrospective approach which is applied to contracts that were not completed as of April 1, 2018. The comparatives for the year ended March 31, 2018 have not been restated and accordingly the results for the year ended March 31, 2019 are not comparable with the above periods reported. As a result of adoption of the new standard, an amount of Rs 18.12 lacs (net of tax), has been adjusted against retained earnings as on April 1, 2018. Further, the change in the timing of revenue recognition for certain contracts has following impact on Statement of Profit and Loss for the year ended March 31, 2019 :

Rs. in Lacs

	Year ended March 31, 2019
Increase/(Decrease) in Revenue from Operations	4,363.34
Decrease/(Increase) in Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap.	(3,852.09)
(Increase) / Decrease in Loss before tax	511.25
(Increase) / Decrease in Tax expense	(178.65)
(Increase) / Decrease in Loss for the period and Total comprehensive income	332.60
(Increase) / Decrease in Loss Per Equity Share (of Rs 10/- each) (Not Annualised) - Basic and Diluted (Rs.)	0.29
Also refer note 21 “Revenue from operation” and note 5 “Trade receivable”.	

48 Assets and liabilities related to contract with customers

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Contract Assets		
Unbilled Revenue	6,244.68	4,827.92
Total Contract assets	6,244.68	4,827.92
Contract Liabilities		
Advance from customers	6,139.02	10,594.60
Total Contract liabilities	**6,139.02**	**10,594.60**

Revenue recognised in relation to contract liability

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Revenue recognised that was included in the contract liability balance at the beginning of the period	9,743.96	2,224.09

Trade receivables in respect of contract with customers has been included in Note-5

49 Research and Development expenditure of revenue nature recognised in Profit and Loss during the year amounts to Rs. 21.17 Lacs (March 31, 2018 : 37.87 Lacs).

50 The Company is in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

51 The Board of Directors at its meeting held on May 29, 2019 (adjourned to May 30, 2019) approved a draft scheme (the Scheme) for merger of its two subsidiary companies namely Cimmco Limited and Titagarh Capital Private Limited (TCPL), and also Titagarh Enterprises Limited, a promoter group entity with the Company, pursuant to Sections 230 to 232 of the Companies Act, 2013 with April 01, 2019 as the Appointed Date, subject to such approvals as may be necessary including the SEBI/Stock Exchanges and sanction by the Hon'ble National Company Law Tribunal. Upon the Scheme becoming effective, the Company shall issue 13 (thirteen) equity shares of Rs. 2/- each fully paid up by the Company for every 24 (twenty four) equity share of Rs. 10/- each fully paid up held by the shareholders of the Cimmco Limited, issue 11(eleven) equity shares of Rs. 2/- each fully paid up by the Company for every 13 (thirteen) equity share of Rs. 10/- each fully paid up held by the shareholders of the Titagarh Enterprises Limited on the record date (defined in the Scheme) to be determined in due course. TCPL being a wholly owned subsidiary of the Company, no consideration is payable and the equity and preferences shares held by the Company in TCPL shall stand cancelled.

This is the Standalone Statment of Changes in Equity referred to in our Report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No.: 304026E/E-300009
Chartered Accountants

Pramit Agrawal
Partner
Membership No. 099903

Place: Kolkata
Dated : May 30, 2019

For and on behalf of the Board of Directors of Titagarh Wagons Limited

J P Chowdhary
Executive Chairman
DIN : 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN : 00313652

Atul Joshi
Director
DIN : 03557435

Manoj Mohanka
Director
DIN : 00128593

Anil Kumar Agarwal
Director (Finance) & CFO
DIN : 01501767

Dinesh Arya
Company Secretary

Independent Auditor's Report

To the Members of
Titagarh Wagons Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of Titagarh Wagons Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and joint ventures (refer Note 1(a) to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2019 and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and except for the indeterminate impact of the matter referred in the Basis for Qualified Opinion section of our report, give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at March 31, 2019, of consolidated total comprehensive income (comprising of loss and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Qualified opinion

3. 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 Consolidated Financial Statements section of our report. We are independent of the Group, and jointly controlled entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements.We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 20 of the Other Matters paragraph below, other than the unaudited financial statements/ financial information as certified by the management and referred to in sub-paragraph 21 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

4. We draw your attention to the following paragraph included in the audit report on the financial statements of Cimmco Limited (a subsidiary of the Holding Company) issued by us vide our report dated May 30, 2019:

   "We draw your attention to Note 45 to the Financial Statements regarding public shareholding in the company being 20.512% as at March 31, 2019, which is below the minimum requirement of 25% under Rule 19A(2) of the Securities Contracts (Regulation) Rules, 1957. The consequential impact of the aforesaid non-compliance, if any, is presently not ascertainable."

   Note 45 as described above corresponds to Note 51 to the Consolidated financial statements.

Material Uncertainty Related to Going Concern

5. We draw your attention to the Material Uncertainty Relating to Going Concern paragraph included in the audit report of the special purpose financial statements of Titagarh Wagons AFR (a subsidiary company of the Holding Company) issued by the independent auditors vide their report dated May 29, 2019 reproduced as under:

   "We draw attention to Note 1 in the special purpose information. The events or conditions described in Note 1 in the special purpose information indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

   "Note 1 as described above corresponds to Note 50 to the Consolidated financial statements.

Emphasis of matter paragraph

6. We draw your attention to the following paragraph included in the audit report on the financial statements of Cimmco Limited (a subsidiary of the Holding Company) issued by us vide our report dated May 30, 2019:

   "We draw your attention to Note 6(a) to the Financial Statement regarding the Company's claim of Rs. 2,361.23 lacs towards lease rental and interest thereon receivable from the Indian Railways, which is recognized based on the order from the Hon'ble High Court of Delhi dated March 15,2019 reaffirming the Arbitration award dated February 3, 2016 and based on the legal advice obtained by the Company in this regard. Our opinion is not modified in respect of this matter."

   Note 6(a) as described above corresponds to Note 7(a) to the Consolidated financial statements.

Key Audit matter

7. Key audit matters are those matters that, in our professional judgement, 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.

Key audit matter	How our audit addressed the key audit matter
Appropriateness of estimation of total costs to complete contracts and determination of contract margin (Refer to Note 2.19 – "Revenue Recognition", Refer Note 2.33 – "Critical Estimates and Judgements – Accounting for revenue from contracts wherein group satisfies performance obligation and recognises revenue over time" and Note 21 – "Revenue from Operations"). In respect of certain contracts with customers, the Holding Company recognises revenue over a period of time in accordance with its accounting policy. This involves determination of margin to be recognised on the contract, which are dependent on the total costs to complete contracts, that is, the cost incurred till date and estimation of future cost to complete the contract. This estimation involves exercise of significant judgement by the management in making cost forecasts considering future activities to be carried out in the contract, and the related assumptions. This has been considered as a key audit matter given the involvement of management estimates and judgements and complexities in determining future costs to complete and the contract margin.	Our audit procedures included the following: • Assessed and tested the design and operating effectiveness of key controls around estimation of contract margin and future costs to complete the contracts. • Discussed with the management of Holding Company the status of the contracts, basis for estimates of future cost to complete the contracts and other factors such as consideration of any specific identified risks. • Obtained the contract financial summaries and performed the following procedures: (a) verified the contract revenue with the underlying contracts on a sample basis, and its relevant terms and conditions. (b) obtained and examined the computation of the total costs to complete, and percentage of contract completion. (c) verified the actual cost incurred upto the year end on sample basis with vendor invoices and other supporting documents as appropriate. (d) verified on sample basis future cost to complete with order placed with vendors, management technical estimates, and other relevant supporting documents, as appropriate. (e) verified the mathematical accuracy of the calculation of percentage completion including contract margin. Based on the above procedures performed, management's assessment of total costs to complete contracts and determination of contract margin is considered reasonable.

8. The following Key Audit Matter was included in the audit report dated May 30, 2019, containing a modified audit opinion on the financial statements of Cimmco Limited, a subsidiary of the Holding Company issued by us reproduced as under:

Key audit matter	How our audit addressed the key audit matter
Assessment of recoverability of Deferred tax assets [Refer to Note 2.20 – "Income Taxes", Refer Note 2.28 – "Critical Estimates and Judgements – Valuation of Deferred Tax Assets" and Note 7 – "Deferred Tax Assets (Net)"] The Company has recognised deferred tax assets including those on unabsorbed tax losses comprising of unabsorbed depreciation and business losses pertaining to the earlier assessment years. The balance of such deferred tax asset as at March 31, 2019 was Rs.2,563.98 Lakhs, which is included in the balance sheet under Deferred tax assets (net) amounting to Rs.260.90 Lakhs. The deferred tax asset are considered to be recoverable based on the Company's projected taxable profits in the forthcoming years. The carrying amount of deferred tax assets is reviewed at the end of each reporting period. This was considered as a key audit matter as the amount is material to the financial statements and significant judgement is required by the Company's Management in determining future taxable profits as there are inherent uncertainties involved in forecasting such profits.	Our audit procedures included the following: • Assessed and tested the design and operating effectiveness of the Company's key controls relating to taxation including the assessment of carrying amount of deferred tax assets, the preparation of the forecast and its related inputs/ assumptions. • Agreed the relevant input data with the latest budgets and other supporting documents, as appropriate. • Tested the reasonability of key management assumptions such as growth rate, estimated percentage of gross profit used in the management projections of the future taxable profits and also considered historical performance vis-vis the budgets, the change in the business performance over the years. • Applied sensitivity to the forecasts and assessed whether tax losses can be utilised within the available period as per the tax laws. • Evaluated the adequacy of the disclosures made in the financial statements. Based on the above procedures, we noted that the management's assessment of recoverability of deferred tax assets is reasonable.

Note 2.20, 2.28 and 7 as described above corresponds to Note 2.23, 2.33 and 18 to the Consolidated financial statements.

Other Information

9. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the consolidated financial statements and our auditor's report thereon.

10. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

11. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 19 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

12. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows and changes in equity of the Group including its joint venturesin accordance with the accounting principles generally accepted in India, including the Accounting

Standards specified under section 133 of the Act.The respective Board of Directors of the companies included in the Group and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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.

13. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures 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.

14. The respective Board of Directors of the companies included in the Group and its joint ventures are responsible for overseeing the financial reporting process of the Group and its joint ventures.

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

15. 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.

16. As part of an audit in accordance with SAs, we exercise professional judgement 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.

- Obtain 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 Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint venturesto 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.

17. 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.

18. 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.

19. 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 matter or when, in extremely rare circumstances, 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.

Other Matters

20. We did not audit the financial statements/financial information of three subsidiaries whose financial statements/ financial information reflect total assets of Rs. 138,024.55 Lacs and net assets of Rs. 21,917.16 Lacs as at March 31, 2019, total revenue of Rs. 68,141.70 Lacs, total comprehensive income (comprising of loss and other comprehensive income) of Rs. 12,361.22 Lacs and net cash flows amounting to Rs. 5,180.96 Lacs for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

21. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of Rs. 3.64 Lacs for the year ended March 31, 2019 as considered in the consolidated financial statements, in respect of two joint ventures whose financial statements/ financial information have not been audited by us. These financial statements/ financial information are unaudited and have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these joint ventures and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid joint ventures, is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

    Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

22. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and obtained all the information and explanationswhich 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, except for the indeterminate impact of the matter referred in the Basis for Qualified Opinion section of our report, proper books of account 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), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

(d) In our opinion, the aforesaidconsolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

(f) With regard to maintenance of accounts, reference is made to our comment in paragraphs 22(b) above.

(g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.

(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, if any, of pending litigations onthe consolidated financial position of the Group and its joint ventures- Refer Note 17.1 and Note 37 to the consolidated financial statements;

(ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2019.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company during the year ended March 31, 2019 nor has there been any delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the subsidiary companies incorporated in India.

(iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2019.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Pramit Agrawal
Kolkata — Partner
May 30, 2018 — Membership Number 099903

Annexure A to Independent Auditors' Report

Referred to in paragraph 22(g) of the Independent Auditors' Report of even date to the members of Titagarh Wagons Limited on the consolidatedfinancial statements for the year ended March 31, 2019

Report on the Internal Financial Controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 ofSection 143 of the Act

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls with reference to financial statements of Titagarh Wagons Limited (hereinafter referred to as"the Holding Company") and its subsidiary companies, whichare companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding company and its subsidiary companies, to whom reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is applicable, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on "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 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 anderrors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. 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 with reference to financial statements was established and maintained andif 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 with reference to financial statements and their operating effectiveness.Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement , including the assessment of the risks of material misstatement of the financial statements, 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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

6. A company's internal financial control with reference to financial statements 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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail,accurately and fairly reflect the transactions and

dispositions of the assets of the company; (2)provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of theinternal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements 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 Holding Company and its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2019, 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 issued by the Institute of Chartered Accountants of India.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration Number: 304026E/E-300009
Chartered Accountants

Pramit Agrawal
Partner
Membership Number 099903

Kolkata
May 30, 2018

Consolidated Balance Sheet as at March 31, 2019

Rs.in Lacs

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current Assets			
a) Property, Plant and Equipment	4.1	88,474.52	91,430.80
b) Capital Work-in-progress	4.4	3,323.92	2,323.16
c) Investment Properties	4.3	821.24	821.24
d) Goodwill on Consolidation	4.2	24.85	402.25
e) Other Intangible Assets	4.2	4,172.54	3,095.43
f) Intangible Assets Under Development	4.5	241.76	387.29
g) Investments Accounted for Using the Equity Method	3(d)	39.49	43.13
h) Financial Assets			
i) Investments	5	8,658.05	8,241.59
ii) Trade Receivables	6	269.17	171.68
iii) Loans and Deposits	8	306.34	233.79
iv) Other Financial Assets	7	20.23	1,047.19
i) Deferred Tax Assets (Net)	18	3,469.76	3,076.72
j) Non-current Tax Assets (Net)	9	2,848.70	1,692.76
k) Other Non-current Assets	10	466.64	496.07
Total Non-current Assets		**113,137.21**	**113,463.10**
Current Assets			
a) Inventories	11	52,126.01	44,153.96
b) Financial Assets			
i) Trade Receivables	6	34,406.82	27,614.08
ii) Cash and Cash Equivalents	12.1	9,865.25	5,840.23
iii) Other Bank Balances	12.2	2,081.27	1,531.47
iv) Loans and Deposits	8	4,569.77	9,467.35
v) Other Financial Assets	7	27,098.63	46,622.75
c) Current Tax Assets (Net)	9	–	1,010.99
d) Other Current Assets	10	28,340.77	22,255.69
Total Current Assets		**158,488.52**	**158,496.52**
TOTAL - ASSETS		**271,625.73**	**271,959.62**
EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	13	2,310.56	2,310.01
b) Other Equity	14	79,307.01	83,156.69
Equity Attributable to Owners of Titagarh Wagons Limited		81,617.57	85,466.70
Non-controlling Interests	3 (b)	7,262.14	6,356.16
Total Equity		**88,879.71**	**91,822.86**
LIABILITIES			
Non-current Liabilities			
a) Financial Liabilities			
i) Borrowings	15	57,558.77	18,725.05
ii) Other Financial Liabilities	16	1,800.23	4,548.12
b) Provisions	17.1	313.51	298.08
c) Deferred Tax Liabilities (Net)	18	2,879.69	6,391.41
Total Non-current Liabilities		**62,552.20**	**29,962.66**
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	15	29,439.73	38,920.94
ii) Trade Payables	19		
a) total outstanding dues of micro and small enterprises		80.12	36.02
b) total outstanding dues of creditors other than (ii) (a) above		53,435.60	30,594.53
iii) Other Financial Liabilities	16	8,575.95	11,498.58
b) Other Current Liabilities	20	17,712.62	51,042.72
c) Provisions	17.1	10,848.98	16,198.41
d) Current Tax Liabilities (Net)	17.2	100.82	1,882.90
Total Current Liabilities		**120,193.82**	**150,174.10**
TOTAL - LIABILITIES		**182,746.02**	**180,136.76**
TOTAL - EQUITY AND LIABILITIES		**271,625.73**	**271,959.62**

The accompanying Notes form an integral part of the Consolidated Balance Sheet.

This is the Consolidated Balance Sheet referred to in our Report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No.: 304026E/E-300009
Chartered Accountants

Pramit Agrawal
Partner
Membership No. 099903

Place: Kolkata
Dated : May 30, 2019

For and on behalf of the Board of Directors of Titagarh Wagons Limited

J P Chowdhary
Executive Chairman
DIN : 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN : 00313652

Atul Joshi
Director
DIN : 03557435

Manoj Mohanka
Director
DIN : 00128593

Anil Kumar Agarwal
Director (Finance) & CFO
DIN : 01501767

Dinesh Arya
Company Secretary

Consolidated Statement of Profit & Loss as at March 31, 2019

Rs.in Lacs

	Notes	For the year ended March 31, 2019	For the year ended March 31, 2018
Income			
Revenue from Operations	21	171,077.50	127,143.84
Other Income	22	5,336.83	2,987.86
Total Income		**176,414.33**	**130,131.70**
Expenses			
Cost of Raw Materials and Components Consumed	23	109,850.31	69,237.26
Purchase of Traded Goods		–	2.37
Changes in Inventories of Finished Goods, Work-in-progress, Trading Goods and Saleable Scrap	24	(4,350.45)	6,484.22
Excise Duty Expense		–	325.20
Employee Benefits Expense	25	22,505.98	23,932.13
Finance Costs	26	6,837.59	4,405.99
Depreciation and Amortisation Expense	27	3,614.79	5,083.58
Other Expenses	28	39,669.33	36,837.06
Total Expenses		**178,127.55**	**146,307.81**
Loss before Share of Net Loss of a Joint Venture Accounted for using the Equity Method, Exceptional Items and Tax		**(1,713.22)**	**(16,176.10)**
Share of Net Loss of a Joint Venture Accounted for Using the Equity Method	3 (d)	3.64	32.36
Loss before Exceptional Items and Tax		**(1,716.86)**	**(16,208.47)**
Exceptional Items	29	3,832.55	509.12
Loss before Tax		**(5,549.41)**	**(16,717.59)**
Income Tax Expense	**30 (A)**		
Current Tax		177.12	808.48
Deferred Tax		(3,473.92)	(2,802.64)
Total Income Tax Expense		**(3,296.80)**	**(1,994.16)**
Loss for the Year		(2,252.61)	(14,723.43)
Attributable to:			
Owners of Titagarh Wagons Limited		(2,852.31)	(14,362.26)
Non-controlling Interests		599.70	(361.17)
Other Comprehensive Income			
Item that will not be Reclassified to Profit or Loss in Subsequent Periods:			
Remeasurement Gain/(Losses) on Defined Benefit Plans	32(i)	2.08	(6.25)
Income Tax on above		(0.73)	1.97
Item that will be Reclassified to Profit or Loss in Subsequent Periods:			
Exchange Differences on Translation of Foreign Operations		(726.58)	3,531.02
Other Comprehensive Income for the Year (Net of Tax)		**(725.23)**	**3,526.74**
Attributable to:			
Owners of Titagarh Wagons Limited		(726.50)	3,526.97
Non-controlling Interests		1.27	(0.23)
Total Comprehensive Income for the Year		**(2,977.84)**	**(11,196.69)**
Attributable to:			
Owners of Titagarh Wagons Limited		(3,578.81)	(10,835.29)
Non-controlling Interests		600.97	(361.40)
Earnings/(Loss) per Equity Share [Nominal Value per Share Rs. 2/- (March 31, 2018: Rs 2/-)]	**31**		
Basic (In Rs.)		(2.47)	(12.44)
Diluted (In Rs.)		(2.47)	(12.44)

The accompanying Notes are an integral part of the Consolidated Statement of Profit and Loss.

This is the Consolidated Statement of Profit & Loss referred to in our Report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No.: 304026E/E-300009
Chartered Accountants

Pramit Agrawal
Partner
Membership No. 099903

Place: Kolkata
Dated : May 30, 2019

For and on behalf of the Board of Directors of Titagarh Wagons Limited

J P Chowdhary
Executive Chairman
DIN : 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN : 00313652

Atul Joshi
Director
DIN : 03557435

Manoj Mohanka
Director
DIN : 00128593

Anil Kumar Agarwal
Director (Finance) & CFO
DIN : 01501767

Dinesh Arya
Company Secretary

Consolidated Statement of Changes in Equity for the year ended March 31, 2019

A) Equity Share Capital (Refer Note 13)

	Number in Lacs	Amount Rs. in Lacs
Balance as at March 31, 2017	**1,154.12**	**2,308.24**
Issue of Equity Shares Pursuant to Employee Stock Option Scheme during the year (Refer Note 13)	0.88	1.77
Balance as at March 31,2018	**1,155.00**	**2,310.01**
Issue of Equity Shares Pursuant to Employee Stock Option Scheme during the year (Refer Note 13)	0.28	0.55
Balance as at March 31,2019	**1,155.28**	**2,310.56**

B) Other Equity

Rs. in Lacs

Particulars	Attributable to Owners of Titagarh Wagons Limited										Non-controlling Interests	Total
	Reserves and Surplus (Refer Note 14)								Other Reserve (Refer Note 14)	Total Other Equity		
	Securities Premium Accounts	General Reserve	Capital Reserve	Reserve Fund	Legal Reserve	Employee Stock Options Outstanding Account	Share Application Money Pending Allotment	Retained Earnings	Foreign Currency Translation Reserve			
Balance as at March 31, 2017	**40,462.44**	**5,411.39**	**9.18**	**15.27**	**52.23**	**120.12**	**–**	**49,173.66**	**(795.23)**	**94,449.06**	**7,881.07**	**102,330.13**
Profit for the year	–	–	–	–	–	–	–	(14,362.26)	–	(14,362.26)	(361.17)	(14,723.43)
Other Comprehensive Income (Net of Tax)	–	–	–	–	–	–	–	(4.05)	3,531.02	3,526.97	(0.23)	3,526.74
Total Comprehensive Income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(14,366.31)**	**3,531.02**	**(10,835.29)**	**(361.40)**	**(11,196.69)**
Transfer to Reserve Fund	–	–	–	0.35	–	–	–	(0.35)	–	–	–	–
Transfer to Legal Reserve	–	–	–	–	3.10	–	–	–	–	3.10	–	3.10
Transactions with Owners in their Capacity as Owners:												
Premium on Issue of Equity Shares Pursuant to Employee Stock Option (ESOP) Scheme	37.35	–	–	–	–	–	–	–	–	37.35	–	37.35
Transfer from ESOPs Outstanding Account on Exercise and Lapse	96.81	–				(134.81)	–	38.00		–	–	–
Recognition of Share Based Payment	–	–	–	–	–	288.56	–	–	–	288.56	–	288.56
Transactions with Non-controlling Interests [Refer Note 3(c)]	–	–	–	–	–	–	–	325.51	–	325.51	(1,163.51)	(838.00)
Final Dividend for the Year ended March 31, 2017	–	–	–	–	–	–	–	(923.58)	–	(923.58)	–	(923.58)
Dividend Distribution Tax on above							–	(188.02)	–	(188.02)	–	(188.02)
Balance as at March 31, 2018	**40,596.60**	**5,411.39**	**9.18**	**15.62**	**55.33**	**273.87**	**–**	**34,058.91**	**2,735.79**	**83,156.69**	**6,356.16**	**89,512.85**
Change in accounting policy (as per impact of Ind AS 115) [Refer Note 46]	–	–	–	–	–	–	–	90.61	–	90.61	–	90.61
Restated balance as at April 1, 2018	**40,596.60**	**5,411.39**	**9.18**	**15.62**	**55.33**	**273.87**	**–**	**34,149.52**	**2,735.79**	**83,247.30**	**6,356.16**	**89,603.46**
Profit/(Loss) for the Year	–	–	–	–	–	–	–	(2,852.31)	–	(2,852.31)	599.70	(2,252.61)
Other Comprehensive Income (Net of Tax)	–	–	–	–	–	–	–	0.08	(726.58)	(726.50)	1.27	(725.23)
Total Comprehensive Income for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(2,852.23)**	**(726.58)**	**(3,578.81)**	**600.97**	**(2,977.84)**
Transfer to Reserve Fund	–	–	–	–	–	–	–	–	–	–	–	–
Transfer to Legal Reserve	–	–	–	–	–	–	–	–	–	–	–	–
Transactions with Owners in their Capacity as Owners:												
Premium on Issue of Equity Shares Pursuant to ESOP Scheme	11.62	–	–	–	–	–	–	–	–	11.62	–	11.62
Transfer from ESOPs Outstanding Account on Exercise and Lapse	24.56	–	–	–	–	(52.93)	–	28.37	–	–	–	–
Recognition of Share Based Payment	–	–	–	–	–	133.02	–	–	–	133.02	–	133.02
Transactions with Non-controlling Interests [Refer Note 3(c)]	–	–	–	–	–	–	–	(104.46)	–	(104.46)	305.01	200.55
Final Dividend for the Year ended March 31, 2018	–	–	–	–	–	–	–	(346.58)	–	(346.58)	–	(346.58)
Dividend Distribution Tax on above	–	–	–	–	–	–	–	(70.55)	–	(70.55)	–	(70.55)
Share Application Money Pending Allotment	–	–	–	–	–	–	15.47	–	–	15.47	–	15.47
Balance as at March 31. 2019	**40,632.78**	**5,411.39**	**9.18**	**15.62**	**55.33**	**353.96**	**15.47**	**30,804.07**	**2,009.21**	**79,307.01**	**7,262.14**	**86,569.15**

The accompanying Notes are an integral part of the Consolidated Statement of Changes in Equity

This is the Consolidated Statement of Changes in Equity referred to in our Report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No.: 304026E/E-300009
Chartered Accountants

Pramit Agrawal
Partner
Membership No. 099903

Place: Kolkata
Dated : May 30, 2019

For and on behalf of the Board of Directors of Titagarh Wagons Limited

J P Chowdhary
Executive Chairman
DIN : 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN : 00313652

Atul Joshi
Director
DIN : 03557435

Manoj Mohanka
Director
DIN : 00128593

Anil Kumar Agarwal
Director (Finance) & CFO
DIN : 01501767

Dinesh Arya
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2019

Rs.in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax	**(5,549.41)**	**(16,717.59)**
Adjustments for:		
Depreciation and Amortisation Expense	3,614.79	5,083.58
Finance Costs	6,837.59	4,405.99
Employee Stock Option Expenses	133.02	288.56
Contingency Provision Created / (Written Back) against Standard Assets	3.59	(1.25)
Unrealised Foreign Exchange (Gain) / Loss	(0.19)	(128.99)
Fair Value (Gain) / Loss on Derivatives Not Designated as Hedges	231.70	1,763.70
Irrecoverable Debts/ Advances Written Off (Net)	979.96	0.93
Provision for Doubtful Debts and Advances	354.43	640.58
Net (Gain) / Loss on Disposal of Property, Plant and Equipment	3.35	(366.63)
Fair Value Gain on Investment in Equity Securities at FVTPL	(416.46)	(25.06)
Share of Loss of a Joint Venture's	3.64	32.36
Unspent Liabilities / Provisions No Longer Required Written Back	(244.51)	(497.82)
Intangible Assets under Development Written Off	–	66.00
Exceptional Item-Impairment of Property, Plant and Equipment	1,625.56	509.12
Exceptional Item-Impairment of Goodwill on Consolidation	377.40	–
Interest Income Classified as Investing Cash Flows	(2,012.29)	(642.90)
Operating Profit/(Loss) before Changes in Operating Assets and Liabilities	**5,942.17**	**(5,589.42)**
Decrease in Non-current and Current Financial and Non-financial Liabilities and Provisions	(19,508.79)	(11,015.44)
Increase in Trade Receivables	(8,120.72)	(4,669.46)
(Increase) / Decrease in Inventories	(7,881.44)	9,574.47
(Increase) / Decrease in Non-current and Current Financial and Non-financial Assets	19,233.49	1,624.50
Cash Used in Operations	**(10,335.29)**	**(10,075.35)**
Income Taxes Paid (Net of Refunds)	(2,104.15)	(2,031.28)
Net Cash Used in Operating Activities	**(12,439.44)**	**(12,106.63)**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for Acquisition of Property, Plant and Equipment including Capital Work-in-Progress and Intangible Assets	(6,326.93)	(3,731.35)
Proceeds from Disposal of Property, Plant and Equipment	4.65	883.21
Fixed Deposits (Made)/Matured	(548.72)	(315.48)
Investment in a Joint venture	–	(74.99)
Interest Received	2,032.16	681.69
Net Cash From / (Used in) Investing Activities	**(4,838.84)**	**(2,556.92)**

Rs.in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issue of Equity Shares Pursuant to Employee Stock Option Scheme	12.17	39.12
Transactions with Non-controlling Interests	200.54	(837.75)
Proceeds from Long-term Borrowings	41,172.90	6,639.54
Repayment of Long-term Borrowings	(4,051.29)	(2,119.92)
Short-term Borrowings - Receipts/(Payments)	(9,245.86)	20,686.29
Proceeds from Share Application money received pending for Allotment	15.47	–
Finance Costs Paid	(6,325.29)	(4,243.20)
Dividend Paid (including Dividend Distribution Tax)	(413.57)	(1,111.59)
Net Cash From Financing Activities	**21,365.07**	**19,052.49**
D. Exchange Differences on Translation of Foreign Currency Cash and Cash Equivalents	**(61.77)**	**(1,930.96)**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C+D)	**4,025.02**	**2,457.98**
Cash and Cash Equivalents - Opening Balance (Refer Note 12.1)	5,840.23	3,382.25
Cash and Cash Equivalents - Closing Balance (Refer Note 12.1)	**9,865.25**	**5,840.23**

(a) The above Consolidated Cash Flow Statement has been prepared under the ‘Indirect Method’ as set out in Ind AS 7, ‘Statement of Cash Flows’.

(b) Refer Note 45 for Debt Reconciliation.

The accompanying Notes form an integral part of the Consolidated Cash Flow Statement.

This is the Consolidated Cash Flow Statement referred to in our Report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No.: 304026E/E-300009
Chartered Accountants

Pramit Agrawal
Partner
Membership No. 099903

Place: Kolkata
Dated : May 30, 2019

For and on behalf of the Board of Directors of Titagarh Wagons Limited

J P Chowdhary
Executive Chairman
DIN : 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN : 00313652

Atul Joshi
Director
DIN : 03557435

Manoj Mohanka
Director
DIN : 00128593

Anil Kumar Agarwal
Director (Finance) & CFO
DIN : 01501767

Dinesh Arya
Company Secretary

1 Group Background

Titagarh Wagons Limited (the 'Parent Company') is a public limited company incorporated and domiciled in India. The registered office of the Parent Company is located at 756, Anandapur, EM-Bypass, Kolkata - 700107 and its manufacturing facilities are located in West Bengal. The equity shares of the Parent Company are listed on the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited.

The Parent Company, its subsidiaries (collectively referred to as 'the Group') and two joint ventures are mainly engaged in the manufacturing and selling of Freight Wagons, Passenger Coaches, Steel Castings, Specialised Equipments & Bridges, Ships, Heavy Earthmoving and Mining Equipment's, Engineering Goods, Tractors and other products as detailed under segment information in Note 40.

The consolidated financial statements were approved and authorised for issue in accordance with the resolution of the Parent Company's Board of Directors on May 30, 2019.

(a) The consolidated financial statements comprise the financial statements of the Parent Company, its wholly owned subsidiary companies and two joint ventures as detailed below.

Name of the Subsidiary	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest		Principal Business Activities
		March 31, 2019	March 31, 2018	
Titagarh Capital Private Limited (TCPL)	India	100%	100%	Registered under Section 45-IA of the Reserve Bank of India Act, 1934 as a non-banking financial institution without accepting public deposits.
Titagarh Singapore Pte. Limited (TSPL)	Singapore	100%	100%	Special purpose vehicle for holding investments in the foreign subsidiaries, raising finance for the off shore business providing management services
Titagarh Wagons AFR (TWA) *	France	100%	100%	Engaged in manufacture of freight wagons
Titagarh Firema S.p.A (formerly Titagarh Firema Adler S.p.A) (TFA) **	Italy	100%	100%	Engaged in manufacture of passenger trains, metros, hi-speed trains, train electrical, locomotives etc.
Cimmco Limited	India	79.37%	81.41%	Engaged in manufacture of freight wagons and other engineering products.

*The Parent Company holds 100% (March 31, 2018: 100%) equity in TWA together with a wholly owned subsidiary company, TSPL.

**The Parent Company holds 100% (March 31, 2018: 100%) equity in TFA together with a wholly owned subsidiary company, TSPL.

Name of the Joint Venture	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest		Principal Business Activities
		March 31, 2019	March 31, 2018	
Matiere Titagarh Bridges Pvt Ltd (formerly Matiere Titagarh Unibridge Products Pvt Ltd)	India	50%	50%	Engaged in designing, marketing and manufacturing of metallic bridges including Unibridges
Titagarh Mermec Pvt Ltd #	India	50%	–	Engaged in development and manufacture of cost effective diagnostic solutions for signalling and safety

A new Company Titagarh Mermec Private Limited has been incorporated with equal stakes of Titagarh Wagons Limited and Mermec S.p.A, Italy for development and manufacture of cost effective diagnostic solutions for signalling and safety for Indian railways, however as on March 31, 2019 payment towards equity investment is yet to be made by the Parent Company.

(b) Refer Note 3 for further details of interest in other entities.

2 Significant Accounting Policies

This note provides a list of the significant accounting policies adopted in the preparation of the consolidated financial statements.

2.1 Basis of Preparation

(i) Compliance with Indian Accounting Standards

The consolidated financial statements comply in all material respects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the 'Act') [Companies (Accounting Standards) Rules, 2015] and other provisions of the Act.

(ii) Historical Cost Convention

The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

– Certain financial assets and liabilities (including derivative instruments)

– Defined benefits plan- plan assets

– Share based payments

(iii) Current versus Non-current Classification

The Group presents assets and liabilities in the Consolidated Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

a) expected to be realised or intended to be sold or consumed in the normal operating cycle,

b) held primarily for the purpose of trading,

c) expected to be realised within twelve months after the reporting period, or

d) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

a) it is expected to be settled in the normal operating cycle,

b) it is held primarily for the purpose of trading,

c) it is due to be settled within twelve months after the reporting period, or

d) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as Non-current.

(iv) Rounding of Amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lacs and decimals thereof (Rs. 00,000.00) as per the requirement of Schedule III to the Act, unless otherwise stated.

2.2 Principles of Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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.

(ii) Changes in Ownership Interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

(iii) Goodwill Arising on Consolidation

Goodwill is initially recognised at cost and is subsequently measured at cost less impairment losses, if any. Goodwill is tested for impairment annually or more frequently when there is an indication that it may be impaired. An impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

(iv) Joint Arrangements:

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has only one joint venture.

Joint Venture

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

(v) Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint venture are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investments equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its joint venture are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in 2.5 below.

2.3

Property, Plant and Equipment

All items of property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses, if any. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation Method, Estimated Useful Lives and Residual Values

Depreciation is calculated on pro-rata basis using the straight-line method to allocate their cost, net of their estimated residual value, over their estimated useful lives. The useful lives have been determined based on technical evaluation done by the management's expert which are different than those specified by Schedule II to Companies Act 2013 in respect of factory buildings / other buildings , plant and equipment and railway sidings, in order to reflect the actual usage of assets. Each component of an item of property, plant and equipment with a cost that is significant in relation to the cost of that item is depreciated separately if its useful life differs from the other components of the item.

The useful lives of the property, plant and equipment as estimated by the management are as follows:

Particulars	Useful Life
Factory Buildings / Other Buildings	30 / 35 / 60 / 65 years
Plant and Equipment's	15 / 20 / 30 years
Railway Sidings	15 / 30 years
Furniture and Fixtures	10 years
Office Equipment's	5 years
Computers	3 years
Vehicles	8 years

Leasehold land is amortised on straight - line basis over the primary lease period of 99 years or its estimated useful life, whichever is shorter. Leasehold improvements are amortised on straight - line basis over the primary lease period (ranging from 2 to 10 years) or their estimated useful lives, whichever is shorter.

The useful lives, residual values and the method of depreciation of property, plant and equipment are reviewed, and adjusted if appropriate, at the end of each reporting period.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within 'Other Income'/'Other Expenses'.

Advances paid towards the acquisition of property, plant and equipment outstanding at each Balance Sheet date is classified as 'Capital Advances' under 'Other Non-current Assets' and the cost of property, plant and equipment not ready to use are disclosed under 'Capital Work-in-progress'.

Transition to Ind AS

On transition to Ind AS, the Group had opted to fair value its property, plant and equipment as on at April 1, 2015 (date of transition to Ind AS) and had considered the same as deemed cost of property, plant and equipment as at April 1, 2015.

2.4 Intangible Assets

Intangible assets have a finite useful life and are stated at cost less accumulated amortisation and accumulated impairment losses, if any.

Computer Software

Computer Software for internal use, which is primarily acquired from third-party vendors is capitalised. Subsequent costs associated with maintaining such software are recognised as expense as incurred. Cost of computer software includes license fees and cost of implementation/system integration services, where applicable.

Brand and Design and Drawings

The Group had acquired the brand name of "Sambre et Meuse" along with all the available designs and drawings for manufacturing of bogies during the year ended March 31, 2017 which was capitalised.

Prototype

The Group had developed prototype for tractors which was capitalised.

Patents

Patents acquired are capitalised as intangible assets when it is probable that associated future economic benefits would flow to the Group.

Research and Development

Research costs are expensed as incurred. Expenditure on development that do not meet the specified criteria under Ind AS 38 on 'Intangible Assets' are recognised as an expense as incurred.

Amortisation Method and Period

Computer Software, Prototype, Brand, Design and Drawings, Development and Patents are amortised on a pro-rata basis using the straight-line method over its estimated useful life of 5 years, 10 years (until impaired), 8 years, and 5 / 10 years respectively from the date they are available for use. Amortisation method and useful lives are reviewed periodically including at each financial year end.

2.5 Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, 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 Group 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.

2.6 Impairment of Non-financial Assets

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

2.7 Inventories

Inventories are stated at the lower of cost and net realisable value. However, material and other items held for use in production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost of inventories comprises cost of purchases and all other costs incurred in bringing the inventories to their present location and condition. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost are assigned to individual items of inventory on weighted average basis. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Cost of raw materials and components consumed is a derived figure out of opening stock, closing stock and purchases including adjustment if any during the period.

2.8 Leases

As a Lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.9 Investments and Other Financial Assets

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

The Group reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt Instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortised Cost:** Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired.
- **Fair Value through Other Comprehensive Income (FVOCI):** Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Other Income/Other Expenses'.
- **Fair Value through Profit or Loss (FVTPL):** Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Consolidated Statement of Profit and Loss within 'Other Gain / (Losses)' in the period in which it arises.

Equity Instruments

The Group subsequently measures all equity investments (other than investments in joint venture) at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Changes in the fair value of financial assets at fair value through profit or loss are recognised in 'Other Gain / (Losses)' in the Consolidated Statement of Profit and Loss.

(iii) Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments, if any. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 43(II) details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109,'Financial Instruments', which requires expected lifetime losses to be recognised from initial recognition of the receivables.

(iv) Modification of Financial Instruments

The Group if renegotiates or otherwise modifies the contractual cash flows of financial instrument, the Group assesses whether or not the new terms are substantially different to the original terms.

If the terms are substantially different, the original financial instrument is derecognised and recognizes a 'new' instrument at fair value and recalculates a new effective interest rate for the instrument. Differences in the carrying amount are also recognised in profit or loss as a gain or loss on derecognition.

If the terms are not substantially different, the renegotiation or modification does not result in derecognition, and the management recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The new gross carrying amount is recalculated by discounting the modified cash flows at the original effective interest rate.

(v) Derecognition of Financial Assets

A financial asset is derecognised only when

– the Group has transferred the rights to receive cash flows from the financial asset or

– retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

(vi) Income Recognition

Interest Income

Interest income on financial assets at amortised cost is accrued on a time proportion basis using the effective interest rate method and is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit impaired financial assets the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Group, and the amount of the dividend can be measured reliably.

(vii) Fair Value of Financial Instruments

In determining the fair value of financial instruments, the Group uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The methods used to determine fair value include discounted cash flow analysis and available quoted market prices. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

2.10 Trade Receivables

Trade receivables are amounts due from customers for goods sold or services rendered in the ordinary course of business. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.11 Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. These are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2.12 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the Consolidated Balance Sheet when the obligation specified in the contract is discharged, cancelled or expired.

2.13 Other Financial Liabilities

Other financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument. Other financial liabilities are initially measured at the fair value and subsequently measured at amortised cost using the effective interest method.

2.14 Derivative Instruments

The Group enters into certain derivative contracts to hedge risks which are not designated as hedges. Derivative instruments are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period, with changes included in 'Other Income' / 'Other Expenses'.

2.15 Offsetting Financial Instruments

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.16 Financial Guarantee Contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of the amount determined in accordance with Ind AS 37 and the amount initially recognised less cumulative amortisation, where appropriate.

2.17 Cash and Cash Equivalents

For the purpose of presentation in the Consolidated Cash Flow Statement, cash and cash equivalents includes cash on hand, deposits held with banks / financial institutions with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Bank overdrafts are shown within borrowings in current liabilities in the Consolidated Balance Sheet.

2.18 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the year in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.19 Revenue Recognition

Effective April 1, 2018, the Group has applied Ind AS 115 'Revenue from Contracts with Customers', which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 'Revenue' and Ind AS 11 'Construction Contracts'. The Group has adopted Ind AS 115 using the modified retrospective effect method.

The Group has applied five step model as per Ind AS 115 'Revenue from contracts with customers' to recognise revenue in the financial statements. The Group satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met:

Revenue is measured at fair value of the consideration received or receivable and is reduced by rebates, allowances and taxes and duties collected on behalf of the government.

a) The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs; or

b) The Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or

c) The Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue is recognised either at point of time and over a period of time based on various conditions as included in the contracts with customers.

Revenue is measured at fair value of the consideration received or receivable and is reduced by rebates, allowances and taxes and duties collected on behalf of the government.

Revenue also includes adjustments made towards liquidated damages, normal product warranty and price variations wherever applicable.Revenue is recognised in the income statement to the extent that it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably.

Sale of Products

Revenue for sale of products mainly comprises of wagons/locomotive shells and related items, where revenue is recognised at a point in time, when control of the asset is transferred to the customer, which generally occurs on receipts of dispatch memo / inspection certificate from customer as per terms of contract. On receipt of same, the title of goods passes on to the customer basis the laid down criteria under the standard.

Revenue from sale of specialized products

Revenue from specialized products mainly consists of defence related products (i.e Bailey bridge, Shelters etc), Ship building, Mainline electric multiple unit, Electric multiple unit, Passenger Coaches and Train Electrical in respect of which revenue is recognised over a period of time as performance obligations are satisfied over time as per criteria laid down under the standard and specified above.

Revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs. Profit (contract revenue less contract cost) is recognised when the outcome of the contract can be estimated reliably. When it is probable that the total cost will exceed the total revenue from the contract, the expected loss is recognised immediately. For this purpose, total contract costs are ascertained on the basis of contract costs incurred and cost to completion of contracts which is arrived at by the management based on current technical data, forecast and estimate of net expenditure to be incurred in future including for contingencies etc.

The outcome of a construction contract is considered as estimated reliably when (a) all approvals necessary for commencement of the project have been obtained; (b) the stage of completion of the project reaches reasonable level of development. The stage of completion is determined as a proportion that contract costs incurred for work performed up to the closing date bear to the estimated total costs of respective project. Profit (contract revenue less contract cost) is recognised when the outcome of the contract can be estimated reliably. When it is probable that the total cost will exceed the total revenue from the contract, the expected loss is recognised immediately. For this purpose total contract costs are ascertained on the basis of contract costs incurred and cost to completion of contracts which is arrived at by the management based on current technical data, forecast and estimate of net expenditure to be incurred in future including for contingencies etc. For determining the expected cost to completion of the contracts, cost of steel, labour and other related items are considered at current market price based on fixed cost purchase orders placed or firm commitments received from suppliers / contractors as these purchase orders and future firm commitments are enforceable over the period of the contracts.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probably recoverable. Contract costs are recognised as expenses in the period in which they are incurred.

When contract costs incurred to date plus recognised profit less recognised losses exceed progress billing, the surplus is shown as unbilled revenue. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as liability as advance from customer. Amounts received before the related work is performed are included as a liability as advance from customer. Amounts billed for work performed but not yet paid by customer are included under trade receivables.

Contract assets are recognised when there is excess of revenue earned over billings on contracts. Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

Contract Liabilities are recognised when there is billing in excess of revenue and advance received from customers.

Generally, the Group receives short-term advances from its customers. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of a significant financing component if it expects, at contract inception, that the period between the transfer of the promised goods or services to the customer and when the customer pays for that goods or services will be one year or less.

Sale of Services

Revenue from service contracts are recognised in the accounting period in which the services are rendered. Where the contracts include multiple performance obligations, the transaction price is allocated to each performance obligation based on the standalone selling price and revenue is recognised at point in time on fulfilment of respective performance obligation. In case, the service contracts include one performance obligation revenue is recognised based on the actual service provided to the end of the reporting period as proportion of the total services to be provided. This is determined based on the actual expenditure incurred to the total estimated cost.

Other Operating Revenues

Export entitlement are recognised when the right to receive credit as per the terms of the schemes is established in respect of the exports made by the Group and where there is no significant uncertainty regarding the ultimate collection of the relevant export proceeds. Management fees are recognised on an accrual basis as per the terms of the agreement/arrangement with the concerned party.

2.20 Foreign Currency Transactions and Translation

(i) Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (Rs.), which is the Parent Company's and some subsidiaries functional and the Group's presentation currency.

(ii) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. At the year-end, monetary assets and liabilities denominated in foreign currencies are restated at the year-end exchange rates. The exchange differences arising from settlement of foreign currency transactions and from the year-end restatement are recognised in profit or loss.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

(iii) Group Companies

The results and financial position of foreign operations (none of which has a currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates
- all resulting exchange differences are recognised in other comprehensive income

  When a foreign operation is sold, the associated exchange difference are reclassified to profit or loss, as part of the gain or loss on sale.Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.21 Employee Benefits

(i) Short-term Employee Benefits

Liabilities for short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled.

(ii) Post-employment Benefits

Defined Benefit Plans

The liability recognised in the Balance Sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in 'Employee Benefits Expense' in the Statement of Profit and Loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. These are included in 'Retained Earnings' in the Statement of Changes in Equity.

Defined Contribution Plans

Contributions under defined contribution plans payable in keeping with the related schemes are recognised as expenses for the period in which the employee has rendered the service.

(iii) Other Long-term Employee Benefits

Long-term compensated absences are provided for based on actuarial valuation, as per projected unit credit method, done at the end of each financial year. Accumulated leave, which is expected to be utilised within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

(iv) Termination Benefits

Termination benefits, in the nature of voluntary retirement benefits, are recognised as expense in the Statement of Profit and Loss if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

2.22 Share Based Payments

Share-based compensation benefits are provided to employees of the Parent Company via the Titagarh Wagons Limited Employee Stock Option Scheme namely ESOP Scheme 2014.

Employees of the Parent Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in Employee Stock Options Outstanding Account in equity, over the period in which the performance and/or service conditions are fulfilled, in Employee Benefit Expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Parent Company's best estimate of the number of equity instruments that will ultimately vest.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Parent Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

2.23 Income Taxes

The income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax credits and to unused tax losses.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences, tax credits and losses.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and liabilities are offset where the Group's entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity, if any. In this case, the tax is also recognised in other comprehensive income or directly in equity respectively.

2.24 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, 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. The expenses relating to a provision is recognised in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Warranties

Provisions for warranty related costs are recognised when the product is sold. Initial recognition is based on historical experience i.e. claims received up to the year end and the management's estimate of further liability to be incurred in this regard during the warranty period, computed on the basis of past trend of such claims. The initial estimate of warranty related costs is revised annually.

Liquidated Damages

Liquidated damages on supply of materials are provided based on the contractual obligations or deduction made by the customers, as the case may be based on management's best estimate of the expenditure required to settle the obligations.

Litigations, Claims and Contingencies

The management estimates the provisions for pending litigations, claims and demands based on its assessment of probability for these demands crystalising against the Group in due course. Also refer Note 2.25.

Onerous Contract

Provision is recognised for the contract, where unavoidable cost of meeting the obligation under the contract exceeds the economic benefits expected to be received. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the cost of fulfilling it and any compensation or penalties arising from failure to fulfil it.

2.25 Contingencies

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, 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 Group or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

2.26 Earnings / (Loss) Per Equity Share

(i) Basic Earnings / (Loss) Per Equity Share

Basic earnings / (loss) per equity share is calculated by dividing:

- the profit / (loss) attributable to owners of the Parent Company
- by the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted Earnings / (Loss) Per Equity Share

Diluted earnings / (loss) per equity share adjusts the figures used in the determination of basic earnings / (loss) per equity share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.27 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Board of Directors of the Parent Company. Refer Note 40 for segment information presented.

2.28 Business Combinations

A common control business combination, involving entities or businesses in which all the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination and where the control is not transitory, is accounted for using the pooling of interest method.

Other business combinations, involving entities or businesses are accounted for using acquisition method.

2.29 Government Grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to purchase of property , plant and equipment are included in non current liabilities as deferred income and are credited to statement of profit and loss on straight line basis over the expected lives of related assets and presented within other income.

2.30 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the group entities, on or before the end of the reporting period but not distributed at the end of the reporting period.

2.31 Exceptional items

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 there 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.

2.32 Recent Accounting Pronouncements

Standards Issued but not yet Effective

The Ministry of Corporate Affairs has notified the Companies (Indian Accounting Standards) Amendment Rules, 2019 and the Companies (Indian Accounting Standards) Second Amendment Rules, 2019 including the following amendments to Ind AS which the Company has not applied in these standalone financial statements as they are effective for annual periods beginning on or after April 1, 2019.

Ind AS 116 - 'Leases''

Ind AS 116 will impact primarily the accounting by lessees and will result in the recognition of almost all leases on balance sheet. The standard removes the current distinction between operating and finance leases and requires recognition of an asset (the right-of-use the leased item) and a financial liability to pay rentals for almost all lease contracts. An optional exemption exists for short-term and low-value leases.

Appendix C, 'Uncertainty over Income Tax Treatments' , to Ind AS 12, 'Income Taxes''

This appendix clarifies how the recognition and measurement requirements of Ind AS 12 'Income Taxes', are applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The Group is evaluating the requirements of the above amendments and the effect on the consolidated financial statements is being evaluated.

2.33 Critical Estimates and Judgements

The preparation of consolidated financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

The areas involving critical estimates or judgements are:

- **Employee Benefits (Estimation of Defined Benefit Obligations) — Notes 2.21 and 32**

  Post-employment benefits represent obligations that will be settled in the future and require assumptions to project benefit obligations. Post-employment benefit accounting is intended to reflect the recognition of future benefit costs over the employee's approximate service period, based on the terms of the plans and the investment and funding decisions made. The accounting requires the Group to make assumptions regarding variables such as discount rate and salary growth rate. Changes in these key assumptions can have a significant impact on the defined benefit obligations.

- **Impairment of Trade and Other Receivables - Notes 2.9(iii) and 43(II)**

  The risk of uncollectibility of trade and other receivables is primarily estimated based on prior experience with, and the past due status of, doubtful receivables, based on factors that include ability to pay, bankruptcy and payment history. The assumptions and estimates applied for determining the provision for impairment are reviewed periodically.

- **Estimation of Expected Useful Lives of Property, Plant and Equipment and Intangible Assets Notes 2.3, 2.4 , 4.1 and 4.2.**

  Management reviews its estimate of the useful lives of property, plant and equipment and intangible assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of property, plant and equipment and intangible assets.

- **Accounting for revenue from contracts wherein Group satisfies performance obligation and recognises revenue over time- Notes 2.19 and 21**

  For contracts wherein performance obligation are satisfied over time, a group recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation, in order to depict an Group Entity's performance in transferring control of goods or services promised to a customer. This method requires estimates of the final revenue and costs of the contract, as well as measurement of progress achieved to date as a proportion of the total work to be performed. This involves determination of margin to be recognised on the contract, which are dependent on the total costs to complete contracts, that is, the cost incurred till date and estimation of future cost to complete the contract and price variations etc. This estimation involves exercise of significant judgement by the management in making cost forecasts considering future activities to be carried out in the contract, and the related assumptions etc. Experience, reduces but does not eliminate the risk that estimates may change significantly.

- **Litigations, Claims and Contingencies — Notes 2.24, 2.25 and 37**

  Legal proceedings covering a range of matters are pending against the Group. Due to the uncertainty inherent in such matters, it is often difficult to predict the final outcome. The cases and claims against the Group often raise factual and legal issues that are subject to uncertainties and complexities, including the facts and circumstances of each particular case/claim, the jurisdiction and the differences in applicable law. The Group consults with their legal counsel and other experts on matters related to specific litigations where considered necessary. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated. In the event an adverse outcome is possible or an estimate is not determinable, the matter is disclosed.

- **Valuation of Deferred Tax Assets — Notes 2.23 and 18**

  Deferred income tax expense is calculated based on the differences between the carrying value of assets and liabilities for financial reporting purposes and their respective tax bases that are considered temporary in nature. Valuation of deferred tax assets is dependent on management's assessment of future recoverability of the deferred tax benefit. Expected recoverability may result from expected taxable income in the future, planned transactions or planned optimising measures. Economic conditions may change and lead to a different conclusion regarding recoverability.

- **Warranties and Liquidated Damages— Notes 2.24 and 17.1**

  The Group's product warranty obligations and estimations thereof are determined using historical information of claims received up to the year end and the management's estimate of further liability to be incurred in this regard during the warranty period, computed on the basis of past trend of such claims.

  Liquidated damages on supply of products are provided based on the contractual obligations or deduction made by the customers, considering the current situation and status of the project, the reasons for delays and past experience with the customers.

  Changes in estimated frequency and amount of future warranty claims/ liquidated damages can materially affect warranties / liquidated damage expenses.

- **Impairment of Goodwill and Non-financial Assets - Notes 2.2(iii), 2.6, 4.1 and 4.2**

  Goodwill is tested for impairment annually or more frequently when there is an indication that it may be impaired. Property, plant and equipment and intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. This requires determination of recoverable amount of such assets including estimation of value in use / fair value less costs of disposal.

- **Fair Value Measurements — Notes 2.9(vii) , 2.22, 34 and 42**

  When the fair values of financial assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair values are measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

3 Interest in Other Entities

(a) Information required by Schedule III to the Act

Name of the entity	As at/ For the year ended March 31, 2019							
	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 lacs)	As % of Consolidated Profit or Loss	Amount (Rs in lacs)	As % of Consolidated Other Comprehensive Income	Amount (Rs in lacs)	As % of Consolidated Total Comprehensive Income	Amount (Rs in lacs)
Parent								
Titagarh Wagons Limited	99.75%	88,655.16	–128.23%	3,657.39	0.67%	(4.89)	–102.06%	3,652.50
Subsidiaries								
Indian								
Cimmco Limited	6.28%	5,577.80	–119.53%	3,409.49	–0.86%	6.24	–95.44%	3,415.73
Titagarh Capital Private Limited	–1.18%	(1,050.70)	0.55%	(15.65)	–	–	0.44%	(15.65)
Foreign								
Titagarh Wagons AFR	–6.98%	(6,200.93)	260.90%	(7,441.95)	106.37%	(772.69)	229.53%	(8,214.64)
Titagarh Firema S.p.A	–3.69%	(3,278.08)	42.20%	(1,203.73)	70.26%	(510.44)	47.90%	(1,714.17)
Titagarh Singapore Pte Limited	–2.35%	(2,085.68)	22.95%	(654.52)	–76.61%	556.55	2.74%	(97.97)
Non-controlling Interests in all Subsidiaries	**8.17%**	**7,262.14**	**21.03%**	**(599.70)**	**0.17%**	**(1.27)**	**16.79%**	**(600.97)**
Joint Venture (Investments as per the Equity Method)								
Indian								
Matiere Titagarh Bridges Pvt Ltd	–	–	0.13%	(3.64)	–	–	0.10%	(3.64)
TOTAL	**100.00%**	**88,879.71**	**100.00%**	**(2,852.31)**	**100.00%**	**(726.50)**	**100.00%**	**(3,578.8**

Name of the entity	As at/ For the year ended March 31, 2018							
	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 lacs)	As % of Consolidated Profit or Loss	Amount (Rs in lacs)	As % of Consolidated Other Comprehensive Income	Amount (Rs in lacs)	As % of Consolidated Total Comprehensive Income	Amount (Rs in lacs)
Parent								
Titagarh Wagons Limited	92.87%	85,276.62	3.43%	(493.32)	–0.10%	(3.66)	4.59%	(496.98)
Subsidiaries								
Indian								
Cimmco Limited*	3.01%	2,763.04	1.55%	(222.38)	–0.02%	(0.62)	2.06%	(223.00)
Titagarh Capital Private Limited	–1.13%	(1,035.05)	0.06%	(8.53)	–	–	0.08%	(8.53)
Foreign								
Titagarh Wagons AFR	2.19%	2,013.71	42.90%	(6,161.68)	60.48%	2,133.40	37.18%	(4,028.28)
Titagarh Firema S.p.A	–1.70%	(1,563.91)	43.90%	(6,305.05)	34.55%	1,218.54	46.94%	(5,086.51)
Titagarh Singapore Pte Limited	–2.16%	(1,987.71)	10.44%	(1,500.11)	5.08%	179.08	12.19%	(1,321.03)
Non-controlling Interests in all Subsidiaries	**6.92%**	**6,356.16**	**–2.51%**	**361.17**	**0.01%**	**0.23**	**–3.34%**	**361.40**
Joint Venture (Investments as per the Equity Method)								
Indian								
Matiere Titagarh Bridges Pvt Ltd	–	–	0.23%	(32.36)	–	–	0.30%	(32.36)
TOTAL	**100.00%**	**91,822.86**	**100.00%**	**(14,362.26)**	**100.00%**	**3,526.97**	**100.00%**	**(10,835.29)**

(b) Non-controlling Interest (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amount disclosed for each subsidiary are before inter-company elimination.

Rs. in Lacs

Summarised Balance Sheet	Cimmco Limited		Titagarh Firema S.p.A	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Current Assets	20,584.00	8,061.41	–	94,771.63
Current Liabilities	16,670.06	8,154.93	–	93,056.00
Net Current Assets / (Liabilities)	**3,913.94**	**(93.52)**	**–**	**1,715.63**
Non-current Assets	27,696.95	28,231.54	–	29,389.24
Non-current Liabilities	12,592.66	11,988.19	–	15,033.85
Net Non-current Assets	**15,104.29**	**16,243.35**	**–**	**14,355.39**
Net Assets	**19,018.23**	**16,149.83**	**–**	**16,071.02**
Accumulated NCI	**7,262.14**	**6,356.16**	**–**	**–**

Summarised Statement of Profit and Loss	Cimmco Limited		Titagarh Firema S.p.A	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Revenue	**27,391.92**	**13,662.33**	**–**	**58,030.89**
Profit / (Loss) for the Year	2,780.68	(2,331.82)	–	(8,023.40)
Other Comprehensive Income / (Loss)	6.24	(0.62)	–	–
Total Comprehensive Income / (Loss)	**2,786.92**	**(2,332.44)**	**–**	**(8,023.40)**
Profit / (Loss) allocated to NCI	**599.70**	**(389.17)**	**–**	**28.00**

Summarised Cash Flow	Cimmco Limited		Titagarh Firema S.p.A	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Cash Flows From / (Used in) Operating Activities	(992.60)	(3,013.64)	–	(9,427.02)
Cash Flows From / (Used in) Investing Activities	(620.75)	(484.63)	–	(574.30)
Cash Flows From / (Used in) Financing Activities	1,565.40	3,377.78	–	12,453.40
Net Increase / (Decrease) in Cash and Cash Equivalents	(47.95)	(120.49)	–	2,452.08

(c) Transactions with Non-controlling Interests

Movement in NCI during Mar 31, 2019:
The Group has reduced its holding in Cimmco Ltd, a Subsidiary by 2.04% during the current year. For detailed understanding refer Note 51.

Movement in NCI during Mar 31, 2018:
The Group acquired 10% stake in Titagarh Firema S.p.A. during the previous year through its wholly owned subsidiary Titagarh Singapore Pte Limited and 3.57% stake in Titagarh Agrico Private Limited (now merged with Cimmco Limited w.e.f. April 1, 2016). The effect on the equity attributable to the owners of Titagarh Wagons Limited during the year is summarised as follows:

Rs. in Lacs

	March 31, 2019	March 31, 2018
Carrying Amount of Non- controlling Interest transferred/(acquired)	305.01	(1,163.51)
Consideration received/(paid) from/(to) Non-controlling Interest	200.55	(838.00)
Excess of Consideration received/(paid) Recognised in Retained Earnings within Equity	104.46	(325.51)

(d) Interests in Joint Venture

The Group has formed a Joint Venture Company 'Matiere Titagarh Bridges Pvt Ltd' with Matiere SAS, France on January 2, 2017 to carry the business of manufacturing, marketing and selling Matiere panel bridges, unibridges, and other auxiliary products.

The Group has formed a Joint Venture Company 'Titagarh Mermec Pvt Ltd.' on May 17, 2018 for development and manufacture of cost effective diagnostic solutions for signalling and safety for Indian railways. However, as on March 31, 2019 there has been no transactions in the joint venture company.

Summarised Financial Information for Joint Venture : The tables below provides summarised financial information for the joint venture Matiere Titagarh Bridges Pvt Ltd as there were no transaction in the joint venture Titagarh Mermec Pvt Ltd. The information disclosed reflects the amounts presented in the financial statements of the Joint Venture and not Group's share of those amounts. They have been amended to reflect adjustments made by the entity when using the equity method.

Rs. in Lacs

Summarised Balance Sheet		March 31, 2019	March 31, 2018
Current Assets			
Cash and Cash Equivalents		85.92	214.91
Other Financial Assets		110.10	51.45
Total	**(A)**	**196.02**	**266.36**
Current Liabilities			
Financial Liabilities			
Trade Payables		9.65	73.06
Other Current Liabilities		118.96	118.65
Total	**(B)**	**128.61**	**191.71**
Net Assets	**(A-B)**	**67.41**	**74.65**

Rs. in Lacs

Summarised Statement of Profit and Loss	For the year ended March 31, 2019	For the year ended March 31, 2018
Income		
Other Income	61.05	–
	61.05	**–**
Expenses		
Employee Benefits Expense	24.15	29.94
Finance Costs	0.23	0.36
Other Expenses	43.95	34.43
Total Expenses	**68.33**	**64.73**
Loss for the Period/Year	**(7.28)**	**(64.73)**
Other Comprehensive Income for the Period/ year	–	–
Total Comprehensive Income for the period/year	**(7.28)**	**(64.73)**
Group Share in %	50.00	50.00
Group Share of Loss for the Period/Year	**(3.64)**	**(32.36)**

Reconciliation to Carrying Amounts		March 31, 2019	March 31, 2018
Opening Net Assets		74.65	(10.61)
Profit for the Year		(7.28)	(64.73)
Issue of Equity Share Capital		–	149.99
Closing Net Assets		**67.37**	**74.65**
Group Share in %		50.00	50.00
Cost of Investments	(A)	43.13	75.49
Group Share of Loss for the Period/Year	(B)	3.64	32.36
Carrying Amount	**(A- B)**	**39.49**	**43.13**

The Group has no contingent liability and capital commitments relating to its interest in Matiere Titagarh Bridges Pvt Ltd as at March 31, 2019 (March 31, 2018: Rs. Nil).

4.1 Property, Plant and Equipment

	Freehold Land [Refer (a) below]	Leasehold Land	Leasehold Improvement	Buildings [Refer (a) below]	Plant and Equipments [Refer (d) below]	Railway Sidings	Furniture and Fixtures	Office Equipments and Computers	Computer	Vehicles	Total
Gross Carrying Amount											
As at March 31, 2017	**32,776.26**	**20,059.70**	**70.94**	**24,727.16**	**17,182.50**	**283.25**	**283.32**	**36.16**	**238.28**	**226.66**	**95,884.23**
Additions	–	–	–	356.72	2,142.36	64.45	68.40	33.51	19.56	50.95	2,735.95
Disposals	–	–	–	462.97	18.71	–	–	–	–	57.37	539.05
Exchange Differences on Consolidation	1,536.70	–	–	2,777.30	1,796.10	–	–	–	–	–	6,110.10
As at March 31, 2018	**34,312.96**	**20,059.70**	**70.94**	**27,398.21**	**21,102.25**	**347.70**	**351.72**	**69.67**	**257.84**	**220.24**	**104,191.23**
Additions	–	–	–	391.54	2,379.55	61.62	9.46	58.32	33.40	98.67	3,032.56
Disposals	–	–	–	–	–	–	–	–	–	40.23	40.23
Exchange Differences on Consolidation	(394.46)	–	–	(630.16)	(519.81)	–	–	–	–	–	(1,544.43)
As at March 31, 2019	**33,918.50**	**20,059.70**	**70.94**	**27,159.59**	**22,961.99**	**409.32**	**361.18**	**127.99**	**291.24**	**278.68**	**105,639.13**
Accumulated Depreciation & Impairment											
As at March 31, 2017	**–**	**333.37**	**45.85**	**1,888.78**	**5,198.15**	**61.71**	**59.30**	**25.76**	**108.03**	**66.11**	**7,787.06**
Charge for the year	–	166.69	3.21	1,086.42	2,647.55	26.81	34.66	41.47	22.69	37.57	4,067.07
Disposals	–	–	–	28.72	2.96	–	–	–	–	41.85	73.53
Exchange Differences on Consolidation	–	–	–	245.60	731.87	–	–	–	–	–	977.47
As at March 31, 2018	**–**	**500.06**	**49.06**	**3,192.08**	**8,574.61**	**88.52**	**93.96**	**67.23**	**130.72**	**61.83**	**12,758.07**
Charge for the year	–	166.21	3.21	608.02	1,719.99	23.54	38.14	37.79	19.28	37.35	2,653.53
Disposals	–	–		–	–	–	–	–	–	32.23	32.23
Exchange Differences on Consolidation	–	–		(91.70)	(264.32)	–	–	–	–	–	(356.02)
As at March 31, 2019	**–**	**666.27**	**52.27**	**3,708.40**	**10,030.28**	**112.06**	**132.10**	**105.02**	**150.00**	**66.95**	**15,023.35**
Impairment [Refer (c) below]											
As at March 31, 2017	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Charge for the year	–	–	–	–	2.36	–	–	–	–	–	2.36
As at March 31, 2018	**–**	**–**	**–**	**–**	**2.36**	**–**	**–**	**–**	**–**	**–**	**2.36**
Charge for the year [Also Refer Note 29(a)]	–	–	–	2,138.90	–	–	–	–	–	–	2,138.90
As at March 31, 2019	**–**	**–**	**–**	**2,138.90**	**2.36**	**–**	**–**	**–**	**–**	**–**	**2,141.26**
Net Carrying Amount											
As at March 31, 2018	**34,312.96**	**19,559.64**	**21.88**	**24,206.13**	**12,525.28**	**259.18**	**257.76**	**2.44**	**127.12**	**158.41**	**91,430.80**
As at March 31, 2019	**33,918.50**	**19,393.43**	**18.67**	**21,312.29**	**12,929.35**	**297.26**	**229.08**	**22.97**	**141.24**	**211.73**	**88,474.52**

a) The title deeds of immovable properties, as disclosed above are held in the name of the respective entities in the Group, except for the following:

Particulars	No. of Cases		Gross Carrying Amount (Rs. in Lacs)		Net Carrying Amount (Rs. in Lacs)		Remarks
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	
Freehold Land	2	2	14,144.61	14,144.61	14,144.61	14,144.61	Original copy of title deeds not available with the Parent Company / Subsidiary Company. The Parent Company / Subsidiary Company has photocopy of the same.
Freehold Land	1	1	3,391.29	3,391.29	3,391.29	3,391.29	Title deeds not in the name of the Parent Company
Buildings	1	1	181.91	181.91	173.67	176.44	Registration of title deeds is pending
Buildings	2	2	572.04	572.04	532.32	533.58	Title deeds not in the name of the Parent Company

b) The Group, based on technical evaluation, has revised estimated useful life of Plant & Equipment, Building and Railway Siding being effective from January 01, 2019 . As a result, the depreciation expense and profit before tax for the year ended March 31, 2019 is lower by Rs. 1,342.60 Lacs (Plant & Equipment - Rs. 908.47 lacs, Railway Siding - Rs. 4.16 lacs, Building - 429.97 lacs).

c) Impairment represents:
   (i) Current year: Impairment done for building in Titagarh Wagons AFR, a subsidiary considering the current market value of the assets.
   (ii) Previous year: The Management of Cimmco, a subsidiary has impaired its Property, Plant and Equipment by Rs. 2.36 Lacs and Intangible Assets by Rs. 506.76 Lacs relating to the Tractors Division after evaluating the expected future performance of the division and the business strategy and disclosed the same under "Exceptional Items" in the Statement of Profit and Loss (Refer Note 29). While considering the Impairment Loss, Cimmco, a subsidiary has considered its tractor division as a cash generating unit, in keeping with the accounting policy as set out in Note 2.5 and the fair value less costs of disposal as the recoverable amount.

d) Plant and Equipments include railway wagons of Titagarh Capital Private Limited, a subsidiary which represent 200 wagons purchased in 2013-14 and 687 wagons purchased in 2009-10 which comprises significant quantity of steel scrap on discard. The management based on the technical evaluation, has worked out the residual value of the aforesaid wagons considering the realisable value of the steel content on discard of these wagons. Since the residual value of these wagons is higher than the carrying value, no depreciation has been charged on these assets. Also refer Note 37 (iii).

e) The Group had opted to fair value its Property, Plant and Equipment as on April 1, 2015 (transition date to Ind AS) in terms of exemption given in Ind AS 101 'First-time Adoption of Indian Accounting Standards' and considered the same as deemed cost as at April 1, 2015.

f) Refer Note 36 for disclosure of contractual commitments for acquisition of Property, Plant and Equipment

g) Refer Note 15 for information on Property, Plant and Equipment pledged as security by the Group.

4.2 Intangible Assets

Rs. in Lacs

	Goodwill on Consolidation [Refer (a) below]	Other Intangible Assets						
		Computer Software	Patents	Project Development	Brand	Design and Drawings	Prototype	Total
Gross Carrying Amount								
As at March 31, 2017	**402.25**	**733.86**	**605.18**	**1,686.80**	**227.79**	**1,279.62**	**880.39**	**5,413.64**
Additions	–	139.28	–	222.02	–	–	–	361.30
Exchange Differences on Consolidation	–	–	196.69	292.34	–	–	–	489.03
As at March 31, 2018	**402.25**	**873.14**	**801.87**	**2,201.16**	**227.79**	**1,279.62**	**880.39**	**6,263.97**
Additions	–	1,873.08	–	7.92	–	258.24	–	2,139.24
Exchange Differences on Consolidation	–	–	(120.35)	(80.03)	–	–	–	(200.38)
As at March 31, 2019	**402.25**	**2,746.22**	**681.52**	**2,129.05**	**227.79**	**1,537.86**	**880.39**	**8,202.83**
Accumulated Amortisation								
As at March 31, 2017	**–**	**166.78**	**213.24**	**747.55**	**–**	**80.41**	**220.10**	**1,428.08**
Charge for the year	–	163.12	31.58	523.85	28.47	93.42	176.07	1,016.51
Exchange Differences on Consolidation	–	–	58.33	158.86	–	–	–	217.19
As at March 31, 2018	**–**	**329.90**	**303.15**	**1,430.26**	**28.47**	**173.83**	**396.17**	**2,661.78**
Charge for the year	–	224.11	34.01	562.78	–	140.36	–	961.26
Exchange Differences on Consolidation	–	–	(25.28)	(74.23)	–	–	–	(99.51)
As at March 31, 2019	**–**	**554.01**	**311.88**	**1,918.81**	**28.47**	**314.19**	**396.17**	**3,523.53**
Impairment								
As at March 31, 2017	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Charge for the year [Refer Note 4.1(c)]	–	22.54	–	–	–	–	484.22	506.76
As at March 31, 2018	–	22.54	–	–	–	–	484.22	506.76
Charge for the year [Refer Note 29(3)]	377.40	–	–	–	–	–	–	–
As at March 31, 2019	**377.40**	**22.54**	**–**	**–**	**–**	**–**	**484.22**	**506.76**
Net Carrying Amount								
As at March 31, 2018	**402.25**	**520.70**	**498.72**	**770.90**	**199.32**	**1,105.79**	**–**	**3,095.43**
As at March 31, 2019	**24.85**	**2,169.67**	**369.64**	**210.24**	**199.32**	**1,223.67**	**–**	**4,172.54**

a) Represents Goodwill on consolidation arising from Titagarh Capital Private Limited, a subsidiary amounting to Rs. 24.85 Lacs (March 31, 2018: Rs. 24.85 Lacs) and goodwill from Titagarh Wagons AFR, which has been totally written-off during the current year amounting to Rs.377.40 lacs (March 31, 2018 Nil).

4.3 Investment Properties

Rs in Lacs

	Freehold Land
Carrying Amount as at March 31, 2017	**821.24**
Additions/(Deletion)	–
Carrying Amount as at March 31, 2018	**821.24**
Additions/(Deletion)	–
Carrying Amount as at March 31, 2019	**821.24**

The original title deeds in respect of above Investment Properties are not traceable. However, the Group has the photo copy of the same.

Information regarding Investment Properties

The Group's Investment Properties consists of two parcels of land situated at Bharatpur and Malanpur respectively. As at March 31, 2019, fair valuation of the two properties is estimated to be Rs. 919.09 Lacs (March 31, 2018: Rs. 868.34 Lacs). These valuations are based on valuations performed by an independent valuer who holds recognised and relevant professional qualifications. The fair value was derived using the market comparable approach based on recent market prices and the fair value measurement categorised within Level-3.

The Group has no restrictions on the realisability of its Investment Properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements. There is no income earned or expenditure incurred by the Group in relation to the Investment Properties.

Significant Increase/(Decrease) in circle rate of land will result in significant higher/(lower) fair valuation of properties.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2019 and March 31, 2018 are as shown below:

Significant unobservable inputs	Sensitivity of the input to Fair Value
For 5% change in Circle Rate for Land owned by the Group	5% Increase (Decrease) in the Circle Rate would result in Increase (Decrease) in fair value by Rs 45.95 Lacs (March 31, 2018: Rs 43.42 Lacs)

4.4 Capital Work-in-Progress

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Total	**3,323.92**	**2,323.16**

a) Capital work in progress as on March 31, 2019 are in respect of Plant and Equipment Rs. 2,682.43 Lacs and Building Rs. 641.49 Lacs (March 31, 2018 are in respect of Plant and Equipments amounting to Rs. 2,172.98 Lacs and Rs. 150.18 Lacs in respect of Building).

4.5 Intangible Assets under Development

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Total	**241.76**	**387.29**

a) Intangible assets under development as on March 31, 2019 are in respect of new accounting software [March 31, 2018 in respect of design of new wagon model Rs. 250.72 Lacs and Rs. 136.57 Lacs in respect of new accounting software]

5. Investments (Non-current)

	No of Shares/Units As at March 31, 2019	2018	Face vale per share/unit (Rs)	As at March 31, 2019 Rs. in Lacs	As at March 31, 2018 Rs. in Lacs
Investments in Equity Instruments					
In Others (Quoted) (at FVTPL)					
Orissa Sponge Iron & Steel Limited #	550	550	10	0.05	0.05
In Others (Unquoted) (at FVTPL)					
Titagarh Enterprises Limited	4,933,000	4,933,000	10	2,752.97	2,339.42
Tecalemit Industries Limited (merged with Traco International Investment Private Limited)	685,000	685,000	10	24.22	22.82
Titagarh Industries Limited	50,000	50,000	10	31.02	30.83
Continental Valves Limited	160,000	160,000	10	30.09	28.77
Investment in Tax Free Bonds (Quoted) (at Amortised Cost)					
7.40% India Infrastructure Finance Company Limited***	140,000	140,000	1,000	1,481.41	1,481.41
7.04% Indian Railways Finance Corporation Limited***	50	50	1,000,000	508.16	508.16
7.38% Indian Railways Finance Corporation Limited***	100	100	1,000,000	1,106.55	1,106.55
7.39% National Highway Authority of India***	180,000	180,000	1,000	1,960.46	1,960.46
7.39% National Highway Authority of India***	50	50	1,000,000	526.24	526.24
8.67% Power Finance Corporation Limited***	20,000	20,000	1,000	236.68	236.68
National Savings Certificate (at Amortised Cost) (Unquoted)@				**0.20**	**0.20**
Total				**8,658.05**	**8,241.59**
Aggregate book value of quoted investments				5,819.55	5,819.55
Aggregate book value of unquoted investments				2,838.50	2,422.04
Aggregate Market value of quoted investments				5,800.02	6,135.60
Aggregated amount of impairment in the value of investment				–	–

Quotations not available since suspended due to penal reasons.
*** All the units are pledged against the working capital loans taken by Titagarh Wagons Limited
@ Pledged with the Commercial Tax Officer, Bharatpur as Security Deposit

Refer Note 42 for determination of fair values and Note 43 for credit risk and market risk on investments.

6. Trade Receivables (At Amortised Cost)

(Unsecured, Considered Good unless stated otherwise)

	Non-Current		Current	
	As at March 31, 2019 Rs. In Lacs	As at March 31, 2018 Rs. In Lacs	As at March 31, 2019 Rs. In Lacs	As at March 31, 2018 Rs. In Lacs
Trade Receivables				
Secured, Considered Good	–	–	24.56	21.41
Unsecured, Considered Good	269.17	171.68	35,325.88	27,592.67
Having Significant Increase in Credit Risk	–	–	–	–
Credit Impaired	117.63	106.14	729.38	512.57
	386.80	277.82	36,079.82	28,126.65
Less: Loss Allowances #	117.63	106.14	729.38	512.57
Less: Liquidated Damages #	–	–	943.62	–
Total	**269.17**	**171.68**	**34,406.82**	**27,614.08**

a) Refer Note 15 for information on Trade Receivables pledged as security by the Group and Note 43 for credit risk and market risk on Trade Receivables.

b) Liquidated damages has been adjusted with trade receivable in accordance with the requirement of IND AS 115

Refer Note 43 (II)(c)

7. Other Financial Assets

Rs. in Lacs

	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Measured at Amortised Cost				
Bank Deposits with Remaining Maturity of More than Twelve Months	**20.23**	**192.38**	**–**	**–**
Interest Accrued on:				
Fixed Deposits with Banks and Tax Free Bonds	–	–	176.93	196.80
Claims Receivable [Refer (a) below]	–	854.81	2,361.23	–
Unbilled Revenue (Refer Note 47)	–	–	21,453.71	44,608.91
Subsidy Receivable [Refer (b) below]	–	–	1,568.59	–
Charges Recoverable				
Considered Good	–	–	1,538.17	1,817.04
Considered Doubtful	–	–	24.48	24.48
	–	–	1,562.65	1,841.52
Less: Provision for Doubtful Charges Recoverable [Note 43 (II)(c)]	–	–	24.48	24.48
Total	**20.23**	**1,047.19**	**27,098.63**	**46,622.75**

(a) In case of Cimmco Limited, a Subsidiary:

(i) The Company had taken on lease 1,200 wagons from four lessors and given the same on sub-lease for a period of ten years to Indian Railways under four separate Sub-Lease Agreements, one dated May 28, 1997 and the other three dated October 20, 1997. During the subsistence of the sub-lease, the Company had initiated arbitration proceedings against Indian Railways in respect of disputes relating to the amount of sub-lease rentals for the first seven years of primary lease, considering the terms and conditions of the agreement. The Arbitrator, vide its award dated February 3, 2016 had rejected the claim of the Company for the aforesaid period, however had noted that the amount of sub-lease rental paid by the Indian Railways for balance three years of the primary sub-lease period was not justified keeping in view the terms of the agreement. The award also states the basis of interest to be charged. Accordingly, considering the arbitration award which is reaffirmed by the High Court of Delhi vide its order dated March 15, 2019, and based on legal advice obtained, the Company has recognized an income of Rs. 2,361.23 Lacs being the differential sub-lease rental receivables for last three years of Rs. 898.32 lakhs (disclosed under "Revenue from Operations") and interest thereon of Rs. 1462.91 lakhs (disclosed under "Other Income").

(ii) In earlier years management had recognised claims receivable amounting to Rs 854.81 Lacs, net of expected credit loss amounting to Rs. 3,097.53 Lacs in respect of sub-lease rental receivable from Indian Railways for the initial seven years of the primary sub-lease period which was rejected by arbitrator, on February 3, 2016 and reconfirmed by the Hon'ble High Court, Delhi on April 29, 2016 as stated in note (i) above. Accordingly, the Company has written off claim amount of Rs 854.81 Lacs (disclosed under "Other Expenses").

(b) Represent subsidy receivable accounted by the Parent Company relating to the ship building division.

8. Loans and Deposits (At Amortised Cost)

(Unsecured, Considered Good unless stated otherwise)

Rs. in Lacs

	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Security Deposits				
Considered Good	306.34	233.79	4,569.77	9,467.35
Having Significant Increase in Credit Risk	–	–	–	–
Credit Impaired	64.45	64.45	–	–
	370.79	298.24	4,569.77	9,467.35
Less: Loss Allowances Refer [Note 43 (II)(c)]	64.45	64.45	–	–
Total	**306.34**	**233.79**	**4,569.77**	**9,467.35**

9. Tax Assets (Net)

Rs. in Lacs

	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Advance Tax (Including Tax Deducted at Source and Net of Provision for Taxation) (Net of provision for tax Rs. 6,984.59 lacs; March 31, 2018 Rs. 9,348.59 lacs)	2,848.70	1,692.76	–	1,010.99
Total	**2,848.70**	**1,692.76**	**–**	**1,010.99**

10. Other Assets

(Unsecured, Considered Good unless stated otherwise)

Rs. in Lacs

	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Capital Advances	58.55	21.75	–	–
Security Deposits	284.16	333.65	10.00	35.00
Advances Recoverable in Cash or Kind				
Considered Good - Related Parties [Refer (a) below]	–	–	34.50	34.50
Considered Good - Others	4.20	18.51	11,072.14	8,629.92
Considered Doubtful - Others	88.40	88.40	43.00	36.71
	92.60	**106.91**	**11,149.64**	**8,701.13**
Less: Provision for Doubtful Advances - Others	88.40	88.40	43.00	36.71
	4.20	18.51	11,106.64	8,664.42
Balances with Government Authorities				
Considered Good	–	–	16,186.90	12,335.28
Considered Doubtful	–	–	141.67	20.09
	–	**–**	**16,328.57**	**12,355.37**
Less: Provision for Doubtful Balances	–	–	141.67	20.09
	–	**–**	**16,186.90**	**12,335.28**
Prepaid Expenses	119.73	122.16	1,037.23	1,220.99
Total	**466.64**	**496.07**	**28,340.77**	**22,255.69**

a) Represents recoverable from an Officer of the Parent Company. Also Refer Note 41.

11. Inventories

(Valued at Lower of Cost and Net Realisable Value)

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Raw Materials and Components [Includes Goods in Transit Rs 729.20 lacs (March 31, 2018: Rs 1674.82 lacs)]	36,241.49	27,405.19
Work-in-progress	12,567.03	13,779.83
Finished Goods	1,214.33	1,816.33
Saleable Scrap	621.03	242.98
Stores and Spares	1,482.13	909.63
Total	**52,126.01**	**44,153.96**

(a) Refer Note 15 for information on inventories pledged as security by the Group.

(b) Write-downs of inventories to net realisable value amounted to Rs. 265.98 lacs (March 31, 2018: Rs 115.73 lacs). These were recognised as an expense during the year and included in Changes in Inventories of Finished Goods, Work-in-progress, Trading Goods and Saleable Scrap in the Consolidated Statement of Profit and Loss.

12. Cash and Bank Balances (At Amortised Cost)

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
12.1 Cash and Cash Equivalents		
Balances with Banks:		
On Current Accounts	9,827.03	5,824.69
Deposits with Original Maturity of Less Than Three Months	20.82	–
Cash on Hand	17.40	15.54
	9,865.25	**5,840.23**
12.2 Other Bank Balances		
Balances with Banks:		
On Unpaid Dividend Accounts	18.59	15.03
On Unpaid Fractional Share Entitlement Accounts	–	2.48
Deposits with Original Maturity of More Than Twelve Months#	88.48	740.85
Deposits with Original Maturity of More Than Three Months but Less Than Twelve Months#	1,974.20	773.11
	2,081.27	1,531.47
Total	**11,946.52**	**7,371.70**

Includes deposits held as Margin money whose receipts are lying with banks as security against loans, guarantees/letters of credits issued by them as mentioned below:

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Deposits with Original Maturity of More Than Twelve Months	85.55	–
Deposits with Original Maturity of More than Three Months but Less Than Twelve Months	552.94	286.01
	638.49	**286.01**

13. Equity Share Capital

Rs. in Lacs

	As at March 31, 2019		As at March 31, 2018	
	No. of shares in Lacs	Rs.in Lacs	No. of shares in Lacs	Rs.in Lacs
Authorised Shares				
Equity shares of Rs. 2/- each	8,805.00	17,610.00	8,805.00	17,610.00
Preference shares of Rs. 10 /- each	520.00	5,200.00	520.00	5,200.00
		22,810.00		**22,810.00**
Issued, Subscribed and Paid-up Shares				
Equity Shares of Rs. 2/- (March 31, 2018: Rs. 2/-) each, fully paid-up	1,155.28	2,310.56	1,155.00	2,310.01
		2,310.56		**2,310.01**

a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	No. of shares in Lacs	Rs. In Lacs	No. of shares in Lacs	Rs. In Lacs
Equity Shares				
At the Beginning of the Year	1,155.00	2,310.01	1,154.12	2,308.24
Shares Issued Pursuant to the Employee Stock Option Scheme @	0.28	0.55	0.88	1.77
Outstanding at the end of the Year	**1,155.28**	**2,310.56**	**1,155.00**	**2,310.01**

@ During the year, 27,500 equity shares (March 31, 2018: 88,500 equity shares) of Rs 2 each were issued and allotted to the eligible employees of the Parent Company under the Employee Stock Option (ESOP) Scheme.

For details of shares reserved for issue under ESOP of the Parent Company, Refer Note 34.

b) **Terms and rights attached to Equity Shares**

The Parent Company has only one class of equity shares having a par value of Rs. 2/- (March 31, 2018: Rs. 2/-) per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) **Details of shareholders holding more than 5% shares in the Parent Company**

Name of Shareholders	As at March 31, 2019		As at March 31, 2018	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs 2 (March 31, 2018: Rs. 2) each fully paid				
Titagarh Capital Management Services Private Limited	21,670,165	18.76%	21,670,165	18.76%
Savitri Devi Chowdhary	18,116,035	15.68%	18,116,035	15.68%
Rashmi Chowdhary	12,816,105	11.09%	12,816,105	11.10%
HDFC Trustee Company Limited - HDFC Capital Builder Fund	10,742,012	9.30%	–	–
HDFC Trustee Company Limited - HDFC Prudence Fund	–	–	6,151,556	5.33%

As per records of the Parent Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownership of shares.

14. Other Equity

Reserves and Surplus

Rs. in Lacs

		As at March 31, 2019	As at March 31, 2018
A.	**Securities Premium Account**		
	Premium received on Equity Shares issued are recognised in the Securities Premium Account. This reserve may be utilised in accor dance with the provisions of Section 52 of the Act.		
	Balance as per the last Financial Statements	40,596.60	40,462.44
	Premium on Issue of Equity Shares Pursuant to ESOP Scheme [Refer Note 13(a)]	11.62	37.35
	Transfer from ESOPs Outstanding Account on Exercise	24.56	96.81
		40,632.78	40,596.60
B.	**General Reserve (Refer Note 14.1)**		
	Balance as per the Last Financial Statements	5,411.39	5,411.39
	Movement during the year	–	–
		5,411.39	**5,411.39**
C.	**Capital Reserve**		
	Balance as per the last Financial Statements	9.18	9.18
	Movement during the year	–	–
		9.18	**9.18**
D.	**Reserve Fund**		
	According to Section 45-IC of the Reserve Bank of India Act, 1934, every NBFC shall create a Reserve Fund and transfer therein a sum not less than twenty per cent of its Net Profit every year as disclosed in the Statement of Profit and Loss and before dividend is declared. The Group has not transferred any amount to the Reserve Fund due to losses incurred in the current year(March, 2018 Rs.0.35 lacs).		
	Balance as per the last Financial Statements	15.62	15.27
	Add: Amount transferred from the Statement of Profit and Loss	–	0.35
		15.62	**15.62**
E.	**Legal Reserve**		
	Legal Reserve represents reserve created as per the local laws in certain foreign subsidiaries out of the profits for the year		
	Balance as per the last Financial Statements	55.33	52.23
	Add: Transfer during the year	–	3.10
		55.33	**55.33**
F.	**Employee Stock Options (ESOPs) Outstanding (Refer Note 34)**		
	Employee Stock Options Outstanding Account relates to stock options granted by the Parent Company to employees under the Parent Company's ESOP Scheme. This Account is transferred to Securities Premium Account or Retained Earnings on exercise or lapse of vested options.		
	Balance as per the last Financial Statements	273.87	120.12
	Recognition of Share Based Payment (Refer Note 34)	133.02	288.56
	Transfer from ESOPs Outstanding Account on Exercise and Lapse	(52.93)	(134.81)
		353.96	**273.87**

Rs. in Lacs

		As at March 31, 2019	As at March 31, 2018
G.	**Retained Earnings**		
	Balance as per the last Financial Statements	34,058.91	49,173.66
		–	–
	Adjustment on account of Ind AS 115	90.61	–
	Restated balance at April 1, 2018	**34,149.52**	**49,173.66**
	Loss for the Year	(2,852.31)	(14,362.26)
	Transfer to Reserve Fund	–	(0.35)
	Transactions with Non-controlling Interests	(104.46)	325.51
	Transfer from ESOPs Outstanding Account on Exercise and Lapse	28.37	38.00
	Item of Other Comprehensive Income recognised directly in Retained Earnings		
	– Remeasurements Losses on Defined Benefit Plan (Net of Tax)	0.08	(4.05)
	Final Dividend for the Year ended March 31, 2018 [Refer Note 44(b)]	(346.58)	–
	Final Dividend for the Year ended March 31, 2017 [Refer Note 44(b)]	–	(923.58)
	Dividend Distribution Tax on above	(70.55)	(188.02)
		30,804.07	**34,058.91**
	– Other Reserve		
H.	**Foreign Currency Translation Reserve (FCTR)**		
	Exchange difference arising from translation of foreign operations are recognised in other comprehensive income asdescribed in accounting policies [Refer Note 2.20(iii)] and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss on disposal of the net investment.		
	Balance as per the last Financial Statements	2,735.79	(795.23)
	Exchange Differences on Translation of Foreign Operations during the year	(726.58)	3,531.02
		2,009.21	**2,735.79**
I.	**Share Application Money Pending Allotment**	**15.47**	**–**
	Total Other Equity (A+B+C+D+E+F+G+H+I)	**79,307.01**	**83,156.69**

14.1 General Reserve :- Under the erstwhile Indian Companies Act, 1956, a general reserve was created in the books of the Parent Company through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn though the Parent Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

15. Borrowings (At Amortised Cost)

Rs. in Lacs

	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Secured				
Deferred Payment Liabilities [Refer (a) below]	45.83	94.41	45.16	313.12
Term Loan from Banks [Refer (b) below]	56,206.73	16,644.87	1,305.01	3,065.78
Cash Credits from Banks [Refer (c) below]	–	–	11,005.13	6,430.44
Working Capital Demand Loans / Short-term Loans from Banks [Refer (d) below]	–	–	18,434.60	30,745.88
Buyers' Credit from Banks [Refer (e) below]	–	–	–	1,744.62
Unsecured				
Term Loan from Banks [Refer (f) below]	1,112.28	1,581.27	520.34	563.52
Loan against Research & Development Tax Credits [Refer (g) below]	193.93	404.50	780.67	810.00
	57,558.77	18,725.05	32,090.91	43,673.36
Less: Amount disclosed under other current financial liabilities (Refer Note 16)	–	–	(2,651.18)	(4,752.42)
Total	**57,558.77**	**18,725.05**	**29,439.73**	**38,920.94**

Secured Borrowings

a) Deferred Payment Liabilities

i) In case of Titagarh Firema S.p.A, a subsidiary deferred payment liability of Nil (March 31, 2018: Rs. 266.95 Lacs) relates to liability towards photovoltaic equipment. The said loan is secured by way of hypothecation of said equipment. The deferred payment liability carries an interest rate of 2.30% bps and the lease period ends on November 2018.

ii) In case of Titagarh Wagons AFR, a subsidiary deferred payment credit of Rs. 90.99 Lacs (March 31, 2018: Rs. 140.58 Lacs) represents certain assets taken on deferred payment from Crédit du Nord. The loan is repayable within three years and carries an interest rate ranging between 1.20% - 1.99%.

b) Term Loan from Banks

i) In case of Cimmco Limited, a subsidiary term loan includes the following:

a) Term Loan of Rs. NIL (March 31, 2018: Rs. 1,994.05 lacs) carries an interest @ 10.50% p.a (March 31, 2018 @ 10.60%) (Base +spread of 1.75%) and is repayable in 14 quarterly installments of Rs. 285.71 lacs each starting from September 2016 to December 2019. The said term loan has been repaid in full during the year.

The above term loan is secured by a first pari passu charge on land admeasuring 18.75 acres situated at Gwalior and also first pari passu charge over the other fixed assets (including land admeasuring 470 Bigha 1 Biswa at Bharatpur, Rajasthan) of the Company. The loan is further backed by a "Put Option" of Titagarh Wagons Limited (TWL), the Parent company). In terms of the said put option, upon occurrence of any event of default as per the terms of the facility agreement, bank shall have the right to call upon TWL to pay the entire outstanding within such time as may be prescribed.

(b) Term Loan of Rs. 9,333.89 lacs (March 31, 2018: Rs. 6194.65 lacs) carries an interest @ 9.2% to 9.85% p.a (March 31, 2018: 9.05%) linked to 1 year MCLR and is repayable in 22 quarterly installments starting from September 2018 to September 2023.

There are certain financial covenants as per the terms of the loan agreement which have not been met as at March 31, 2019. However, the Company has been regular and timely in payment of interest. The management believes that it is not a material breach and the loan will continue to be on the same repayment terms and conditions as agreed at the time of disbursement. The Company has till date also not received any notice in this regard from the bank. Accordingly the year end loan amount has been classified as non-current in accordance with the terms agreed at the time of disbursement.

Above term loan is secured by a first pari-passu charge by way of mortgage upon all fixed assets including land and building, plant and machinery and other movable/immovable assets at Company's Bharatpur Plant. The loan is further secured by the second charge on all current assets of the Company and unconditional and irrevocable corporate guarantee of Titagarh Wagons Limited, in relation to the entire amount payable under the facility.

ii) In case of Titagarh Singapore Pte Limited, a subsidiary:

Term loan of Rs. 10,354.95 Lacs (March 31, 2018; Rs. 11,521.95 Lacs) carries an interest rate of Euribor + 4% and is repayable over a period of 8 years, beginning on October 9, 2018 and the last repayment is on October 5, 2023. The loan is secured against pledge of investment of 26% of the equity shares of TWA, a subsidiary and 88% equity shares of TFA, a subsidiary held by Titagarh Singapore PTE, a subsidiary Limited and 100% shares of Titagarh Singapore PTE Limited, a subsidiary held by Titagarh Wagons Limited.

iii) In case of Titagarh Firema S.p.A (TFA), a subsidiary:

Term Loan from Bank of Baroda (UK Branch) of Rs. 37,822.90 Lacs (March 31, 2018: Rs. Nil) carries an interest rate of Euribor +265 bps. The facility is secured by first pari passu charge on the entire fixed assets (movable and immovable) & current assets of the company. Further the same is also backed by Corporate Guarantee of Titagarh Wagons Limited (TWL).

c) Cash Credits from Banks:

i) In case of Titagarh Wagons Limited:

Cash Credits of Rs. 5,421.25 Lacs (March 31, 2018; Rs. 4,271.68 Lacs) are secured by first charge on the Company's current assets, present and future and by way of collateral charge on Property, Plant and Equipment of the Company, both present and future. All the mortgages and charges created in favour of the above lenders rank pari passu with consortium member banks. Cash credits carry interest at banks MCLR plus spread ranging from .5% to 3.35% p.a. (effectively 8.80% to 11.50% p.a) and are repayable on demand.

ii) In case of Cimmco Limited, a subsidiary:

Cash credits from banks of Rs. 3,018.00 Lacs (March 31, 2018; Rs. 949.43 Lacs) are secured by first pari passu charge over all current assets, both present and future and also by a second pari passu charge over the entire fixed assets of the Company (excluding land at Gwalior). The cash credit is repayable on demand and carry an interest rate ranging between 9.5% to 13.9% p.a. lined with MCLR.

iii) In case of Titagarh Wagons AFR(TWA), a subsidiary:

Cash credit of Rs 2,565.88 lacs (March 31, 2018; Rs. 1,209.33 Lacs) is secured by first charge on the Company's current assets, present and future and by way of collateral charge on fixed assets of the Company, both present and future. In addition, the Parent company has also pledged over 90% of the shares of the Company held by the Parent Company. The above facility carries interest at LIBOR + 3.75% p.a. and are repayable on demand.

d) Working Capital Demand Loan (WCDL)

i) In case Titagarh Wagons Limited: WCDL of Rs. 12,171.79 lacs (March 31, 2018: Rs 3,900.00 lacs) are secured by first charge on the Company's current assets, present and future and by way of collateral charge on Property, Plant and Equipment of the Company, both present and future. All the mortgages and charges created in favour of the above lenders rank pari passu with consortium member banks. WCDL carry interest at banks MCLR plus spread ranging from 0.85% to 2.80% p.a (effectively 8.2 % to 10.5 % p.a.) and are repayable within 6 months.

ii) In case Titagarh Firema S.p.A (TFA), a subsidiary:

(a) Nil (March 31, 2018: Rs. 9,674.64 Lacs) represents short term loan taken from Axis Bank Singapore Branch for working capital purposes. The facility is secured by first pari passu charge on the entire fixed assets (movable and immovable) of Titagarh Wagons Limited (TWL) other than assets charged exclusively to banks and excluding vehicles and first pari passu charge on the entire current assets of TWL.

(b) Short term loan of Nil (March 31, 2018: Rs. 714.78 lacs) taken from Banco di Napoli during the year which is repayable in 12 equal monthly instalments beginning from March 2018.

All the above working capital facilities carries interest rate of euribor ranging from 1% to 3%

iii) In case of Titagarh Singapore Pte Limited (TSPL), a subsidiary:

a) Nil (March 31, 2018: Rs 4,837.33 lacs) represents loan taken from Barclays Bank PLC for the purpose of business expansion. The loan is secured against tax free bonds pledged by the parent company.

b) Nil (March 31, 2018: Rs 4,031.11 lacs) represents loan from Standard Chartered Bank for working capital requirement of TFA. The loan is secured by way of first charge on the parent company's current assets and collateral charge on fixed assets, both present and future.

c) Rs 6,262.81 lacs (March 31, 2018: Rs 7,588.02 lacs) represents loan taken from RBL Bank for working capital requirement of TFA. The loan is secured by the corporate guarantee from the Parent company

All the above loan are short term revolving loan.

iv) In case of TFA and TSPL, WCDL carry interest at Euribor plus spread ranging between 1% to 3.75% and are repayable on demand.

e) Buyer's Credit:

In case of Titagarh Wagons Limited, Nil (March 31, 2018: Rs. 1,744.62 lacs) carry interest ranging from 2.42% to 3.21% p.a for USD and from 0.53% to 0.90% p.a for Euro and are repayable within six months from the date of drawdown.

Unsecured Borrowings

f) Term Loan from Banks

In case of Titagarh Wagon AFR, a subsidiary:Term Loan of Rs. 1,632.62 Lacs (March 31, 2018: Rs. 2,144.79 Lacs) represents long-term working capital loan received. The loan is repayable by 2022 and carries an interest rate of Euribor plus spread ranging from 1.50% - 2.65%.

g) Loan against research and development tax credits represents, research and development tax credits receivable from the income tax authority. The loan instalments would be repaid through the refund of tax credit on research and development as and when collected from the tax department and carries an interest rate of 1month Euribor plus 2%.

h) Refer Note 43 for information about market risk and liquidity risk on borrowings.

16. Other Financial Liabilities

Rs. in Lacs

	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Measured at Fair Value through Profit and Loss				
Derivative Instruments at Fair Value through Profit and Loss:				
Foreign Exchange Forward Contracts / Currency and Interest Rate Swap [Refer (a) below]	187.01	1,647.91	44.69	115.79
Measured at Amortised Cost				
Current Maturities of Long Term Debt (Refer Note 15)	–	–	2,651.18	4,752.42
Interest Accrued but not Due on Borrowings	–	–	395.35	350.27
Interest Accrued and Due on Borrowings	–	–	477.02	24.01
Interest Free Deposits from Dealers	–	–	60.52	72.85
Investor Education and Protection Fund will be credited by following amounts (as and when due)				
Unpaid Dividends	–	–	18.59	15.03
Unpaid Fractional Shares	–	–	–	2.48
Others				
Employee Related Liabilities	–	–	3,502.31	4,283.56
Payable for Purchase of Property, Plant and Equipment [Refer (b) below]	1,613.22	2,900.21	1,331.60	1,676.47
Other Liabilities #	–	–	94.69	205.70
Total	**1,800.23**	**4,548.12**	**8,575.95**	**11,498.58**

(a) While the Group entered into foreign exchange forward contracts/currency and interest rate swap with the intention of reducing the foreign exchange risk / variable interest rate risk of expected sales and purchases/long-term borrowings, these contracts are not designated in hedge relationships and are measured at Fair Value through Profit and Loss.

(b) In case of TFA, a subsidiary the payable for purchase of Property, Plant and Equipment represents amount payable to Firema Trasporti SPA in AS (FAS) towards acquisition of the real estate as per the business purchase agreement. The balance amount of Rs 2,920.28 lacs is payable in two instalments by July 2019 and July 2020.

Other liabilities are in respect of one of the subsidiary company "Cimmco Limited" for gratuity payable to employees of erstwhile Cimmco Birla Limited.

17. Provisions & Current Tax Liabilities

17.1 Provisions

Rs. in Lacs

	Non-Current		Current	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Provisions for Employee Benefits:				
Gratuity [Refer Note 32(i)]	313.51	298.08	117.34	134.13
Leave Benefits [Refer Note 32(iii)]	–	–	416.03	561.61
	313.51	298.08	533.37	695.74
Other Provisions:				
Warranties [Refer (a) below for movement]	–	–	6,924.13	3,540.77
Liquidated Damages [Refer Note 6 and 43 (II) (c)]	–	–	–	9,163.75
Loss on Onerous Contract [Refer (a) below for movement]	–	–	2,923.88	2,318.23
Litigation, Claims and Contingencies [Refer (b) below for movement]	–	–	462.76	412.13
Other Provisions	–	–	–	66.54
Contingency Provision against Standard Assets @	–	–	4.84	1.25
	–	–	10,315.61	15,502.67
Total	**313.51**	**298.08**	**10,848.98**	**16,198.41**

@ Based on The Reserve Bank of India Master Directions, provision has been made in Titagarh Capital Private Limited, a subsidiary for standard assets at 0.25 percent of the balance of such assets as at year end which has been disclosed separately as 'Contingent Provision against Standard Assets'.

a) Movement of provisions for warranties and loss on onerous contract are as follows:

Rs. in Lacs

	Warranties		Loss on onerous contracts	
	2018-19	2017-18	2017-19	2016-18
At the Beginning of the Year	**3,540.77**	**3,121.11**	**2,318.23**	**5,494.20**
Made during the Year	4,644.81	1,466.61	5,076.46	1,443.99
Re-classified to Warranty	–	–	–	–
Utilised during the Year	(1,261.45)	(1,021.29)	(4,470.81)	(4,619.96)
Unused Amounts Reversed	–	(25.66)	–	–
At the End of the Year	**6,924.13**	**3,540.77**	**2,923.88**	**2,318.23**

b) Movement of Provisions for Litigation, Claims and Contingencies are as follows:

Rs. in Lacs

	Litigation Claims and Contingencies	
	2018-19	2017-18
At the Beginning of the Year	**412.13**	**481.85**
Made during the Year	50.63	10.28
Utilised during the Year	–	–
Unused Amounts Reversed	–	(80.00)
At the End of the Year	**462.76**	**412.13**

Information about individual provisions and significant estimates

Warranties

Warranties represents provision made for estimated warranty Claims in respect of products sold and annual maintenance (AMC) to be provided after the sale of coaches to the customer over the period as agreed in the contract which are under warranty / AMC at the end of the reporting period. Management estimates the provision based on contractual terms, historical warranty claims information and any recent trends that may suggest future claims could differ from historical amounts.

Litigation, claims and contingencies

The amounts represent best possible estimates of pending litigations / claims filed by vendors, customers, labours etc and probable claims arising out of certain tax matters. The timing and probability of outflow and expected reimbursements, if any, with regard to these matters depends on the ultimate outcome of the legal process or settlement / conclusion of the matter with the relevant authorities / customers / vendors etc.

Onerous contract

Onerous contract represents provision made towards excess of contract costs over contract revenues pertaining to one of the subsidiary company "Titagarh Firema S.p.A".

17.2 Current Tax Liabilities

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Provision for Income Tax	100.82	1,882.90
(Net of Advance tax and TDS Rs. 9,642.93 Lacs; March 31, 2018 Rs. 2,983.54)		
Total	**100.82**	**1,882.90**

18. Deferred Tax Liabilities (Net)

Rs. in Lacs

		As at March 31, 2019	As at March 31, 2018
Deferred Tax Liabilities			
Arising out of Temporary Differences in Depreciable & Non-Depreciable Assets		7,748.08	5,159.92
Unrealised Gain on FVTPL Equity Investments		332.85	242.25
Gross Deferred Tax Liabilities	**(A)**	**8,080.93**	**5,402.17**
Deferred Tax Assets			
Provision for Doubtful Debts and Advances		954.51	1,364.80
Provision for Warranties and Liquidated Damages		3,638.25	242.31
Provision for Litigation, Claims & Contingencies		161.71	33.25
Provision for Employee Benefits		290.45	359.36
MAT Credit Entitlement		839.84	703.51
Fair Valuation of Forward Contract		15.63	40.46
Carried Forward Business Losses and Unabsorbed Depreciation		5,148.10	3,771.57
Gross Deferred Tax Assets		**11,048.49**	**6,515.26**
Deferred Tax Assets Not Recognised [Refer Note (a) below]		2,377.49	4,427.78
Deferred Tax Assets	**(B)**	**8,671.00**	**2,087.48**
Deferred Tax Assets / (Liabilities) (Net)	**(A-B)**	**590.07**	**(3,314.69)**
Reflected in the Consolidated Balance Sheet as:			
Deferred Tax Assets		3,469.76	3,076.72
Deferred Tax Liabilities		(2,879.69)	(6,391.41)
Deferred Tax Assets / (Liabilities) (Net)		**590.07**	**(3,314.69)**

The movement in deferred tax assets and liabilities during the year ended March 31, 2019 and March 31, 2018:

	As at April 1, 2017 Deferred tax asset / (Liability)	Credit / (Charge) in Statement of Profit and Loss #	As at March 31, 2018 Deferred tax asset / (Liability)	Credit / (Charge) in Statement of Profit and Loss #	As at March 31, 2019 Deferred tax asset / (Liability)
Arising out of Temporary Differences in Depreciable & Non-Depreciable Assets	7,460.83	2,300.91	5,159.92	(2,588.16)	7,748.08
Unrealised Gain on FVTPL Equity Investments	288.34	46.09	242.25	(90.60)	332.85
Fair Valuation of Derivative Instruments	58.79	58.79	–	–	–
Total Deferred Tax Liabilities	**7,807.96**	**2,405.79**	**5,402.17**	**(2,678.76)**	**8,080.93**
Provision for Doubtful Debts and Advances	1,218.93	145.87	1,364.80	(410.29)	954.51
Provision for Loss on Onerous Contract	47.72	(47.72)	–	–	–
Provision for Warranties & Liquidated Damages	175.83	66.48	242.31	3,395.94	3,638.25
Provision for Litigation, Claims & Contingencies	167.09	(133.84)	33.25	128.46	161.71
Provision for Employee Benefits	308.28	51.08	359.36	(68.91)	290.45
MAT Credit Entitlement	531.64	171.87	703.51	136.33	839.84
Fair Valuation of Forward Contract	–	40.46	40.46	(24.83)	15.63
Carried Forward Business Losses and Unabsorbed Depreciation [Refer Note a(i)]	3,330.32	441.25	3,771.57	1,376.53	5,148.10
Gross Deferred Tax Assets	**5,779.81**	**735.45**	**6,515.26**	**4,533.23**	**11,048.49**
Deferred Tax Assets Not Recognised [Refer Note a(ii)]	4,201.67	226.11	4,427.78	(2,050.29)	2,377.49
Deferred Tax Assets	**1,578.14**	**509.34**	**2,087.48**	**6,583.52**	**8,671.00**
Deferred Tax Asset / (Liabilities) (Net)	**(6,229.82)**	**2,915.13**	**(3,314.69)**	**3,904.76**	**590.07**

a)(i) In case of two subsidiary, Titagarh Wagons AFR and Titagarh Capital Private Limited, in absence of reasonable certainty supported with convincing evidence, the respective management has not recognised the deferred tax assets on unabsorbed depreciation, carried forward business losses and other items.

(ii) In case of Cimmco Limited, a Subsidiary:
The Company has recognized deferred tax assets including those on unabsorbed depreciation and business losses pertaining to earlier assessment years as it is now considered probable that future taxable amounts will be available to utilize such deferred tax amounts. The balance of such deferred tax assets as at March 31, 2019 was Rs. 2,563.99 Lacs (March 31, 2018- Rs. 4,245.94 Lacs), which is included in the above deferred tax assets (net) amounting to Rs. 260.90 Lacs.

In absence of reasonable certainty supported with convincing evidence, during the previous year the Company had not recognised the deferred tax assets on unabsorbed depreciation, carried forward business losses (expiring from the financial year 2018-19 to 2024-25) and other items (except to the extent of deferred tax liabilities arising out of temporary differences in depreciable assets), which on an overall basis has been disclosed under unabsorbed depreciation.

Includes income tax impact on remeasurement gains/(losses) on defined benefit plan amounting to Rs. (0.73) Lacs (March 31, 2018 Rs. 1.96 Lacs) included in Other Comprehensive Income, impact of IND AS 115 of Rs. (9.73) Lacs (March 31, 2018 Rs. Nil) included in retained earning and impact of exchange difference on consolidation of Rs. 441.30 lacs (March 31, 2018 Rs. 110.53 lacs) included in foreign currency translation reserve.

19. Trade Payables (At Amortised Cost)

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Trade Payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 38)	80.12	36.02
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	53,435.60	30,594.53
Total	**53,515.72**	**30,630.55**

a) Refer Note 43 for information about market risk and liquidity risk on trade payables.

20. Other Current Liabilities

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Advances from Customers [Refer (a) below]	16,040.12	50,254.01
Statutory Dues	1,656.59	748.28
Other Liabilities	15.91	40.43
Total	**17,712.62**	**51,042.72**

a) Refer Note 47 for information about Assets & liabilities related to contract with customers

21. Revenue from Operations

Rs. in Lacs

	For the Year ened March 31, 2019	For the Year ended March 31, 2018
Revenue from Contract with Customers:		
Sale of Products (including Excise Duty)		
Finished Goods (Refer Note 52)	155,455.94	123,713.42
Traded Goods	356.88	350.82
Raw Materials and Components	11,280.44	873.91
Sale of Services		
Job Processing Charges, etc.	410.92	1,175.45
Other Operating Revenues		
Scrap Sales	779.64	811.89
Export Entitlement (Duty Drawback, etc.)	175.94	88.03
Subsidy Income [Refer Note 7(b)]	1,568.59	–
Others	1,049.15	130.32
Total	**171,077.50**	**127,143.84**

Sale of Products includes excise duty collected from customers amounting to Rs. Nil (March 31, 2018: Rs. 549.92 Lacs). Post applicability of Goods and Service Tax (GST) w.e.f. July 1, 2017, revenue from operations is disclosed net of GST. However, revenue for the period up to June 30, 2017 is inclusive of excise duty. Accordingly, revenue from operations and total expenses for the year ended March 31, 2019 are not comparable with the previous year.

Revenue from operation includes revenue from contract with customers under IND AS 115 amounting to Rs. 1,67,504.18 Lacs (March 31, 2018 Rs 1,26,113.61 Lacs). The details of which are given below:

Rs. in Lacs

	For the Year ened March 31, 2019	For the Year ended March 31, 2018
Revenue recognised at a point in time	96,762.18	59,347.14
Revenue recognised over time	70,742.00	66,766.47
	167,504.18	**126,113.61**

Reconciliation of revenue recognised with contract price:

Rs. in Lacs

	For the Year ened March 31, 2019	For the Year ended March 31, 2018
Contract price	165,796.15	132,083.99
Adjustment for:		
Liquidated Damages	(1,551.14)	(7,989.77)
Escalation	3,259.17	2,019.38
Revenue from continuing operation	**167,504.18**	**126,113.60**

Also refer note 46

22. Other Income

Rs. in Lacs

	For the Year ened March 31, 2019	For the Year ended March 31, 2018
22.1 Interest Income		
From Financial Assets at Amortised Cost - Bank Deposits	549.38	577.99
On Others [Refer Note 7 (a)]	1,462.91	–
On Income Tax Refunds	106.87	64.91
	2,119.16	**642.90**
22.2 Others Gains / (Losses)		
Fair Value Gain on Investment in Equity Securities at FVTPL	416.46	25.06
Foreign Exchange Fluctuations and Fair Value (Gain)/ Loss on Derivatives Not Designated as Hedges *	405.18	–
	821.64	**25.06**
* Includes unrealised Fair Value (Gain)/ Loss on Derivatives Not Designated as Hedges Rs. 231.70 Lacs (March 31, 2018: Rs. Nil).		
22.3 Others		
Unspent Liabilities / Provisions No Longer Required Written Back	244.51	497.82
Net Gain on Disposal of Property, Plant and Equipment	–	366.63
Subsidy Received	418.08	385.60
Contingency Provision on Standard Assets Written Back	–	1.25
Other Non-operating Income	1,733.44	1,068.60
	2,396.03	**2,319.90**
Total	**5,336.83**	**2,987.86**

23. Cost of Raw Materials and Components Consumed

Rs. in Lacs

	For the Year ened March 31, 2019	For the Year ended March 31, 2018
Inventories at the Beginning of the Year	27,405.17	26,613.08
Add: Purchases	118,686.63	70,029.37
	146,091.80	**96,642.45**
Less: Inventories at the End of the Year	36,241.49	27,405.19
Cost of Raw Materials and Components Consumed	**109,850.31**	**69,237.26**

24. Changes in Inventories of Finished Goods, Work-in-progress, Trading Goods and Saleable Scrap

Rs. in Lacs

		For the Year ened March 31, 2019	For the Year ended March 31, 2018
Inventories at the end of the year			
Finished Goods		1,214.33	1,816.33
Work-in-Progress		12,567.03	13,779.86
Trading Goods		–	–
Saleable Scrap		621.03	242.99
	(A)	**14,402.39**	**15,839.18**
Inventories at the beginning of the year			
Finished Goods		1,816.33	3,697.45
Work-in-Progress		13,779.86	22,061.86
Trading Goods		–	10.06
Saleable Scrap		242.99	314.56
	(B)	**15,839.18**	**26,083.93**
		1,436.79	**10,244.75**
Adjustment of Ind AS 115		(1,151.36)	–
Foreign Currency Translation Adjustment		(165.07)	2,117.99
Utilisation of Provision for Loss on Onerous Contract		(4,470.81)	(5,878.52)
Total		**(4,350.45)**	**6,484.22**

25. Employee Benefits Expense

Rs. in Lacs

	For the Year ened March 31, 2019	For the Year ended March 31, 2018
Salaries, Wages and Bonus	21,900.74	23,149.93
Employee Stock Options Expense (Refer Note 34)	133.01	288.56
Contribution to Provident & Other Funds [Refer Note 32(ii) and 48]	205.81	204.12
Gratuity Expense [Refer Note 32(i)]	71.45	68.47
Staff Welfare Expenses	194.97	221.05
Total	**22,505.98**	**23,932.13**

26. Finance Costs

Rs. in Lacs

	For the Year ened March 31, 2019	For the Year ended March 31, 2018
Interest Expenses on Financial Liabilities Carried at Amortised Cost - Borrowings, etc.	5,426.05	2,857.44
Bank Charges	1,411.54	1,548.55
Total	**6,837.59**	**4,405.99**

27. Depreciation and Amortisation Expense

Rs. in Lacs

	For the Year ened March 31, 2019	For the Year ended March 31, 2018
Depreciation on Property, Plant and Equipment (Refer Note 4.1)	2,653.53	4,067.07
Amortisation on Intangible Assets (Refer Note 4.2)	961.26	1,016.51
Total	**3,614.79**	**5,083.58**

28. Other Expenses

Rs. in Lacs

	For the year ended March 31, 2019		For the year ended March 31, 2018	
Consumption of Stores and Spare Parts		4,474.47		2,722.71
Job Processing and Other Machining Charges (including Contract Labour Charges)		12,469.03		8,645.53
Power and Fuel		3,908.25		2,768.02
Design and Development Expenses		237.60		225.47
Repairs				
Plant and Machinery		1,649.80		2,011.12
Buildings		63.93		54.20
Others		193.12		330.52
Rent and Hire Charges (Refer Note 35)		562.15		644.26
Rates and Taxes		1,203.42		1,351.61
Insurance		873.49		630.39
Security Services		501.96		432.28
Freight and Forwarding Charges [Net of Recovery Rs. 64.20 Lacs (March 31, 2018 : Rs 238.64 Lacs)]		490.67		642.65
Advertising and Sales Promotion		181.56		187.47
Brokerage and Commission		722.66		44.14
Travelling and Conveyance		1,370.71		1,221.55
Legal and Professional Fees		2,131.69		2,181.79
Commission to Non-Executive Directors		10.00		–
Directors Sitting Fees		32.65		46.27
Payment to Auditors				
As Auditors				
Audit Fee	32.78		25.00	
Limited Review	12.06		12.00	
Other Certification Services	4.45		4.34	
Other Services*	–		20.49	
Reimbursement of Expenses	4.55	53.84	1.64	63.47
Warranty Claims	1,261.45	–	1,021.29	
Less: Adjusted with Provision	1,261.45	–	1,021.29	–
Provision for Warranties		4,644.81		1,466.59
Liquidated Damages		–	546.50	–
Less: Adjusted with Provision	–	–	407.80	138.70
Provision for Liquidated Damages (Net)		–		5,852.98
Irrecoverable Debts/ Advances Written Off	1,022.23		35.93	
Less: Adjusted with Provision	42.27	979.96	35.00	0.93
Provision for Doubtful Debts and Advances		354.43		640.58
Net Loss on Disposal of Property, Plant and Equipment		3.35		–
Contingency Provision against Standard Assets		3.59		–
Net Loss on Foreign Currency Transactions and Translation #		–		96.20
Corporate Social Responsibility Expenses (Refer Note 28.1)		32.19		42.64
Intangible Assets under Development Written Off		–		66.00
Miscellaneous Expenses		2,520.00		4,328.99
Total		**39,669.33**		**36,837.06**

*Payment to Auditors- Other Services for the year ended March 31, 2018 includes Rs 20.49 lacs paid to the preceding auditors of the Parent Company.
Includes unrealised fair value loss on Derivatives not designated as hedges Rs. Nil (March 31, 2018 Rs. 1,763.70 lacs).

28.1 Corporate Social Responsibility Expenses

Rs. in Lacs

		For the Year ened March 31, 2019	For the Year ended March 31, 2018
(a)	Amount required to be spent by the Parent Company during the year	30.73	29.63
(b)	Amount spent during the year by the Parent Company on		
	(i) Construction/acquisition of an asset	–	–
	(ii) On purposes other than (i) above (fully paid)	32.19	42.64
Total		**32.19**	**42.64**

29. Exceptional Items

Rs. in Lacs

	For the Year ened March 31, 2019	For the Year ended March 31, 2018
Impairment of Property, Plant and Equipment and Intangible Assets [Refer Note (a) below]	1,625.56	509.12
Restructuring Cost [Refer Note (b) below]	1,142.57	–
Impairment of Goodwill on Consolidation [Refer Note (c) below]	377.40	–
Warranty Cost [Refer Note (d) below]	258.66	–
Settlement of claims [Refer Note (e) below]	428.36	–
Total	**3,832.55**	**509.12**

Exceptional items represents following:

a) Impairment provision (net of deferred tax of Rs.513.34 lacs) for Rs 1,625.56 lacs relating to the current year represents impairment done for land and building in Titagarh Wagons AFR, considering the current market value of the assets.Impairment provision for the previous year- [Refer Note 4.1 (c)].

b) Represents various expenses incurred both at Titagarh Wagons AFR and Titagarh Firema SPA towards various expenses including separation cost paid to the employees in line with the overall restructuring scheme of the respective subsidiary companies.

c) As explained in note no 50, the Group has impaired goodwill on consolidation of Titagarh Wagons AFR recognised in the year earlier.

d) Warranty cost represents repair cost incurred towards AFR 22 bogies pursuant to the technical issues that were identified.

e) Mainly represents certain one time settlement cost incurred relating to contracts.

30. Income Tax Expense / (Benefit)

Rs. in Lacs

		For the Year ened March 31, 2019	For the Year ended March 31, 2018
(A)	**Amount Recognised in the Statement of Profit and Loss**		
	Current Tax	177.12	808.48
	Deferred Tax	(3,473.92)	(2,802.64)
	Total Income Tax Expense Recognised in Profit and Loss	(3,296.80)	(1,994.16)
(B)	**Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable**		
	Accounting Profit /(Loss) before Tax	(5,549.41)	(16,717.59)
	At India's Statutory Income Tax Rate of 34.944% (March 31, 2018: 34.608%)	**(1,939.19)**	**(5,785.62)**
	Adjustments:		
	Expenses not allowed as deductions	494.11	920.58
	Share of losses in joint venture	1.27	11.20
	Income not taxable	(238.97)	(223.33)
	Impact of lower tax rate (capital gains tax rate) on the fair valuation of land and Investment in equity shares through FVTPL	(96.46)	(26.00)
	Adjustment for change in tax rate	14.95	95.16
	Adjustment for difference in tax rate for foreign Subsidiaries	(744.65)	1,053.00
	Losses and deductible temporary difference against which no deferred tax asset created	2,377.49	2,114.25
	Recognition of deferred tax asset relating to earlier years [Refer note 18(a)]	(2,563.99)	–
	Adjustment relating to earlier years	(333.81)	(293.25)
	Others	(267.55)	139.85
		(3,296.80)	**(1,994.16)**

31. Earnings/(Loss) Per Equity Share

	For the year ended March 31, 2019	For the year ended March 31, 2018
(A) Basic		
(i) Number of Equity Shares at the Beginning of the Year	115,500,370	115,411,870
(ii) Number of Equity Shares at the End of the Year	115,527,920	115,500,370
(iii) Weighted Average Number of Equity Shares Outstanding during the year	115,519,885	115,446,869
(iv) Face Value of Each Equity Share (Rs)	2.00	2.00
(v) Profit / (Loss) after Tax Available for Equity Shareholders of the Parent Company		
Profit / (Loss) for the Year (Rs.in Lacs)	(2,852.31)	(14,362.26)
(vi) Basic Earnings/(Loss) per Equity Share (Rs.) [(v)/(iii)]	(2.47)	(12.44)
(B) Diluted		
(i) Dilutive Potential Equity Shares on account of Employee Stock Options Outstanding	269,940	485,946
(ii) Weighted Average Number of Equity Shares Outstanding during the year for Diluted Earnings per Equity Share	115,789,825	115,932,815
(iii) Diluted Earnings/(Loss) per Equity Share (Rs) [A(v)/B(ii)] #	(2.47)	(12.44)

Basic and Diluted earning per share are same as the potential dilutive equity shares are anti-dilutive.

32 Employee Benefits

(i) Post-employment Defined Benefit Plans:

Gratuity

The Parent Company and a subsidiary in India has a defined benefit gratuity plan which is unfunded (except for one unit where it is administered through a trust and funded with a bank through its special deposit scheme with State Bank of Bikaner and Jaipur). Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972. The Parent Company and the subsidiary in India have increased the maximum limit to Rs.20 Lacs for certain category of employees during the year.

The following tables sets forth the particulars in respect of the gratuity plan.

Rs.in Lacs

	Gratuity (Funded)		Gratuity (Unfunded)	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Statement of Profit and Loss				
Net Employee Benefits Expense recognised in the Employee Cost				
Current Service Cost	5.01	5.11	33.55	32.95
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	4.76	5.70	28.13	24.71
Total	**9.77**	**10.81**	**61.68**	**57.66**
Expenses Recognised in Other Comprehensive Income (OCI)				
Remeasurements (Gains) / Losses	(10.57)	15.15	8.49	(8.90)
Total	**(10.57)**	**15.15**	**8.49**	**(8.90)**

Rs.in Lacs

	Gratuity (Funded)		Gratuity (Unfunded)	
	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2019	For the year ended March 31, 2018
Net Liability Recognised in Balance Sheet				
Benefit liability				
Present value of Defined Benefit Obligation	118.95	119.52	368.58	369.60
Fair value of Plan Assets	56.68	56.91	–	–
Net Liability	**62.27**	**62.61**	**368.58**	**369.60**
Bifurcation of Net Liability at the end of the year as per revised Schedule III of the Companies Act, 2013				
Current Liability (Short term)	16.08	27.86	101.26	106.27
Non-Current Liability (Long term)	46.19	34.75	267.32	263.33
	62.27	**62.61**	**368.58**	**369.60**
Changes in the Present Value of the Defined Benefit Obligation are as follows:				
Opening Defined Benefit Obligation	119.52	135.32	369.60	361.55
Current Service Cost	5.01	5.11	33.55	32.95
Interest Cost	9.08	9.40	28.13	24.71
Past Service Cost	–	–	–	22.68
Benefits Paid	(20.68)	(45.46)	(35.03)	(63.40)
Remeasurement (Gains)/ Losses				
Financial Assumptions Changes	4.28	(2.98)	12.16	(15.81)
Demographic Assumptions	3.91	18.56		
Experience Variance	(2.17)	18.13	(58.39)	6.92
Closing Defined Benefit Obligation	**118.95**	**119.52**	**368.58**	**369.60**
Changes in the Fair Value of Plan Assets are as follows:				
Fair value of plan assets at the beginning of the year	56.91	53.22		
Return on Plan Assets	(4.55)	3.69		
Investment Income	4.32	–		
Fair Value of Plan Assets at the end of the year	**56.68**	**56.91**		
The major categories of Plan Assets as a percentage of the Fair Value of Total Plan Assets are as follows:				
Special Deposit Scheme with State Bank of Bikaner and Jaipur	100%	100%		
Maturity Profile of the Defined Benefit Obligation				
Weighted Average Duration of the Defined Benefit Obligation	4 years	4 years	4 years	4/7 years
Expected Benefit Payments for the year ending				
Not later than 1 year	72.75	27.87	32.97	54.09
Later than 1 year and not later than 5 years	56.41	92.41	29.03	72.01
Later than 5 year and not later than 10 years	2.15	23.51	28.52	33.62
More than 10 years	0.64	20.16	26.91	9.92
The principal assumptions used in determining gratuity obligation are shown below:				
Discount Rate	6.60%	7.60%	7.05%	7.60%
Rate of increase in Salary	5.00%	5.00%	5.00%	5.00%

Assumptions regarding future mortality experience are based on mortality tables of Indian Assured Lives Mortality (2006-2008) published by the Institute of Actuaries of India.

The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The Parent Company expects to contribute Rs.65.44 Lacs (March 31, 2018 Rs.67.49 Lacs) to the funded gratuity plans during the next financial year.

A quantitative sensitivity analysis of impact on defined benefit obligations for significant assumption on the gratuity plan is as shown below:

Rs. in Lacs

	Gratuity (Funded)				Gratuity (Unfunded)			
Sensitivity Level	As at March 31, 2019		As at March 31, 2018		As at March 31, 2019		As at March 31, 2018	
	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease
Discount Rate (+/- 1%)	(117.09)	120.86	(115.26)	124.09	(352.86)	385.73	(346.29)	383.37
Salary Growth Rate (+/- 1%)	120.86	(117.04)	124.16	(115.12)	385.36	262.07	381.12	(347.42)

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(ii) Post-employment Defined Contribution Plans:

(A) **Superannuation Fund:** Certain categories of employees of the Parent Company participate in superannuation, a defined contribution plan. The Parent Company has no further obligations under the plan beyond its annual contributions.

(B) **Provident Fund:** Certain categories of employees of the Parent Company and a subsidiary receive benefits from a provident fund, a defined contribution plan. Both the employee and employer make monthly contributions to a government administered fund at specified percentage of the covered employee's qualifying salary. The Parent Company and the subsidiary have no further obligations under the plan beyond its monthly contributions.

The amounts paid to Defined Contribution Plans are as follows:

Rs.in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Provident Fund	164.44	203.58
Superannuation Fund	–	0.54
Total	**164.44**	**204.12**

(iii) Leave Benefits

The Parent Company and a subsidiary provide for accumulation of leave by its employees. The employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash in lieu thereof as per the respective company's policy. The Parent Company and the subsidiary record a provision for leave benefits in the period in which the employee renders the services that increases this entitlement. This is an unfunded plan.

The total provision recorded by the Parent Company and the subsidiary towards these benefits was Rs. 416.03 lacs (March 31, 2018: Rs 561.61 lacs). The amount of the provision is presented as current, since the Parent Company and the subsidiary does not have an unconditional right to defer settlement for any of these benefits. However, based on past experience, the Parent Company and the subsidiary does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

Rs.in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Leave provision not expected to be settled within the next 12 months	85.46	84.48

(iv) Risk Exposure

Through its defined benefit plans, the Parent Company and the subsidiary is exposed to some risks, the most significant of which are detailed below:

(a) Discount Rate Risk

The Parent Company and the subsidiary is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of the liability.

(b) Salary Growth Risks

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

(c) Demographic Risk

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Parent Company and the subsidiary are exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

33 Research and Development expenditure of revenue nature recognised in profit and loss during the year amounts to Rs. 21.17 Lacs (March 31, 2018 : Rs. 37.87 Lacs)

34 Employee Stock Option Plan (ESOP)

The Parent Company provides share-based payment schemes to its employees. On September 11, 2014, the shareholders, by way of a special resolution passed at the Annual General Meeting, approved the issue of shares to eligible employees under Employee Stock Option Scheme (Scheme 2014). The Scheme has been approved by the authorised Compensation Committee pursuant to a resolution passed at its meeting held on March 4, 2015. According to the Scheme 2014, the employee selected by the ESOS Compensation Committee from time to time will be entitled to the stock options. The total number of options granted should not exceed 25,00,000 options and will be granted in one or more tranches over a period of 5 years. Each option, when exercised, will be converted into 1 equity share of Rs 2 each fully paid up.

Tranche 1 - First Allotment

a)	Vesting period	As stated below
	Exercise period	Within a period of 6 months from the date of vesting
	Grant Date	March 4, 2015
	Exercise price	Rs 44.20
	Market price at 4th March 2015	Rs 135.60
	Vesting schedule for the option is as follows:	
	At the end of first year from the date of grant	10%
	At the end of second year from the date of grant	15%
	At the end of third year from the date of grant	25%
	At the end of fourth year from the date of grant	50%

The movement of the option is summarised below:

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	171,250	44.20	312,500	44.20
Lapsed during the year	12,500	44.20	41,250	44.20
Forfeited during the year	21,250	44.20	11,500	44.20
Exercised during the year	10,000	44.20	88,500	44.20
Outstanding at the end of the year	127,500	44.20	171,250	44.20
Exercisable at the end of the year	127,500	44.20	28,750	44.20

The weighted average fair value of the option as on the grant date is Rs. 102.55 (March 31, 2018: Rs. 102.21) and weighted average contractual life of the option as at March 31, 2019 is 3.95 years (March 31, 2018: 3.78 years).

The weighted average fair value of stock options granted was Rs 130.76 Lacs (March 31, 2018: Rs 141.21 Lacs). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

The share prices on the date of exercise are:

Date of Exercise	Share Price (Rs.)
September 12, 2018	87.20

	Grant Date-March 4, 2015			
Share price (Rs)	135.60	135.60	135.60	135.60
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	7.70%	7.70%	7.70%	7.70%
Expected volatility	67.00%	58.00%	51.00%	47.00%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

Tranche 1 - Second Allotment

b) Vesting period	As stated below
Exercise period	Within a period of 6 months from the date of vesting
Grant Date	May 19, 2017
Exercise price	Rs 44.20
Market price at 19th May 2017	Rs 122.80
The vesting schedule of the options is as follows:	
At the end of first year from the date of grant	10%
At the end of second year from the date of grant	15%
At the end of third year from the date of grant	25%
At the end of fourth year from the date of grant	50%

The movement of the option is summarised below:

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	115,000	44.20	–	–
Granted during the year	–	–	115,000	44.20
Exercised during the year	11,500	44.20	–	–
Outstanding at the end of the year	103,500	44.20	115,000	44.20

The weighted average fair value of the option as on the grant date is Rs. 89.10 (March 31, 2018: Rs. 88.35) and weighted average contractual life of the option as at March 31, 2019 is 3.39 years (March 31, 2018: 3.15 years).

The weighted average fair value of stock options granted was Rs 53.75 Lacs (March 31, 2018: Rs. 33.10 Lacs). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

The share prices on the date of exercise are:

Date of Exercise	Share Price (Rs.)
June 6, 2018	95.80

	Grant Date-May 19, 2017			
Share price (Rs)	122.80	122.80	122.80	122.80
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	6.70%	6.70%	6.70%	6.70%
Expected volatility	35.68%	47.71%	54.92%	55.08%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

Tranche 2 - First Allotment

c)	Vesting period	As stated below
	Exercise period	Within a period of 6 months from the date of vesting
	Grant Date	May 19, 2017
	Exercise price	Rs 44.20
	Market price at 19th May 2017	Rs 122.80
	The vesting schedule of the options is as follows:	
	At the end of first year from the date of grant	2%
	At the end of second year from the date of grant	10%
	At the end of third year from the date of grant	28%
	At the end of fourth year from the date of grant	60%
	The movement of the option is summarised below:	

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	382,500	44.20	–	–
Granted during the year	–	–	382,500	44.20
Lapsed during the year	1,600	44.20	–	–
Forfeited during the year	69,200	44.20	–	–
Exercised during the year	5,450	44.20	–	–
Outstanding at the end of the year	306,250	44.20	382,500	44.20

The weighted average fair value of the option as on the grant date is Rs. 89.51 (March 31, 2018: Rs. 89.35) and weighted average contractual life of the option as at March 31, 2019 is 3.51 years (March 31, 2018: 3.46 years).

The weighted average fair value of stock options granted was Rs 155.82 Lacs (March 31, 2018: Rs 91.96 Lacs). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

The share prices on the date of exercise are:

Date of Exercise	**Share Price (Rs.)**
June 20, 2018	96.35
September 12, 2018	87.20

	Grant Date-May 19, 2017			
Share price (Rs)	122.80	122.80	122.80	122.80
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	6.70%	6.70%	6.70%	6.70%
Expected volatility	35.68%	47.71%	54.92%	55.08%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

Tranche 2 - Second Allotment

d)	Vesting period	As stated below
	Exercise period	Within a period of 6 months from the date of vesting
	Grant Date	November 9, 2017
	Exercise price	Rs 44.20
	Market price at 9th November 2017	Rs 146.75
	The vesting schedule of the options is as follows:	
	At the end of first year from the date of grant	2%
	At the end of second year from the date of grant	10%
	At the end of third year from the date of grant	28%
	At the end of fourth year from the date of grant	60%

The movement of the option is summarised below:

	For the year ended March 31, 2019		For the year ended March 31, 2018	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	55,000	44.20	–	–
Granted during the year	–	–	55,000	44.20
Forfeited during the year	25,000	44.20	–	–
Exercised during the year	600	44.20	–	–
Outstanding at the end of the year	29,400	44.20	55,000	44.20

The weighted average fair value of the option as on the grant date is Rs. 112.20 (March 31, 2017: Rs. 112.07) and weighted average contractual life of the option as at 31 March 2019 is 3.51 years (March 31, 2018: 3.46 years).

The weighted average fair value of stock options granted was Rs 13.66 Lacs (March 31, 2018: Rs 7.50 Lacs). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

The share prices on the date of exercise are:

Date of Exercise	Share Price (Rs.)
December 12, 2018	74.70

	Grant Date-November 9, 2017			
Share price (Rs)	146.75	146.75	146.75	146.75
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	6.50%	6.50%	6.50%	6.50%
Expected volatility	35.68%	47.71%	54.92%	55.08%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

The expected life of the stock Option is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

During the year ended the Parent Company recorded an employee compensation expense of Rs 133.01 Lacs (March 31, 2018: Rs.288.56 Lacs) in the Statement of Profit and loss.

35 Leases

Certain office premises, land and machineries are obtained by the Group on operating lease. The lease term is for 1-10 years and renewable for further period on mutual consent. These are cancellable by giving a notice period ranging from one month to three months. Lease agreements have price escalation clause and rent is not based on any contingencies. There is no restriction under the lease agreement. There are no subleases. The aggregate lease rentals are charged as 'Rent and Hire Charges' in Note 28

36 Commitments

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	196.20	222.73

37 Contingent Liabilities

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
(i) Claims against the Group not acknowledged as debt		
Disputed claims contested by the Group and pending at various courts/arbitration*	3,720.24	3,834.35
Matters under appeal with:		
Sales tax authorities	1,350.81	1,275.95
Income tax authorities	316.06	359.28
Customs and Excise Authorities	21,646.86	15,016.94
Custom Duty on import of equipments and spare parts under EPCG scheme	1,193.25	1,193.25
	28,227.22	**21,679.77**

* Includes Rs 1,360.45 Lacs (March 31, 2018: Rs 1,360.45 Lacs) in respect of Cimmco Limited, a subsidiary which in terms of BIFR order, even if decided against the subsidiary, would stand at Rs 136.04 Lacs (March 31, 2018: Rs 136.04 Lacs) only.

In respect of above cases based on favourable decisions in similar cases/legal opinions taken by the Group/discussions with the solicitors etc., the management is of the opinion that it is possible, but not probable, that the action will succeed and accordingly no provision for any liability has been made in the consolidated financial statements.

In respect of above contingent liabilities, it is not practicable for the Group to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the above.

(ii) Further in case of Cimmco Limited (Cimmco), a subsidiary:

(a) Cimmco, a subsidiary had in earlier years (prior to lockout and take-over by the present promoter group), obtained certain advance licenses for making duty free import of inputs subject to fulfilment of export obligation (EO) within the specified time limit from the date of issuance of such licences. Due to the closure of the factory and cancellation of the export orders, Cimmco could not fulfil the entire export obligation within the permitted time limit. Subsequently, Cimmco, a subsidiary was referred to the Board for Industrial and Financial Reconstruction ("BIFR") vide case No. 372/2000 dated November 27, 2000 wherein a rehabilitation package was sanctioned by the BIFR on March 31, 2010. Pursuant to the rehabilitation scheme, Cimmco, a subsidiary made an application to the Policy Relaxation Committee (PRC) of the Department of Foreign Trade for extension of the EO by further 8 years. The Zonal Director General of Foreign Trade (DGFT) vide its letter dated December 21, 2010 had extended the EO period upto March 31, 2016. Based on the details available with Cimmco regarding the imports made prior to the lock out and as per its best estimates, Cimmco, a subsidiary had made necessary payments to the tune of Rs 85.00 lacs for the unfulfilled export obligation and for the balance licenses a liability of Rs 11.00 lacs has been made in FY 2017-18. However, in absence of complete list of licenses alongwith the imports made against each license the amount of contingent liability towards custom duty saved on unfulfilled export obligations and penal interest if any, is presently unascertainable.

(b) SBI Caps has raised an invoice of Rs 1,128.95 lacs on Cimmco, a subsidiary on account of disallowance of depreciation by the income tax authorities on the wagons leased by SBI Caps to Cimmco, a subsidiary which in turn has been sub leased by Cimmco, a subsidiary to Indian Railways. The same pertains to the assessment year 1998-99 to 2004-05 (period prior to change of management in terms of the BIFR order) and the matter is pending with ITAT Mumbai. As per the separate lease agreements entered between SBI CAPS, Cimmco, a subsidiary and Indian Railways, any claims, charges, duties taxes and penalties as may be levied by the Government or any other authority pertaining to leased wagons shall be borne by the Indian Railways. Considering the above terms contained in the above agreements and also favourable ITAT judgements regarding the admissibility of the depreciation on the leased assets Cimmco, a subsidiary believes that there would not be any liability that would crystalise on account of the above.

(iii) Further in case of Titagarh Capital Private Limited, a subsidiary:

By an Equipment Lease Agreement (hereinafter, "PLA 1") dated May 21, 1997 executed between IDBI Bank Limited (the "Lessor" therein) and Cimmco, a subsidiary Birla Limited (the "Lessee" therein), 687 BOXN Wagons were granted on lease to Cimmco, a subsidiary for a fixed non-cancellable period of 10 years on the terms and conditions recorded in the said agreement. By another Equipment Lease Agreement (hereinafter, "PLA 2") dated 17th October, 1997 executed between SBI Leasing Group (the "Lessor" therein) and Cimmco (the "Lessee" therein), 200 BCNA Wagons were granted on lease to Cimmco, a subsidiary for a fixed non-cancellable period of 10 years on the terms and conditions recorded in the said agreement.

Thereafter on 28th May, 1997, Cimmco, a subsidiary entered into a sub-lease agreement (hereinafter, "SLA 1") in respect of the said 687 BOXN Wagons with the Executive Director, Ministry of Railways, Railway Board (the "sub-lessee" therein) for a fixed non-cancellable period of 10 years with effect from the date of delivery. Similarly on October 20, 1997, Cimmco, a subsidiary entered into a sub-lease agreement (hereinafter, "SLA 2") in respect of the said 200 BCNA Indian Railways for a fixed non-cancellable period of 10 years.

The terms and conditions of both SLAs 1 and 2 were substantially similar to that of the PLAs 1 and 2. On the expiry of the respective fixed period of the lease, both PLAs 1 and 2 were renewable at the option of Cimmco, a subsidiary (the "lessee") on a year to year basis on the same terms and conditions as those contained in the respective PLAs except the lease rentals. Similarly, both SLAs were renewable, on the expiry of the respective fixed period of the lease, at the option of the Railways (the "sub-lessee") on a year to year basis for the secondary period on the same terms and conditions as those contained in the SLA save and except the sub-lease rentals.

In terms of Clause 2.12 of PLA 1, Cimmco, a subsidiary exercised its option for renewal after the expiry of the fixed period of the lease, and thus the PLA in respect of 687 BOXN Wagons was renewed by IDBI for 10 years by an agreement executed on 17th September, 2009 with effect from 30th September, 2007 upto 31st March, 2019, on rake to rake basis progressively. Similarly in terms of Clause 1.6 of PLA 2, Cimmco, a subsidiary exercised its option for renewal after the expiry of the fixed period of the lease, and thus the PLA in respect of 200 BCNA Wagons was renewed by SBI Leasing for 10 years by an agreement executed on December 31, 2013 with effect from September 30, 2007 upto March 31, 2019, on rake to rake basis progressively.

However, even after the expiry of the fixed period of 10 years, Indian Railway did not exercise their option to renew the respective SLAs 1 and 2 despite continuing to use the wagons without making any payment of the lease rental for the secondary period.

By a deed of transfer and deed of assignment both dated September 24, 2009, Titagarh Capital Private Limited, a subsidiary (hereinafter, "TCPL") purchased/ acquired from IDBI, ownership of 687 BOXN wagons along with all the existing and future rights, interests, advantages, benefits and privileges of IDBI under PLA 1. Pursuant to the execution of the aforementioned agreements, TCPL, a subsidiary became the absolute owner of the 687 nos. BOXN Wagons and also became entitled to receipt of the lease rentals and/or user charges in respect of the said 687 nos. BOXN Wagons.

Further by an Agreement to Transfer the Reversionary Rights dated December 31, 2013 SBI Leasing Group sold/transferred the 200 BCNA Wagons to Cimmco, a subsidiary and there under assigned all the existing and future rights, interests, advantages, benefits and privileges of SBI Leasing Group under the PLA 2 dated October 17, 1997 as renewed on December 30, 2013 to Cimmco, a subsidiary. Subsequently, TCPL, a subsidiary by a Deed of Transfer, Assignment and Novation dated March 31, 2014 purchased/ acquired from Cimmco, a subsidiary ownership of 200 BCNA wagons along with all the existing and future rights, interests, advantages, benefits and privileges of SBI Leasing under the PLA 2 read with the agreement to transfer the reversionary rights dated December 31, 2013.

Due to the non-payment of the lease rental for the secondary period despite repeated requests, TCPL, a subsidiary filed a Civil Suit against Cimmco, a subsidiary before the Hon'ble High Court of Calcutta seeking immediate re-possession of the 687 BOXN Wagons and recovery of the entire amount of the outstanding lease rentals together with interest thereon. In the said proceedings, the Railways were added as a party at their own prayer

Hon'ble High Court of Calcutta passed an interim order directing the Indian Railways to deposit the user charges for the Wagons at the rate of rent last paid by them in 2007, from the day after expiry of the lease till March 31, 2014, which order was partially modified by Division Bench of Hon'ble High Court of Calcutta based on appeal filed by Indian Railway and interest @ 12% was also directed to be paid by Indian Railways.

Being aggrieved by the Order, Railways preferred to file a Special Leave to Petition before the Hon'ble Supreme Court of India and the Hon'ble Supreme Court, with the consent of the parties vide its order dated September 17, 2015, disposed of the SLP by referring all the disputes relating to 687 BOXN Wagons and 200 BCNA Wagons, total 887 Wagons, to the sole Arbitration of Hon'ble Mr. Justice (Retd.) S.S.Nijjar.

In view of ultimate claim against the Railways, TCPL, a subsidiary and Cimmco, a subsidiary jointly filed claim aggregating Rs. 2,582.32 Lacs - before the Ld. Sole Arbitrator and have also sought Payment by Railways of the user charges for the 687 BOXN Wagons and 200 BCNA Wagons for the period after the expiry of the primary lease period till the date of realization along with interest at the rate of 22% per annum for delayed payment of user charges for the 687 BOXN Wagons and 200 BCNA Wagons till the date of realization and also a direction on Railways to return possession of the 687 BOXN Wagons and 200 BCNA Wagons and order of injunction restraining the Railways from using the Wagons.

Indian Railways have filed their counter claim seeking to acquire ownership and title of the wagons at the residual value of 1% of the cost of acquisition.

In the arbitration proceedings, the final arguments have been completed by both the parties on November 26, 2018 and in terms of the directions passed by the Ld. Arbitrator, the written submissions have been filed by the Claimants

During the legal proceedings before the various forum, Railways have specifically admitted to their willingness to make payment of the lease rentals for the secondary lease period. The award is awaited.

As on 31st March 2019, the amount of claim before the Sole Arbitrator works out to Rs. 2,151.82 Lacs (March 31, 2018: Rs.1,669.85 Lacs) on account of Secondary lease rental for 887 wagons and Rs. 3,140.26 Lacs (March 31, 2018: Rs.2,482.83 Lacs) on amount of interest computed @ 22% per annum as per terms of the Agreement. The realizable value of 887 wagons (based on management assessment) works out to Rs. 4,239.58 Lacs (March 31, 2018: Rs.4,664.94 Lacs).

TCPL, a subsidiary is hopeful of favourable outcome, supported by legal opinion, on conclusion of arbitration proceeding and delivery of arbitration award. However, since the matter is under arbitration, as matter of prudence, TCPL, a subsidiary has not accounted for these income in its books

38 Information relating to Micro and Small Enterprises (MSEs):

Rs. in Lacs

		As at March 31, 2019	As at March 31, 2018
(i)	The Principal amount and Interest due thereon remaining unpaid to any supplier at the end of the accounting year		
	Principal	80.12	36.01
	Interest	–	0.01
(ii)	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.		
	Principal	–	–
	Interest	–	–
(iii)	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	–	–
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.		
	Principal	645.86	105.21
	Interest	2.52	1.09
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	2.52	2.63

The above particulars, as applicable, have been given in respect of MSEs to the extent they could be identified on the basis of the information available with the Group.

39 Revenue from Operations-Sale of Finished Goods (Note 21) and Other Expenses - Provision for Liquidated Damages (Note 28) includes following adjustment in a subsidiary Company:

- Nil (March 31, 2018: Rs 2,127.35 Lacs) netted off in Revenue from Operations and Nil (March 31, 2018: Rs. 1,006.56 Lacs) included in Other Expenses on account of re-estimation of certain long-term contracts that were inherited by the subsidiary. The above re-estimation has resulted into increase in the total cost of the contract as compared to the original estimates at the time of acquisition of the subsidiary company.
- Nil (March 31, 2018: Rs 4,963.29 lacs) (excluding write back of provision on other contracts) included in Other Expenses - Provision for Liquidated Damages (Note 28) being the one-time provision made for penalty which is likely to arise due to expected delay in supply of trains against contracts that were inherited. Considering the various circumstances that led to the delay, while Management is in active negotiation with the customer to renegotiate and reduce the total amount of this penalty, and the final amount will be known on conclusion of the negotiation, however, as a matter of prudence necessary provision towards the above penalties has been made in the books of accounts.

40 Segment Information

The Parent Company's Board of Directors being the Chief Operating Decision Maker examines the Group's performance on the basis of its business and has identified the following reportable segments:

a) Wagons & Coaches – Consists of manufacturing of wagons, coaches, bogies, couplers and crossings as per customer specification.

b) Specialised Equipments & Bridges - Consists of bailey / other modular bridges, nuclear biological shelters and other defence related products

c) Shipbuilding - Consists of manufacturing of barges, research vessels and other fabrication of blocks

d) Others - Consists of miscellaneous business like heavy earth moving machineries, tractors, etc which comprises less than 10% revenue on individual basis.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's borrowings (includes finance costs), income taxes, investments and derivative instruments are managed at head office and are not allocated to operating segments.

Segment revenue is measured in the same way as in the Statement of Profit and Loss.

Segment assets and liabilities are measured in the same way as in the consolidated financial statements. These assets and liabilities are allocated based on the operations of the segment and the physical location of assets.

Information about Operating Segments

For the year ended March 31, 2019

Rs. in Lacs

	Wagons & Coaches	Specialised Equipments & Bridges	Shipbuilding	Others	Total
Revenue from Operations					
Segment Revenue (External)	**150,538.42**	**7,352.70**	**13,151.65**	**34.73**	**171,077.50**
Segment Profit/(Loss)*	**(799.66)**	**978.27**	**3,195.69**	**(222.47)**	**3,151.83**
Unallocated (Income) / Expenses					
Finance Costs					5,426.05
Interest Income					(656.25)
Depreciation and Amortisation Expense					52.89
Other Corporate Income					(823.49)
Other Corporate Expenses					4,702.04
Loss before Taxes					**(5,549.41)**
Tax Expenses (Credit)					(3,296.80)
Loss for the Year					**(2,252.61)**
Material Non-cash (Income) / Expenses:					
Depreciation and Amortisation Expense	3,180.22	60.14	186.46	135.08	3,561.90
Provision for Doubtful Debts and Advances	316.96	37.47	–	–	354.43
Unspent Liabilities / Provisions No Longer Required Written Back	(363.90)	–	–	119.39	(244.51)
Segment Assets	**228,893.96**	**4,792.26**	**7,672.36**	**1,010.91**	**242,369.49**

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

Rs. in Lacs

	Wagons & Coaches	Specialised Equipments & Bridges	Shipbuilding	Others	Total
Unallocated Assets					
Investments					8,658.05
Cash and Cash Equivalents					9,865.25
Other Bank Balances					2,081.27
Non-current / Current Tax Assets (Net)					2,848.70
Deferred Tax Assets (Net)					3,469.76
Other Unallocated Assets					2,333.21
Total Assets					**271,625.73**
Segment Liabilities	**84,433.78**	**1,664.53**	**1,093.40**	**158.89**	**87,350.60**
Unallocated Liabilities					
Deferred Tax Liabilities (Net)					2,879.69
Borrowings					90,522.05
Current Tax Liabilities (Net)					100.82
Other Unallocated Liabilities					1,892.86
Total Liabilities					**182,746.02**
*Including exceptional item (Refer Note 29)					
For the year ended March 31, 2018					
Revenue from Operations					
Segment Revenue (External)	118,668.96	4,150.84	3,516.72	807.32	127,143.84
Segment Profit/(Loss)*	**(11,553.80)**	**357.47**	**549.08**	**(1,780.82)**	**(12,428.07)**
Unallocated (Income) / Expenses					
Finance Costs					2,857.44
Interest Income					(196.48)
Depreciation and Amortisation Expense					372.47
Other Corporate Income					(1,084.29)
Other Corporate Expenses					2,340.38
Profit before Taxes					**(16,717.59)**
Tax Expenses (Credit)					(1,994.16)
Profit for the year					**(14,723.43)**
Non-cash (Income) / Expenses:					
Depreciation and Amortisation Expense	4,410.56	3.83	46.17	250.55	4,711.11
Provision for Doubtful Debts and Advances	486.27	107.57	27.24	19.50	640.58
Unspent Liabilities / Provisions No Longer Required Written Back	(493.08)	–	–	(4.74)	(497.82)
Segment Assets	**235,889.32**	**7,252.16**	**6,121.34**	**1,154.03**	**250,416.85**

Rs. in Lacs

	Wagons & Coaches	Specialised Equipments & Bridges	Shipbuilding	Others	Total
Unallocated Assets					
Investments					8,241.59
Cash and Cash Equivalents					5,840.23
Other Bank Balances					1,531.47
Non-current / Current Tax Assets (Net)					2,703.75
Deferred Tax Assets (Net)					3,076.72
Other Unallocated Assets					149.01
Total Assets	**271,959.62**				
Segment Liabilities	**98,399.17**	**2,259.30**	**7,182.45**	**462.79**	**108,303.71**
Unallocated Liabilities					
Deferred Tax Liabilities (Net)					6,391.41
Borrowings					62,749.53
Current Tax Liabilities (Net)					1,882.90
Other Unallocated Liabilities					809.21
Total Liabilities					**180,136.76**

Entity-wide Disclosures:

(a) The Parent Company is domiciled in India. The amount of Group's revenue from external customers broken down by location of the customers is shown below:-

Rs in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
India	99,137.67	38,029.88
Italy	47,650.73	58,030.89
France	15,148.66	28,044.97
Rest of the World	9,140.44	3,038.10
Total	**171,077.50**	**127,143.84**

(b) Non-current assets (excluding Financial Assets) by location of assets is shown below:

Rs in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
India	64,239.32	61,686.24
Italy	26,497.23	26,312.52
France	9,677.11	12,650.24
Total	**100,413.66**	**100,649.00**

(c) Total revenue from external customers includes sales to Indian Railways of Rs 54,339.01 Lacs (March 31, 2018: Rs 14,398.07 Lacs) and Regione Campania of Rs. 21,245.86 Lacs (March 31, 2018: Rs 21,238.84 Lacs) which represents more than 10% of the total revenue from external customers of the Group.

41. Related Party Disclosures

Names of Related Parties and Related Party Relationship

Other Related Parties with whom transactions have taken place during the year:

Joint Venture Companies:	Matiere Titagarh Bridges Pvt Ltd Titagarh Mermec Private Limited (Jointly controlled Entity w.e.f May 17, 2018)
Key Management Personnel (KMPs):	Mr. J P Chowdhary – Executive Chairman Mr. Umesh Chowdhary – Vice Chairman & Managing Director Mr. Dharmendar Nath Davar - Independent Director Mr. Manoj Mohanka - Independent Director Mrs. Rashmi Chowdhary - Non-Executive Director Mr. Ramsebak Bandyopadhyay - Independent Director (w.e.f. August 10, 2017) Mr. Atul Ravishanker Joshi - Independent Director (w.e.f. January 24, 2018) Mr. Sunirmal Talukdar - Independent Director (upto October 13, 2018) Mr. Sudipta Mukherjee - Director (Whole-time Director) Mr. Anil Kumar Agarwal - Chief Financial Officer Mr. Dinesh Arya - Company Secretary
Close Family Members of the KMPs:	Ms. Savitri Devi Chowdhary, Wife of Mr. J P Chowdhary Ms. Rashmi Chowdhary, Wife of Mr. Umesh Chowdhary Ms. Vinita Bajoria, Daughter of Mr. J P Chowdhary Ms. Sumita Kandoi, Daughter of Mr. J P Chowdhary Mrs. Bimla Devi Kajaria, Mother of Mrs. Rashmi Chowdhary
Enterprises over which KMP/ Shareholders/ Close Family Members of the KMPs have significant influence:	Titagarh Capital Management Services Private Limited Titagarh Enterprises Limited Titagarh Industries Limited Tecalemit Industries Limited (since merged with Traco International Investment Private Limited)

Details of transactions between the Group and Related Parties and outstanding balances as at the year end are given below:

Rs. in Lacs

Nature of transactions	Year	Joint Venture	Enterprises over which KMP/share-holders/close family member of the KMPs significant influence	KMPs	Relatives of KMPs	Total
In relation to the Consolidated Statement of Profit and Loss						
Purchase of Raw Materials and Components						
Titagarh Industries Limited	2018-19 2017-18	– –	– 28.86	– –	– –	– 28.86
Reimbursement of Expenses Received						
Titagarh Enterprises Limited	2018-19 2017-18	– –	24.88 15.34	– –	– –	24.88 15.34
Rent Paid to						
Titagarh Enterprises Limited	2018-19 2017-18	– –	246.76 228.40	– –	– –	246.76 228.40
Rent Income from						
Matiere Titagarh Bridges Pvt Ltd	2018-19 2017-18	3.54 3.00	– –	– –	– –	3.54 3.00
Dividend paid to						
Ms. Savitri Devi Chowdhary	2018-19 2017-18	– –	– –	– –	54.35 144.93	54.35 144.93
Ms. Rashmi Chowdhary	2018-19 2017-18	– –	– –	38.45 102.53	– –	38.45 102.53

Rs. in Lacs

Nature of transactions	Year	Joint Venture	Enterprises over which KMP/share-holders/close family member of the KMPs significant influence	KMPs	Relatives of KMPs	Total
Mr. J P Chowdhary	2018-19 2017-18	– –	– –	0.47 1.25	– –	0.47 1.25
Mr. Umesh Chowdhary	2018-19 2017-18	– –	– –	0.23 0.62	– –	0.23 0.62
Ms. Vinita Bajoria	2018-19 2017-18	– –	– –	– –	* *	* *
Ms. Sumita kandoi	2018-19 2017-18	– –	– –	– –	* *	* *
Mr. Anil Agarwal	2018-19 2017-18	– –	– –	0.08 0.10	– –	0.08 0.10
Mr. Dinesh Arya	2018-19 2017-18	– –	– –	0.04 0.05	– –	0.04 0.05
Mr. Sudipta Mukherjee	2018-19 2017-18	– –	– –	0.04 0.10	– –	0.04 0.10
Titagarh Capital Management Services Private Limited	2018-19 2017-18	– –	65.01 173.36	– –	– –	65.01 173.36
Bimla Devi Kajaria	2018-19 2017-18	– –	– –	– –	0.01 0.01	0.01 0.01
*Amounts are below the rounding off norm adopted by the Group.						
In relation to the Consolidated Statement of Profit & Loss						
Remuneration (Excluding Employee Stock Option Expense) [Refer (b) below]						
Mr. J P Chowdhary	2018-19 2017-18	– –	– –	257.28 257.28	– –	257.28 257.28
Mr. Umesh Chowdhary	2018-19 2017-18	– –	– –	257.28 257.28	– –	257.28 257.28
Ms. Vinita Bajoria	2018-19 2017-18	– –	– –	– –	27.64 27.64	27.64 27.64
Mr. Anil Agarwal	2018-19 2017-18	– –	– –	58.51 64.34	– –	58.51 64.34
Mr. Dinesh Arya	2018-19 2017-18	– –	– –	25.59 26.32	– –	25.59 26.32
Mr. Sudipta Mukherjee	2018-19	–	–	36.14	–	36.14
Employee Stock Option Expense	2017-18	–	–	40.73	–	40.73
Mr. Anil Agarwal	2018-19 2017-18	– –	– –	20.25 24.06	– –	20.25 24.06
Mr. Sudipta Mukherjee	2018-19 2017-18	– –	– –	20.25 24.06	– –	20.25 24.06
Mr. Dinesh Arya	2018-19	–	–	11.44	–	11.44
Sitting Fees to Directors	2017-18	–	–	13.23	–	13.23
Mr. Dharmendar Nath Davar	2018-19 2017-18	– –	– –	4.50 7.60	– –	4.50 7.60

Notes to the Consolidated Financial Statements as at and for the year ended March 31, 2019

Rs. in Lacs

Nature of transactions	Year	Joint Venture	Enterprises over which KMP/share-holders/close family member of the KMPs significant influence	KMPs	Relatives of KMPs	Total
Mr. Manoj Mohanka	2018-19 2017-18	– –	– –	8.50 8.40	– –	8.50 8.40
Mr. Atul Ravishanker Joshi	2018-19 2017-18	– –	– –	5.30 1.20	– –	5.30 1.20
Mr. Ramsebak Bandyopadhyay	2018-19 2017-18	– –	– –	7.90 4.40	– –	7.90 4.40
Mrs. Rashmi Chowdhary	2018-19 2017-18	– –	– –	1.20 2.00	– –	1.20 2.00
Mr. Sunirmal Talukdar	2018-19 2017-18	– –	– –	2.95 7.63	– –	2.95 7.63
Mrs. Vinita Bajoria	2018-19 2017-18	– –	– –	– –	1.20 1.00	1.20 1.00
Mr. Anil Agarwal	2018-19 2017-18	– –	– –	0.40 0.60	– –	0.40 0.60
Mr. Dinesh Arya	2018-19 2017-18	– –	– –	0.40 0.28	– –	0.40 0.28
Legal and Professional Fees						
Mr. Dharmendar Nath Davar	2018-19 2017-18	– –	– –	1.20 2.92	– –	1.20 2.92
In relation to the Consolidated Balance Sheet						
Investment Made						
Matiere Titagarh Bridges Pvt Ltd	2018-19 2017-18	– 74.99	– –	– –	– –	– 74.99
Security Deposit Given						
Titagarh Enterprises Ltd	2018-19 2017-18		57.10 57.10			57.10 57.10
Balances Outstanding as at the Year end						
Charges Recoverable						
Matiere Titagarh Bridges Pvt Ltd	2018-19 2017-18	1.96 72.66	– –	– –	– –	1.96 72.66
Advances Recoverable in Cash or Kind						
Mr. Anil Agarwal	2018-19 2017-18	– –	– –	34.50 34.50	– –	34.50 34.50
Advances from Customers						
Matiere Titagarh Bridges Pvt Ltd	2018-19 2017-18	41.05 41.05	– –	– –	– –	41.05 41.05
Investments made						
Matiere Titagarh Bridges Pvt Ltd	2018-19 2017-18	39.49 43.13	– –	– –	– –	39.49 43.13
Titagarh Enterprises Limited	2018-19 2017-18	– –	2,752.97 2,339.42	– –	– –	2,752.97 2,339.42
Tecalemit Industries Limited	2018-19 2017-18	– –	24.22 22.82	– –	– –	24.22 22.82
Titagarh Industries Limited	2018-19 2017-18	– –	31.02 30.83	– –	– –	31.02 30.83

Rs. in Lacs

Nature of transactions	Year	Joint Venture	Enterprises over which KMP/share-holders/close family member of the KMPs significant influence	KMPs	Relatives of KMPs	Total
Employee Related Liabilities						
Mr. J P Chowdhary	2018-19 2017-18	– –	– –	12.10 –	– –	12.10 –
Mr. Umesh Chowdhary	2018-19 2017-18	– –	– –	12.14 –	– –	12.14 –
Ms. Vinita Bajoria	2018-19 2017-18	– –	– –	– –	1.56 –	1.56 –
Mr. Anil Agarwal	2018-19 2017-18	– –	– –	1.88 –	– –	1.88 –
Mr. Dinesh Arya	2018-19 2017-18	– –	– –	1.23 –	– –	1.23 –
Mr. Sudipta Mukherjee	2018-19 2017-18	– –	– –	1.99 –	– –	1.99 –
Security Deposit						
Titagarh Enterprises Limited	2018-19 2017-18	– –	114.20 57.10	– –	– –	114.20 57.10
Trade Payables						
Titagarh Enterprises Limited	2018-19 2017-18	– –	20.57 20.55	– –	– –	20.57 20.55
Titagarh Industries Limited	2018-19 2017-18	– –	– 0.21	– –	– –	– 0.21

Notes :

a) **Terms and Conditions of Transactions with Related Parties :** Transactions relating to dividend were on the same terms and conditions that applied to other shareholders. The sales/services to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest-free and settlement occurs in cash. The Group has not recorded any impairment of receivables relating to amounts owed by related parties. This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.

Rs in Lacs

b) Remuneration of Key Management Personnel	For the year ended March 31, 2019	For the year ended March 31, 2018
Short-term employee benefits	593.11	603.02
Contribution to provident and other funds	41.69	42.93
Share-based payment transactions	51.94	61.35
	686.74	**707.30**

The remuneration to key management personnel does not include provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Parent Company and the subsidiary as a whole.

42 Fair Values

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between level 1 and level 2 fair value measurements during the year ended March 31, 2019 and March 31, 2018.

Rs. in Lacs

		Level 2	Level 3	Total
Quantitative disclosures Fair Value Measurement hierarchy for Assets:	**Date of Valuation**			
Assets Measured at Fair Value:				
Investments	March 31, 2019	–	2,838.35	2,838.35
	March 31, 2018	–	2,421.89	2,421.89
Total Financial Assets		**–**	**5,260.24**	**5,260.24**
Quantitative disclosures Fair Value Measurement hierarchy for Liabilities:				
Liabilities Measured at Fair Value:				
Liability for Derivatives	March 31, 2019	231.70	–	231.70
	March 31, 2018	1,763.70	–	1,763.70
Total Financial Liabilities		**1,995.40**	**–**	**1,995.40**

(ii) Fair value measurements using significant unobservable inputs (Level 3)

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy - (FVTPL assets in unquoted equity shares/units valued using Discounted Cash Flow method) together with a quantitative sensitivity analysis as at March 31, 2019 and March 31, 2018 are as shown below:

Rs. in Lacs

	March 31, 2019	March 31, 2018
Significant Unobservable Input - Weighted Average Cost of Capital		
Impact of 1% Increase	245.06	195.58
Impact of 1% Decrease	336.59	268.61
Significant Unobservable Input - Circle Rate for land owned by the respective Investee Company	**March 31, 2019**	**March 31, 2018**
Impact of 5% Increase	68.59	70.94
Impact of 5% Decrease	68.59	70.94

(iii) Reconciliation of fair value measurement of financial instruments classified as FVTPL assets:

Rs. in Lacs

	Investment in unquoted equity shares
Closing Balance as on March 31, 2017	**2,396.83**
Re-measurement recognised in Consolidated Statement of Profit and Loss	25.06
Closing Balance as on March 31, 2018	**2,421.89**
Re-measurement recognised in Consolidated Statement of Profit and Loss	416.46
Closing Balance as on March 31, 2019	**2,838.35**

(iv) Fair value of financial assets and liabilities

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2018.

The methods and assumptions were used to estimate the fair values:

(a) The fair value of derivative instruments are determined using market observable rates and published prices together with forecasted cash flow information, where applicable.

(b) The management assessed that the carrying amount of Long-term Borrowings which are at floating interest rates are a reasonable approximation of their fair values and the difference between the carrying amounts and fair values is not expected to be significant.

(c) The management assessed that the fair values of remaining financial assets and liabilities at amortised cost approximate to their carrying amounts largely due to the short-term maturities of these instruments.

(d) For financial assets / liabilities carried at fair value, the carrying amounts are equal to their fair values.

(e) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimate technique. Therefore, for substantially all financial instruments, the fair value estimates are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

43 Financial Risk Management Objectives and Policies

The Group's financial liabilities comprise borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets include trade and other receivables, cash and cash equivalents, investments, loans and deposits and other financial assets.

The Parent Company's Board of Directors ensures that risks are identified, measured and managed in accordance with Risk Management Policy of the Group. The Board of Directors also review these risks and related risk management policy which are summarised below:

I) Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk and other price risk, such as commodity price risk and equity price risk and interest rate risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, borrowings, other receivables etc

(i) Foreign currency risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities and borrowings. Such foreign currency exposures are primarily hedged by the Group through use of foreign exchange forward contracts. The Group has a treasury team which monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the Group, and any additional remedial measures to be taken.

The Group's foreign currency exposure at the end of the reporting period are as follows:

Rs in Lacs

Particulars	March 31, 2019 NPR	March 31, 2019 USD	March 31, 2019 EURO	March 31, 2018 USD	March 31, 2018 EURO
Financial Assets					
Trade Receivables	35.51	1,206.58	1,371.00	–	1,706.06
Other Financial Assets	–	–	582.00	–	7,681.15
Derivative Assets					
Foreign exchange forward contracts	–	(603.48)	–	(4,424.56)	(9,685.68)
Net exposure to Foreign Currency Risk (Assets)	**35.51**	**603.10**	**1,953.00**	**(4,424.56)**	**(298.47)**
Financial Liabilities					
Borrowings	–	–	–	12,553.61	712.97
Trade Payables	–	1,033.39	552.15	552.14	50.42
Derivative Liabilities					
Foreign Exchange Forward Contracts and Currency and Interest Rate Swap	–	(1,031.21)	(197.21)	(14,520.36)	(923.39)
Net exposure to Foreign Currency Risk (Liabilities)	**–**	**2.18**	**354.94**	**(1,414.61)**	**(160.00)**
Net exposure to Foreign Currency Risk (Assets less Liabilities)	**35.51**	**600.92**	**1,598.06**	**(3,009.95)**	**(138.47)**

Foreign Currency Sensitivity

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

	Changes in Euro rate	Foreign currency (Payable) / Receivable (net)	Effect on Profit before Tax	Changes in USD rate	Foreign currency (Payable) / Receivable (net)	Effect on Profit before Tax
	%	Rs. in Lacs	Rs. in Lacs	%	Rs. in Lacs	Rs. in Lacs
March 31, 2019	5% -5%	1,598.06 –	79.90 (79.90)	5% -5%	600.92 –	30.05 (30.05)
March 31, 2018	5% -5%	(138.47) –	(6.92) 6.92	5% -5%	(3,009.95) –	(150.50) 150.50

	Changes in NPR rate	Foreign currency (Payable) / Receivable (net)	Effect on Profit before Tax
	%	Rs. in Lacs	Rs. in Lacs
March 31, 2019	5% -5%	35.51 –	1.78 (1.78)
March 31, 2018	5% -5%	– –	– –

(ii) Equity price risks

Equity price risk is the risk that the fair value of 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 instrument or its issuer, or by factors affecting all similar financial instruments traded in the market.

The Group only invests in the equity shares of some of the group companies as part of the Group's overall business strategy and policy. The Group manages the equity price risk through placing limits on individual and total equity investment in each of group companies based on the respective business plan of each of the companies. Reports on the investment portfolio alongwith the financial performance of the group companies are submitted to the Group's management on a regular basis. The Parent Company's Board of Directors reviews and approves all investment decisions.

The Group's investment in quoted equity instruments is not material. For sensitivity analysis of Group's investments in equity instruments, Refer Note 42(ii).

(iii) Interest rate risks

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to risk of changes in market interest rates relates primarily to the Group's debt interest obligation. Further the Group engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings. The Group continuously monitor the situation and takes remedial actions if required.

The Group manages its cash flow interest rate risk inter alia by using floating-to-fixed interest rate swaps. The Group's investments in bonds and term deposits with banks are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Interest rate risk exposure

The exposure of the Group' s borrowings to interest rate changes at the end of the reporting period are as follows:

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Variable Rate Borrowings - Covered by Interest Rate Swap	10,354.95	11,521.95
Variable Rate Borrowings - Others	79,294.73	49,131.84
Fixed Rate Borrowings	–	1,744.62
Total Borrowings	**89,649.68**	**62,398.41**

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

Rs. in Lacs

	Impact on Profit before Tax	
	As at March 31, 2019	As at March 31, 2018
Impact on Profit before Tax		
Interest Rates - Increase by 100 basis points *	792.95	491.32
Interest Rates - Decrease by 100 basis points *	(792.95)	(491.32)

* Holding all other variables constant and on the assumption that amount outstanding as at reporting dates were utilised for full financial year.

II) Credit Risks

Credit Risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and loans / deposits) and from its investing activities (primarily deposits with banks and investments in tax free bonds). The Group's maximum exposure to credit risk for the components of the Balance Sheet as at March 31, 2019 and March 31, 2018 is their carrying amounts.

(a) Trade and Other Receivables

Customer credit risk is managed by the Group through established policy and procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing. The Group has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

The Group uses specific identification method in determining the allowance for credit losses of trade and other receivables considering historical credit loss experience and is adjusted for forward looking information

Receivables are deemed to be past due or impaired with reference to the Group's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions.

(b) Other Financial Assets and Deposits

Credit Risk from Balances with Banks, deposits, etc. is managed by the Group's finance department. Investments of Surplus funds are made only with approved counterparties in accordance with the Group's policy.

(c) Reconciliation of Impairment Provision

Rs in Lacs

	Claims Receivable#	Loans & Deposits	Trade Receivables	Other Financial Assets
Opening Balance as at March 31, 2017	3,097.53	42.77	203.78	–
Provision made during the year ended March 31, 2018	–	21.68	585.64	24.48
Provision written back during the year ended March 31, 2018	–	–	(170.70)	–
Closing Balance as at March 31, 2018	**3,097.53**	**64.45**	**618.72**	**24.48**
Provision made during the year ended March 31, 2019	–	–	292.88	–
Provision adjusted with corresponding receivable balance during the year ended March 31, 2019	(3,097.53)	–	–	–
Provision written back during the year ended March 31, 2019	–	–	(64.59)	–
Closing Balance as at March 31, 2019	**–**	**64.45**	**847.01**	**24.48**

The impairment provision as disclosed above are based on assumptions about risk of default and expected credit losses rates. The Group uses judgement in making these assumptions based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Refer Note 7(a)

Movement of Liquidated Damages:

Particulars	Liquidated Damages
Opening Balance as at March 31, 2017	**1,581.75**
Provision made during the year ended March 31, 2018	7,989.80
Provision utilized during the year ended March 31, 2018	(407.80)
Opening Balance as at March 31, 2018	**9,163.75**
Provision made during the year ended March 31, 2019	1,551.14
Provision utilized / reversed during the year ended March 31, 2019	(9,771.27)
Closing Balance as at March 31, 2019	**943.62**

III) Liquidity Risks

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The Group has obtained fund and non-fund based working capital lines from various banks. The Group invests its surplus funds in bank fixed deposits, which carry no market risk. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

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

Maturity profile of Financial liabilities

Maturity profile of all financial liabilities is as under:

Rs in Lacs

As at March 31, 2019	1 year	1-3 years	More than 3 years
Non-derivative Financial Liabilities			
Borrowings (including interest thereon)*			
– Revolving Credit Facility	30,347.91	–	–
– Term Loan	5,569.37	22,508.96	41,146.21
Trade Payables	53,515.72	–	–
Other Financial Liabilities	5,007.71	1,613.22	–
Derivative Financial Liabilities			
Derivative Instruments at Fair Value	44.69	187.01	–
	94,485.40	**24,309.19**	**41,146.21**

As at March 31, 2018	1 year	1-3 years	More than 3 years
Non-derivative Financial Liabilities			
Borrowings (including interest thereon)*			
– Revolving Credit Facility	38,920.94	–	–
– Term Loan	11,111.34	8,591.45	12,994.17
Trade Payables	30,630.55	–	–
Other Financial Liabilities	6,256.09	2,900.21	–
Derivative Financial Liabilities			
Derivative Instruments at Fair Value	115.79	–	1,647.91
	87,034.71	**11,491.66**	**14,642.08**

* Includes transaction cost adjustment on borrowings and contractual interest payment based on interest rate prevailing at the end of the reporting period.

44 Capital Management

(a) Risk Management

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

The Group monitors capital on the basis of the net debt to equity ratio. Net debt are borrowings as reduced by cash and cash equivalents. The Group is not subject to any externally imposed capital requirements.

The following table summarises the capital of the Group:

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Total Borrowings	89,649.68	62,398.41
Less: Cash and Cash Equivalents	9,865.25	5,840.23
Net Debt	**79,784.43**	**56,558.18**
Equity	**81,617.57**	**85,466.70**
Total Capital (Equity + Net Debt)	**161,402.00**	**142,024.88**
Net Debt to Equity Ratio	**97.75%**	**66.18%**

(b) Dividends on Equity Shares

Rs in Lacs

	For the year ended March 31, 2019	For the year ended March 31, 2018
Dividend Declared and Paid during the year		
Final Dividend for the year ended March 31, 2018 of Rs. 0.30 (March 31, 2017 - Rs. 0.80) per fully paid share	346.58	923.58
Dividend Distribution Tax on above	70.55	188.02
Proposed Dividend Not recognised at the End of the Reporting Period		
In addition to the above dividend, since year end the directors have recommended the payment of final dividend of Rs. 0.30 (March 31, 2018- Rs. 0.30) per fully paid share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	346.58	346.50
Dividend Distribution Tax on above	70.56	70.55

45 Debt Reconciliation

This section sets out an analysis of debt and the movement in debt during the year :

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Non- current Borrowings	57,558.77	18,725.05
Current Maturities of Long-term Debt	2,651.18	4,752.42
Current Borrowings	29,439.73	38,920.94
Interest accrued	872.37	374.28
Total	**90,522.05**	**62,772.69**

Rs. in Lacs

Particulars	Non-current Borrowings	Current Borrowings	Total
Debt as at March 31, 2017 (including interest accrued)	**19,183.55**	**18,206.23**	**37,389.78**
Finance Costs	971.28	3,434.71	4,405.99
Cash Flows			
Proceeds from Long-term Borrowings from Banks	6,639.54	–	6,639.54
Repayment of Long-term Borrowings from Banks	(2,119.92)	–	(2,119.92)
Short-term Borrowings - Receipts/(Payments)		20,686.29	20,686.29
Finance Costs Paid	(808.49)	(3,434.71)	(4,243.20)
Non-cash Transactions			
Unrealised Foreign Exchange Fluctuation Loss on Borrowings	–	28.42	28.42
Unspent Liabilities / Provisions no longer required Written Back	(14.21)	–	(14.21)
Debt as at March 31, 2018 (including interest accrued)	**23,851.75**	**38,920.94**	**62,772.69**
Finance Costs	2,267.96	4,569.63	6,837.59
Cash Flows			
Proceeds from Long-term Borrowings from Banks	41,172.90	–	41,172.90
Repayment of Long-term Borrowings from Banks	(4,051.29)	–	(4,051.29)
Short-term Borrowings - Receipts/(Payments)	–	(9,245.86)	(9,245.86)
Finance Costs Paid	(1,755.66)	(4,569.63)	(6,325.29)
Non-cash Transactions			
Unrealised Foreign Exchange Fluctuation Loss on Borrowings	(389.13)	(235.35)	(624.48)
Unspent Liabilities / Provisions no longer required Written Back	(14.21)	–	(14.21)
Debt as at March 31, 2019 (including interest accrued)	**61,082.32**	**29,439.73**	**90,522.05**

46 Change in accounting policy

The impact on the retained earnings as at April 01, 2018 as follows:

Effective April 1, 2018, the Group has adopted IND AS 115 "Revenue from Contracts with Customers" using the modified retrospective approach which is applied to contracts that were not completed as of April 1, 2018. The comparatives for the year ended March 31, 2018 have not been restated and accordingly the results for the year ended March 31, 2019 are not comparable with the above periods reported. As a result of adoption of the new standard, an amount of Rs 90.61 lacs (net of tax), has been adjusted against retained earnings as on April 1, 2018. Further, the change in the timing of revenue recognition for certain contracts has following impact on statement of Consolidated Profit and Loss for the year ended March 31, 2019:

Rs in Lacs

Particulars	For the year ended March 31, 2019
Increase/(Decrease) in Revenue from Operations	3,989.19
Decrease/(Increase) in Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap.	(3,516.43)
(Increase) / Decrease in Loss before tax	472.76
(Increase) / Decrease in Tax expense	(165.20)
(Increase) / Decrease in Loss for the period and Total comprehensive income	307.56
(Increase) / Decrease in Loss Per Equity Share (of Rs 10/- each) - Basic and Diluted (Rs.)	0.27

Also refer Note 21 "Revenue from Operations" and note 6 "Trade Receivables"

47 Assets and liabilities related to contract with customers

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Contract Assets		
Unbilled Revenue	21,453.71	44,608.91
Total Contract assets	**21,453.71**	**44,608.91**
Contract Liabilities		
Advance from customers	16,040.12	50,254.01
Total Contract Liabilities	**16,040.12**	**50,254.01**

Revenue recognised in relation to contract liability

Rs. in Lacs

	As at March 31, 2019	As at March 31, 2018
Revenue recognised that was included in the contract liability balance at the beginning of the period	12,809.51	12,971.21

Trade receivables in respect of contract with customers has been included in Note-6

48 The Parent Company and its subsidiaries incorporated in India are in the process of evaluating the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the aforesaid matter is not likely to have significant impact and accordingly, no provision has been made in these Consolidated Financial Statements at this stage.

49 The Board of Directors at its meeting held on May 29, 2019 (adjourned to May 30, 2019) approved a draft scheme (the Scheme) for merger of its two subsidiary companies namely Cimmco Limited and Titagarh Capital Private Limited (TCPL), and also Titagarh Enterprises Limited, a promoter group entity with the Parent Company, pursuant to Sections 230 to 232 of the Companies Act, 2013 with April 01, 2019 as the Appointed Date, subject to such approvals as may be necessary including the SEBI/Stock Exchanges and sanction by the Hon'ble National Company Law Tribunal. Upon the Scheme becoming effective, the Parent Company shall issue 13 (thirteen) equity shares of Rs. 2/- each fully paid up for every 24 (twenty four) equity share

of Rs. 10/- each fully paid up held by the shareholders of the Cimmco Limited, issue 11(eleven) equity shares of Rs. 2/- each fully paid up for every 13 (thirteen) equity share of Rs. 10/- each fully paid up held by the shareholders of the Titagarh Enterprises Limited on the record date (defined in the Scheme) to be determined in due course. TCPL being a wholly owned subsidiary, no consideration is payable and the equity and preferences shares held by the Parent Company in TCPL shall stand cancelled.

50 In case of Titagarh Wagons AFR, a Subsidiary:

The last two years has been a particularly difficult year for the Company mainly due to technical problems identified in the bogies and a couple of onerous contracts which adversely impacted the operations. As a result the Company has incurred cash losses in FY 1718 and FY 1819 which has impacted the net equity position of the Company and also impacted the cash availability to support the future operations.

During the year, the Company has implemented a conciliation proceeding which was finally approved by the Commercial Court of Paris on December 4th, 2018. While the various obligations by the different stakeholders including the shareholders, bankers, other Government authorities as per the Conciliation agreement was fulfilled, still the performance of the Company and the cash situation could not improve and Company continued to incur cash losses due to various reasons. This continuing cash losses forced the Company to start a second Conciliation Procedure in early April 2019.

In the current Conciliation Procedure the Company, based on an internal “Business Plan” for next two years has projected a turnaround in FY 2021 subject to the funding as per the said Business plan. The financing plan as per the said Business plan includes support from Shareholders, Region, Bankers, Douaisis Agglo, other Government Authorities, etc. While confirmation from few stakeholders have already been received subject to compliance of respective terms and conditions, the confirmation from the other stakeholders is still in the process.

While as per the said business plan long term viability of the Company is established subject to receipt of funds, the Company in the short term is having cash shortage and due to this it has decided to stop the Conciliation Process and has filed an application before the Commercial Court of Paris to start the Rehabilitation Process in terms of Clause R631-31 of the Commercial Code. In terms of the said Rehabilitation procedure the Company would be submitting a Rehabilitation plan which will include the financing requirements from the various stakeholders as contained in the Business plan. This plan if approved will ensure long term rehabilitation of the Company. Due to this context, these events represents a significant uncertainty in the ability of the company to continue its business as going concern.

51 In case of Cimmco Limited, a Subsidiary:

Due to allotment of 72,00,000 equity shares to promoter of the Company pursuant to the Scheme of Amalgamation sanctioned by the Hon’ble National Company Law Tribunal resulting in minimum public shareholding (MPS) became 18.47%. Though the aforesaid allotment took place on December 02, 2017 but the shares were credited into the demat account of promoter after listing & trading approvals of the Stock Exchanges, on May 25, 2018 only. The promoter had since made two Offers for Sale (OFS) of the requisite equity shares to achieve the MPS of 25% as per Section 19A(2) of Securities Contracts (Regulation) Rules, 1957, however, due to low demand the OFS were undersubscribed, and the shareholding of public as at March 31, 2019 is 20.512%. As advised by the lawyers, the Company had also submitted an application to the SEBI and Stock Exchanges on December 06, 2018 seeking extension of time till September 30, 2019 to comply with the MPS requirement and waiver of penalty to which the SEBI responded by a letter dated January 24, 2019 informing that the provisions of Securities Contracts (Regulation) Rules, 1957 do not grant power to SEBI to grant extension of timeline for meeting MPS requirements for listed entity. However, the promoter although ready with the third OFS, can issue the same only after the trading window re-opens on June 01, 2019.

For **Price Waterhouse & Co Chartered Accountants LLP**
Firm Registration No.: 304026E/E-300009
Chartered Accountants

Pramit Agrawal
Partner
Membership No. 099903

Place: Kolkata
Dated : May 30, 2019

For and on behalf of the Board of Directors of Titagarh Wagons Limited

J P Chowdhary
Executive Chairman
DIN : 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN : 00313652

Atul Joshi
Director
DIN : 03557435

Manoj Mohanka
Director
DIN : 00128593

Anil Kumar Agarwal
Director (Finance) & CFO
DIN : 01501767

Dinesh Arya
Company Secretary

TITAGARH WAGONS LIMITED

CIN: L27320WB1997PLC084819

Registered Office: 756, Anandapur, E M Bypass, Kolkata-700107
Phone: +91 33 40190800 Fax: +91 33 4019 0823
E-Mail: corp@titagarh.in; Website: www.titagarh.in

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : ....

Registered Address : ....

E Mail ID : ....

Folio No/Client ID : ....

DP ID : ....

I/We being the member(s) holding ....shares of the above named Company, hereby appoint:

(1) Name : ....

Address : ....

E Mail ID : ....

Signature : ....or failing him

(2) Name : ....

Address : ....

E Mail ID : ....

Signature : ....or failing him

(3) Name : ....

Address : ....

E Mail ID : ....

Signature : ....

as my/our proxy to attend and vote (on a poll) for me/us and on my behalf at the 22nd Annual General Meeting of the Company to be held on Friday, the 20th day of September, 2019 at 3.15 P.M at Bharatiya Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata - 700017 (Landmark: Near Shakespeare Sarani Police Station) and at any adjournment thereof in respect of Resolutions as are indicated below:

Resolution No.	Resolution Proposed
	Ordinary Business
1	To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2019, the consolidated financial statement for the said financial year and the Reports of the Board of Directors and Auditors thereon.
2	To declare a dividend on Equity Shares.
3	To appoint a Director in place of Shri Umesh Chowdhary (DIN: 00313652), Vice Chairman & Managing Director, who retires by rotation and, being eligible, offers himself for re-appointment.
	Special Business
4	Ordinary Resolution to authorize the Board of Directors to appoint Branch Auditors.
5	Special Resolution to approve the remuneration of Shri J.P. Chowdhary, Executive Chairman for the remaining period of his existing term.
6	Special Resolution to approve the remuneration of Shri Umesh Chowdhary, Vice Chairman & Managing Director for the remaining period of his existing term.
7	Ordinary Resolution to reappoint Shri Sudipta Mukherjee as Whole-time Director.
8	Ordinary Resolution to appoint Shri Anil Kumar Agarwal as Director (Finance).
9	Ordinary Resolution to approve revision of the limit/ceiling of the continuing contract/arrangement with Cimmco Limited.
10	Ordinary Resolution to ratify the remuneration of Cost Auditor.
11	Ordinary Resolution to appoint Shri V.K. Sharma as an Independent Director.

Signed this .... day of 2019

Affix Revenue Stamp

Signature of Shareholder

Signature of Proxy holder(s)

Note : 1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

2. For the text of the Resolutions, Explanatory Statement & Notes, please refer to the Notice dated 21st August, 2019 convening the 22nd Annual General Meeting.