



**TEXMACO**

**Texmaco Rail & Engineering Ltd.**

**Belgharia Works**

**CIN No.: L29261WB1998PLC087404**

**GSTIN No. 19AABCT2592E1ZA**

13<sup>th</sup> August, 2019

*The Listing Department  
National Stock Exchange of India Ltd  
Exchange Plaza  
Bandra - Kurla Complex  
Bandra (E), Mumbai - 400051  
Symbol - TEXRAIL*

*The Corporate Relation  
Department  
BSE Limited  
P. J. Towers, Dalal Street  
Fort, Mumbai - 400001  
Scrip Code - 533326*

*The Secretary  
The Calcutta Stock  
Exchange Ltd  
7, Lyons Range  
Kolkata - 700001  
Scrip Code - 30285*

Dear Sir(s),

We would like to inform you that the Annual General Meeting (AGM) of the Company will be held on **Monday, 9<sup>th</sup> September, 2019 at 2:00 PM** at K. K. Birla Kala Kendra, Texmaco Estate, Belgharia, Kolkata - 700 056.

A copy of the Notice of the AGM and Annual Report has been enclosed herewith for your reference.

Thanking You,

Yours Faithfully,

For Texmaco Rail & Engineering Limited

  
Neha Singh

Compliance Officer

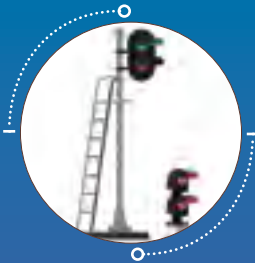
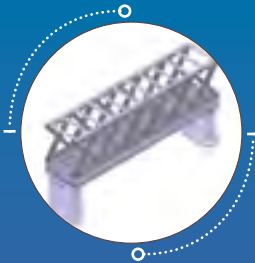
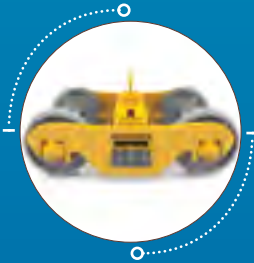
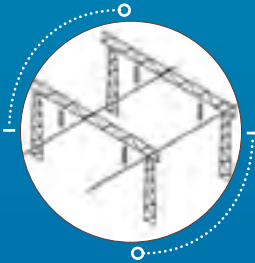


Encl: a/a



**TEXMACO RAIL & ENGINEERING LTD.**  
Annual Report 2018-19

BUILDING ON A LEGACY OF 80 YEARS



ENVISIONING SUCCESS

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To view the report in pdf please visit:

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



# Corporate Information

## Directors

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

# Ceased w.e.f. 28th September 2018

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

## Company Secretary

Mr Ravi Varma\*

\* Ceased w.e.f. 22nd June 2019

## Auditors

Messrs L. B. Jha & Co., Kolkata

## Bankers

State Bank of India  
HDFC Bank  
YES Bank  
Axis Bank  
ICICI Bank  
IDFC Bank

## Registered & Corporate Office

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

## Kolkata Office

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

## Regional Offices

• New Delhi • Mumbai • Jaipur

## Works (Kolkata)

### Heavy Engineering

• Agarpara • Sodepur • Panihati • Belgharia

### Steel Foundry

• Belgharia

## Subsidiaries

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

## Joint Ventures

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

## Registrar & Share Transfer Agent

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

## CIN

L29261WB1998PLC087404



# Business Units



## Rolling Stock

- ⊙ High Payload Stainless/ High Tensile Steel Freight Wagons
- ⊙ Commodity Specific Wagons for Bulk Transport
- ⊙ Special Purpose New Design Freight Wagons
- ⊙ Bottom Discharge Coal Hopper Wagons
- ⊙ Container Flat wagons
- ⊙ Tank Wagons (SS & MS)
- ⊙ Defence Equipment Wagons
- ⊙ Auto Car Wagons
- ⊙ High capacity Parcel vans
- ⊙ Brake Vans (type BVCM1 )

## Rail EPC

- ⊙ Design, Supply, Installation & Commissioning
- ⊙ Main Line Railway Tracks
- ⊙ Metro Railway Tracks
- ⊙ Railway Signaling
- ⊙ Railway Telecom
- ⊙ Buildings, Platforms & Foot Over Bridges
- ⊙ Bridges & Culvert for Railways
- ⊙ Automatic Fare Collection
- ⊙ Railway Overhead & other Electrification
- ⊙ Railways Electrification
- ⊙ Other Power Supply Installation



## Traction & Coaching

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



## Steel Foundry

### Domestic

- ⊙ High Speed Bogies
- ⊙ H.T. Couplers
- ⊙ Draft Gears
- ⊙ Draw Bars
- ⊙ Tight Lock Couplers
- ⊙ CMS Crossings

### Industrial Castings for

- ⊙ Earth Moving Equipment
- ⊙ Hydro Power Projects

### Exports

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



# Business Units



## Process Equipment & Others

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

## Bridges and other Steel Structures

- ⦿ Industrial Structure
- ⦿ Fabrication and erection of Steel Bridges in Railways and Roadways.
- ⦿ Steel/Concrete Flyovers
- ⦿ Other types of bridges – Concrete and Steel.
- ⦿ Fabrication and erection of Bailey Bridges
- ⦿ Ship Hull Blocks

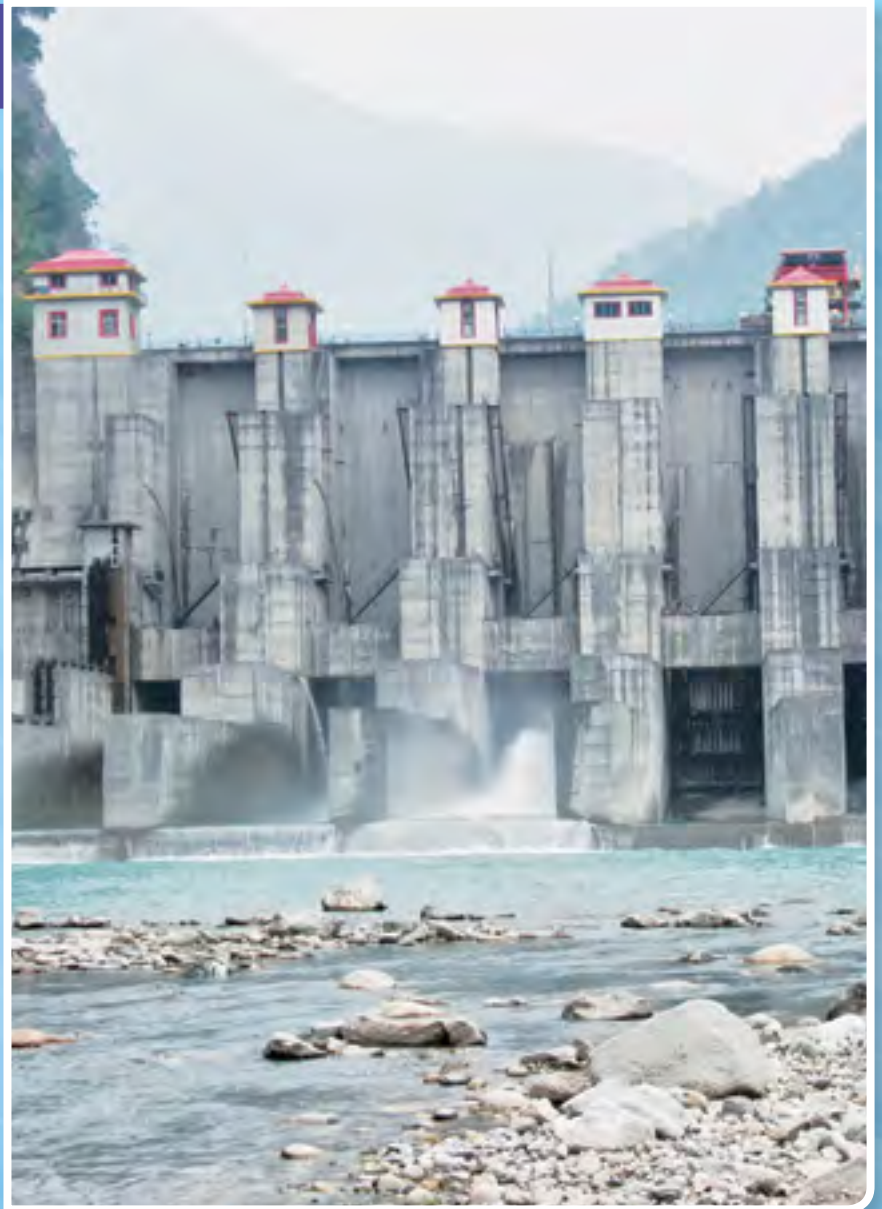


## Hydro-mechanical Equipment

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

## Fixed & Rocker Supports and Specials

- ⊙ Stoplogs / Bulkhead Gates
- ⊙ Hydraulic, Rope Drum, Hoists, Screw Hoists, Travelling Hoists etc.
- ⊙ Knife Edge Gate Valve (Screw / hydraulic / Electric Acuator operated) / Filling-in-valves
- ⊙ Trashracks / Screens
- ⊙ Trash Rack Cleaning Machines
- ⊙ Goliath / EOT Cranes / Lifting Beams
- ⊙ Refurbishment / replacement & overhauling of HM equipment of old hydro projects / barrages
- ⊙ Automation of dam & barrage equipments operation through SCADA & ARMAC system





# From the desk of The Chairman





**Apart from wagon building, your company is playing a significant role in infrastructure projects of railways through its rail EPC divisions - Kalindee Rail Nirman and Bright Power.**



### Modi Juggernaut

Prime Minister, Mr. Narendra Modi, has ascended to power in the second term with full majority, independent of allies of the BJP. The triumph of BJP holds out a great opportunity for accelerated development and reform. The opportunity comes with some serious challenges too. The government has to come to grips with critical economic issues to fulfill India's potential. The nation looks to Modi to turn India into a global power.

### The Challenge

The pre-eminent challenge for Modi Government is to resurrect India's economy with messianic zeal going for bolder reforms and actions. The new Finance Minister, Ms. Nirmala Sitharaman (the first woman to head the Finance Ministry since Indira Gandhi, 50 years ago) embodies a key figure in the government to fulfill the expectations of aspirational Indians. She has a tough task on her hands as the prospects for a quick economic recovery depend partly on the Banks which are struggling with bad loans clogging their balance sheets. The major question is – will the new government usher pro-market policies, encouraging investment by liberalizing labour and land laws, relying on innovative strategies and state craft!

The government has to contend with realignment of exchange rate, having regard to the raging global trade war and rising protectionism. Economic growth is being hotly debated as an area of major concern. In the 4th quarter of fiscal 2019, it was at its lowest in 5 years. This is also throwing in its wake the major problem of

job losses. (One million Indians enter the workforce every month). Automobile sector is currently going through the worst slowdown in 2 decades. There are no signs of abating with most indicators of domestic demand flashing red. The core inflation is at its lowest level in nearly 2 years, which again reflects weakness in consumption demand.

### Investment's the key

Fresh investments in the country are at a 15-year low. Global economic uncertainties are rising. Therefore, it comes as no surprise that multi-lateral institutions, such as, IMF, ADB, as also the RBI have pared down India's growth forecast in their recent pronouncements. In this background, the economists have to study if there is a bigger problem of a structural slowdown in the Indian economy. The Centre and the RBI have to craft their fiscal and monetary policies conducive to uplifting the investment and raising the growth rate to 9% every year for 5 years to achieving India's dream of becoming a \$ 5 trillion economy.

### A Notable Reform

In the Finance sector, a notable feature is that Indians are switching to digital payments in droves. The digital payments take-off really feels like a revolution. In this connection, it bears mention that whereas 'demonetization' in November '16 caused economic ripples, it gave digital payments a galvanic boost. The value of digital transactions has risen more than 50 - fold in the past 2 years. Besides, the system increases financial inclusion and cuts tax evasion from unreported cash deals. The global technical giants are also evincing keen interest in the new payments service.

## Water Management

On the infrastructure front, a major emerging problem is serious water crisis. It is easy to blame the country's water woes on nature, the monsoon. It's no less a legacy of poor management and under-investment. The Union Govt. is seized of the problem and has formed a new 'Jalshakti' (Water) Ministry, which aims at tackling water issues with a holistic and integrated perspective on the subject.

## Global Scenario – Trade War

President Trump's never-ending tariff threats are serving to dampen business confidence. British govt. under the new Prime Minister, Boris Johnson, appears to be getting ready for a No-Deal Brexit, whereby Britain may decide to leave the EU's Customs Union without a replacement agreement. The Bank of England has lowered its growth forecast due to increased Brexit worries and a slowing global economy. Manufacturing activity in the Euro zone has also contracted at its steepest rate since late 2012.

## Railways Steam Ahead – The Company's Outlook

In the Union Budget, there is sizable uptake in allocation to expand the rail infrastructure – construction of new lines, gauge conversion, track renewals and procurement of rolling stock. The future demand for railway wagons is expected to be robust (36% y-o-y jump). Texmaco will be a major beneficiary due to rising wagon procurement.

Apart from wagon building, your company is playing a significant role in infrastructure projects of railways through its rail EPC divisions - Kalindee Rail Nirman and Bright Power. Importantly, railways have set a target to

electrify its entire broad-gauge network by 2021–22. The electrification drive will be covering 28000 km in the next three financial years, entailing an expenditure of 6 -7 billion USD, to be financed by ADB loan. Besides, in FY '20 budgetary support from the government has risen significantly. This offers a great business opportunity for your company.

## GST Imbroglio

The whole intent of introduction of the mega GST legislation by the government was to smoothen the tax regime and make it flawless. Unfortunately, in the case of railway rolling stock it is severely hurting the industry due to blockage of cash flow owing to an inverted GST structure. The wagon industry, employing more than one lakh people directly and indirectly, is in great distress due to patently ill-conceived GST structure. Whereas, the rolling stock supplied to Indian Railways attracts 5% output GST, most of the inputs that go into the manufacture of railway rolling stock, such as, Steel etc., are charged 18% GST. This results in huge continuing accumulation of unutilized tax credit in the hands of rolling stock manufacturers, rendering severe liquidity crunch impacting the operations.

The industry has made earnest representation to the Government to remove the anomaly through a cash and cost neutral simple solution whereby the GST structure will be aligned throughout the value chain and will be a win-win situation for both the Railways and the wagon industry.

## Major Foundry Acquisition

Your company has the largest and most modern, State-of-the-Art, Steel Foundry having capacity of 30,000 MT

per year. It has built strong credentials overseas, and 50% of its production is catering to export to developed markets. Considering the projected wagon demand and the company's captive requirement, it was necessary to add to the capacity of steel casting. I am happy to inform that the company has succeeded in acquiring a major steel casting facility 'Simplex' at Urla in the State of Chhattisgarh in April'19. It will substantially contribute to the performance of the Steel Foundry Division with its enhanced capacity of 40,000 / 45,000 MT per year.

## Future Roadmap

Your Company is looking at several new opportunities of manufacturing high end niche products in collaboration with leading foreign companies, especially in the field of signalling, like Electronic Interlocking, TPWS, etc. which essentially will be backward integration contributing to our EPC Business. This will take your Company to a different level of technology enabling your Company to serve Indian Railways' growth more effectively.

Finally, I commend the dedication and devotion with which our workmen, staff and officers have been serving the company in the present trying times.



**S.K. Poddar**  
Chairman



# Accolades & Acclamation . . .



*The 'Coffee Table Book' dedicated to Mr. Ramesh Maheshwari, Corporate Advisor inaugurated by the Group Chairman, Mr. Saroj Poddar*

# Touax Texmaco Railcar Leasing Pvt. Ltd.



*Cement Wagon Rake (BCCW), manufactured by Texmaco & supplied by Texmaco Touax JV, at the premises of M/s. Kalburgi Cement, Mumbai.*



*BFNSM Wagon Rake for carrying Steel Coils, manufactured by Texmaco and supplied by Texmaco Touax JV*



# Wabtec Texmaco Rail Pvt. Ltd.

## Moments of Joy



*Wabtec Texmaco JV Factory*



*Inauguration of Wabtec Texmaco JV Unit at Texmaco Premises in August '18 by Texmaco Group Chairman, Mr. Saroj Poddar and Wabtec President, Mr. Ray Betler.*








*New JV Shop visit by Texmaco and Wabtec Executives*








# Robust Financial Performance






## Gross Revenue from Operation (₹ in mn)

2014-15		8681
2015-16*		12657
2016-17*		12882
2017-18*		11926
2018-19*		<b>20052</b>

## EBIDTA (₹ in mn)

2014-15		532
2015-16*		753
2016-17*		804
2017-18*		686
2018-19*		<b>1661</b>

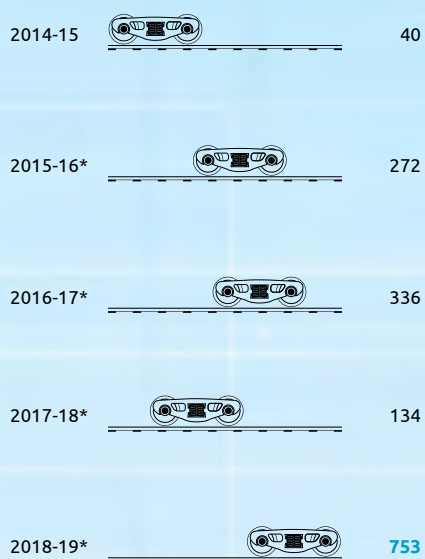
## PBT (₹ in mn)

2014-15		183
2015-16*		341
2016-17*		420
2017-18*		255
2018-19*		<b>882</b>

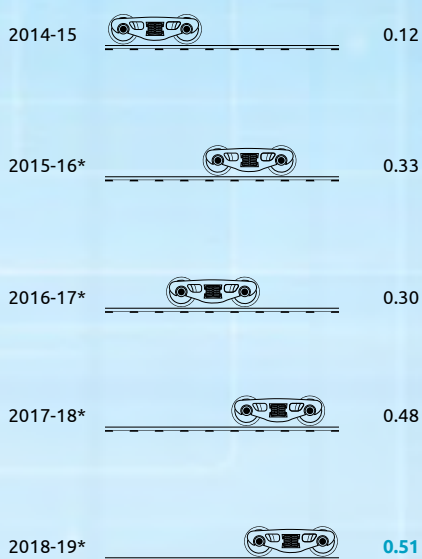
## Financial Highlights of the last Ten Years

	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
Gross Revenue from Operation **	112,549.43	111,750.32	94,514.54	103,596.50
Other income	1,452.96	1,866.49	2,560.74	3,096.69
Gross profit (PBDT)	15,086.20	18,424.71	14,543.52	14,415.85
Profit before tax	13,937.64	17,566.21	13,625.72	13,476.67
Tax for the year	4,556.80	5,418.16	4,320	4,049.76
Profit after tax	9,380.84	12,147.60	9,305.72	9,426.91
Extraordinary items **	41.13	-	-	-
Profit after tax and extraordinary items	9,304.48	12,147.60	9,305.72	9,426.91
Equity #	1,271.83	1,817.83	1,820.27	1,820.27
Free reserves	52,978.05	40,571.05	47,837.94	55,135.23
Equity share book value (Rs.) ##	42.65	23.00	27.28	31.29
Rate of dividend	90%	100%	100%	100%

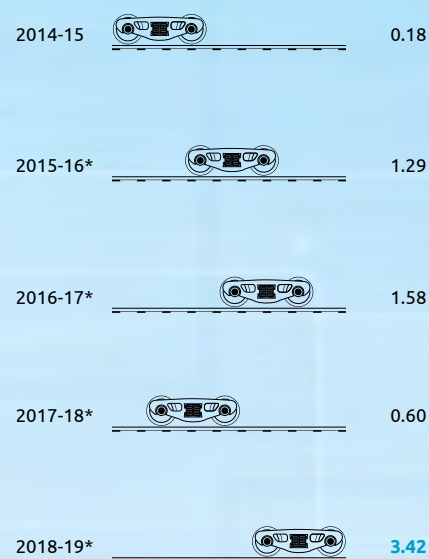
**PAT (₹ in mn)**



**Debt-equity ratio**



**EPS Basis (₹)**



FY 2013-14	FY 2014-15*	FY 2015-16	FY 2016-17	FY 2017-18**	FY 2018-19
51,517.43	86,808.45	126,572.68	128,413.73	1,19,260.25	2,00,517.59
2,289.02	3,184.43	4,492.58	4,730.61	5,064.08	2,112.96
3,049.72	3,499.17	4,869.00	5,817.36	5,036.84	11,716.72
1,875.94	1,825.25	3,414.27	4,201.46	2,555.25	8,820.76
178.72	(196.27)	693.81	844.16	1,216.62	1,292.78
1,697.22	400.47	2,720.46	3,357.30	1,338.63	7,527.98
-	-	-	-	-	-
1,697.22	400.47	2,720.46	3,357.30	1,338.63	7,527.98
1,820.27	2,100.64	2,192.95	2,194.15	2,246.13	2,248.35
56,300.04	97,232.94	87,476.34	91,204.94	1,01,055.93	1,07,825.68
31.93	42.29	40.89	42.57	43.47	51.43
25%	25%	25%	25%	25%	35%

\* Figures for the year 2014-15 to 2016-17 are post merger of Kalindee Rail Nirman (Engineers) Limited into Texmaco Rail & Engineering Limited.

\*\* Figures for the year 2017-18 and onwards are post merger of Bright Power Projects (India) Private Limited & Texmaco Hi-Tech Private Limited into Texmaco Rail & Engineering Limited.

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

# Products



*Emergency installation of the Gate of Farakka Barrage, West Bengal at the instance of Govt. of India & Govt. of West Bengal*

---



*Teesta Low Dam (Stage III) 130 MW Hydro Electric Project in West Bengal  
Conception to Commission by Texmaco*



*Railway Bridge in Jaffna, Srilanka (Total spans 3 x 37 meters)  
being manufactured & commissioned by Texmaco*



# Process



*BOXNS Wagon Rake for Indian Railways*



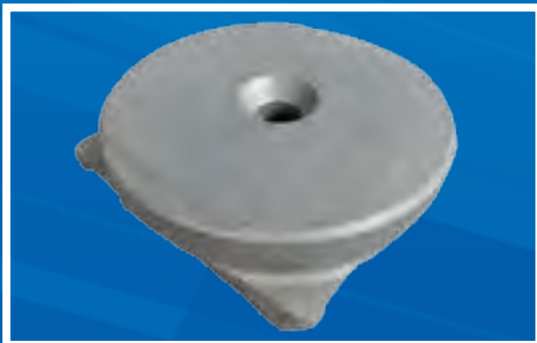
# Products



Cast Manganese Steel Crossings



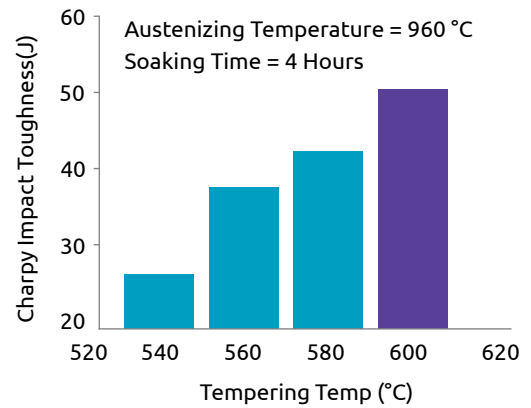
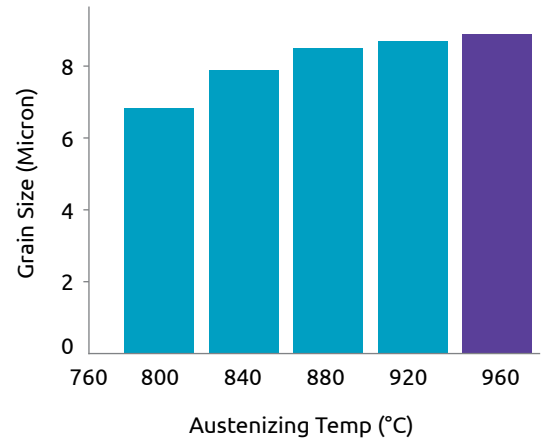
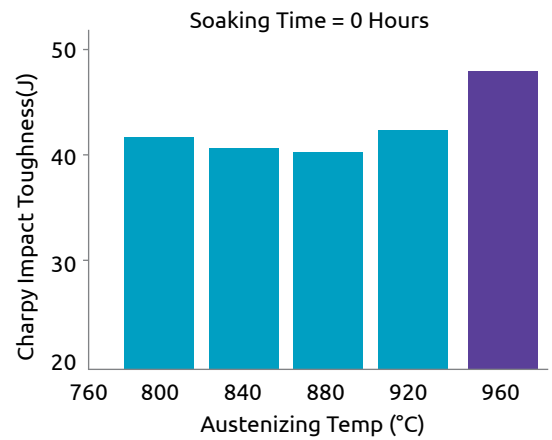
AAR Yoke- SY45AE



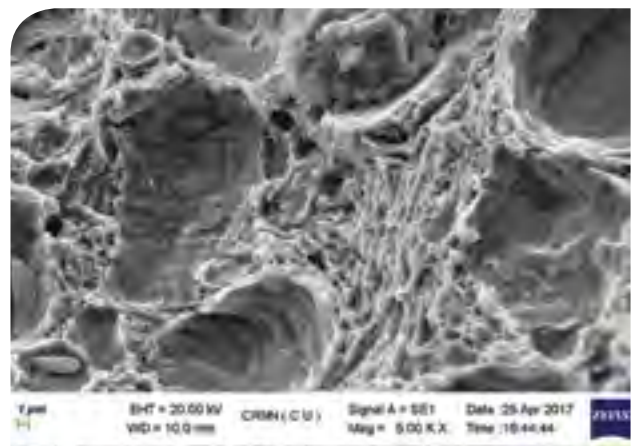
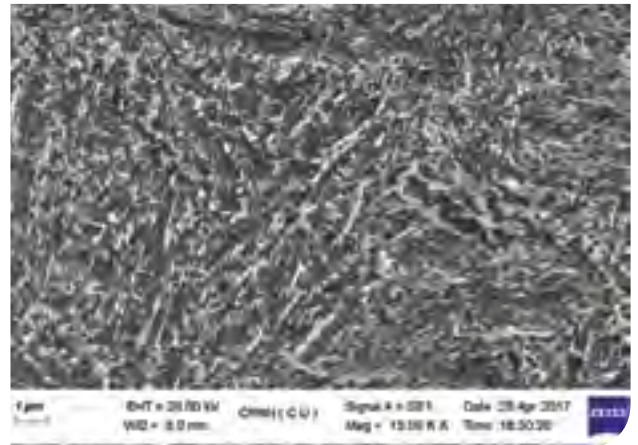
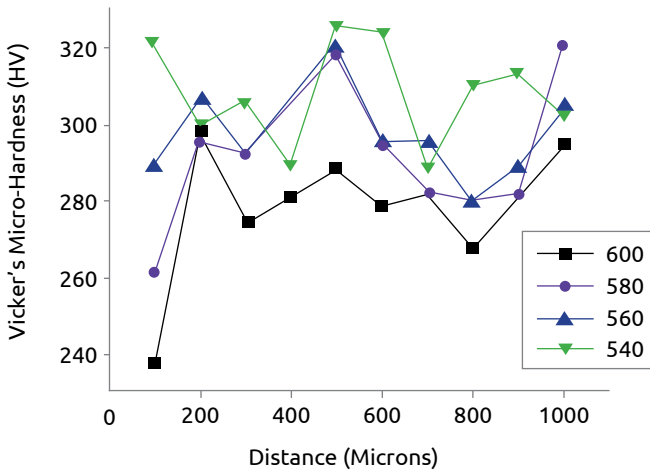
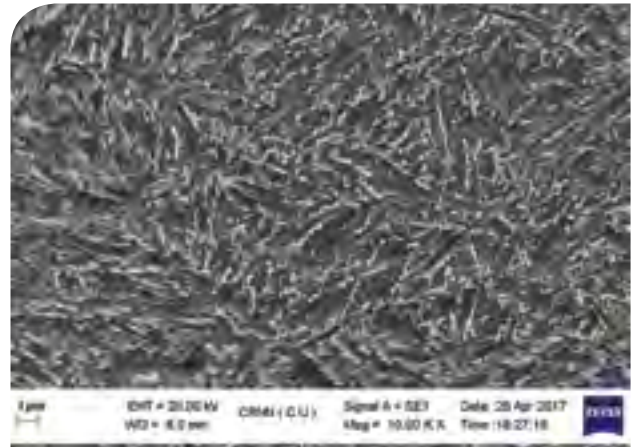
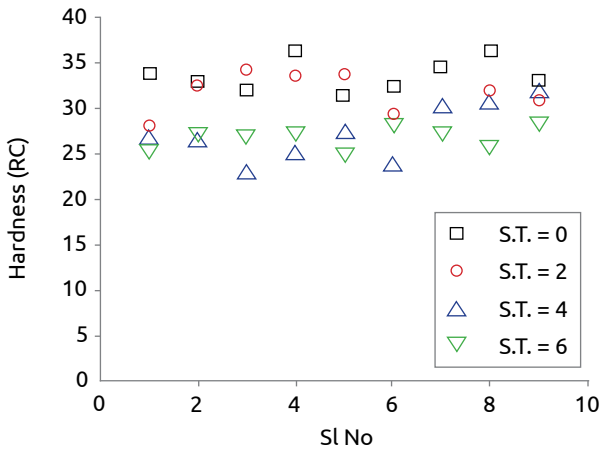
AAR Centre Plate



EOCC Floating Yoke



# Process





# Rail EPC



Project : Gauge Conversion of track (106.92 kms) between Sitapur (excluding) and Milani (excluding).





# proceeding at a fast pace



CRS Inspection from Sitapur to Lakhimpur (46 Kms) on 18 March 2019.  
Achieved highest trial speed of 131 kmph on new track successfully.



# Corporate Social Responsibility



*Vocational Training Class at GTTI, Texmaco Center*

*'Texmaco Vocational Training Centre', set up at Company's campus in collaboration with renowned George Telegraph Training Institute (GTTI), Kolkata*



*Financial assistance, extended every year by Texmaco Neighbourhood Welfare Society (TNWS) to the local people in distress to promote Education and Health Care*



# Work-Life Balance



*Inauguration of Textmaco Arogyam Alternate Therapy Centre by Mr. Gopal Saha, Chairman , (Kamarhati Municipality) and Mr. Ramesh Maheshwari*



*Navratri Celebration at Textmaco Staff Club*



*Environment Day celebration at Textmaco Works*

# Report of the Board of Directors

Dear Shareholders,

Your Directors have pleasure in presenting the 9th Operational Annual Report of the Company along with the Audited Financial Statements of the Company for the year ended 31st March 2019

## FINANCIAL HIGHLIGHTS

	(₹ in lakhs)	
	2018-19	2017-18
<b>Operating Profit (PBIDT)</b>	16,615.97	8,680.92
Less: Interest (Net)	4,899.25	3,644.08
<b>Gross Profit (PBDT)</b>	11,716.72	5,036.84
Less: Depreciation	2,895.96	2,481.59
<b>Profit before Taxation</b>	<b>8,820.76</b>	<b>2,555.25</b>
Less: Tax Expenses		
Current Tax including tax related to earlier years	1,920.65	1,287.83
MAT Credit entitlement	(1,794.45)	(398.00)
Deferred Tax Liability/(Asset)	1,166.58	326.79
<b>Profit after Taxation</b>	7,527.98	1,338.63
Add: Balance brought forward from previous year	11,414.07	11,527.71
	<b>18,942.05</b>	<b>12,866.34</b>
<b>Appropriations</b>		
Dividend paid ( <i>Incl.Tax</i> )	662.14	660.77
General Reserve	500.00	100.00
Other Appropriations	146.26	691.50
<b>Balance Carried Forward</b>	<b>17,633.65</b>	<b>11,414.07</b>

During the year, Texmaco Hi-tech Private Limited (Texmaco Hi-tech) and Bright Power Projects (India) Private Limited (Bright Power), subsidiaries of the Company were merged into and with the Company in terms of the Scheme of Amalgamation duly approved by the Shareholders and the Hon'ble National Company Law Tribunal, Kolkata Bench vide order dated 4th April 2019, effective date being 1st April 2017. The results for the FY'19 and the previous year are accordingly after incorporating the financials of Texmaco Hi-tech and Bright Power.

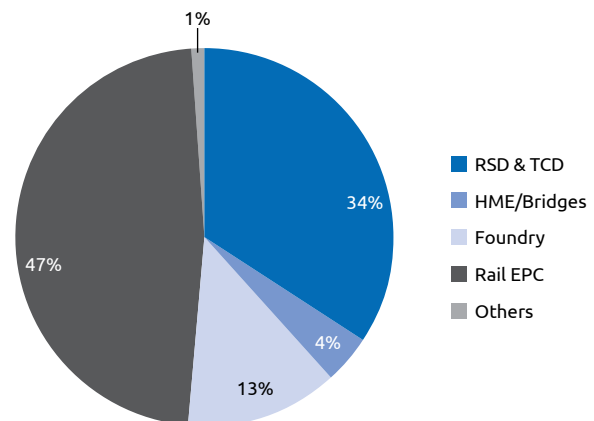
### Dividend

Your Directors have pleasure to recommend payment of a dividend of 35% i.e. ₹ 0.35 per Equity Share of face value of ₹ 1 each for the year ended 31st March 2019.

The Gross Turnover for the year stood at INR 20,051.76 mn. The Gross Profit for the year i.e. Profit before Depreciation and Tax (PBDT) and Profit before Tax (PBT) were INR 1,171.67 mn and INR 882.08 mn, respectively. The Net

Profit was INR 752.80 mn, after providing net tax liability of INR 129.28 mn for the year as per the Profit and Loss Account drawn up in accordance with the Indian Accounting Standards issued by the Institute of Chartered Accountants of India.

### Gross Turnover



## MANAGEMENT DISCUSSION AND ANALYSIS

There was a late pick-up in the performance of the Rolling Stock division during the year as the poor off-take of wagons for the past few years by the Railways had forced the multiple small vendors, who were primarily meeting the requirements of wagon industry for small fabricated/ cast/ formed/forged wagon components, to scale down their operations and it took time for them to gear up to meet the increased demand. Unfortunately, however, when supplies started improving by the second half of the year, disruption in supply of wheelsets by Railways through their single source RWF (Rail Wheel Factory) caused severe setback. RWF is not able to supply wheelsets as per the industry's requirements and import of wheelsets even for the Non-Railway Customers has not been permitted by the Railways.

The wagon demand, nevertheless, is showing an up-ward trend as both, Railway and non-railway, customers are evincing keen interest in buying more number of wagons. The various schemes by Railways including GPWIS, permitting procurement of wagons by non-railway sector even for general purpose wagons, is contributing to the robust demand for wagons from non-railway customers. Correspondingly, in the wagon segment, the Company has built up a strong order book and the future appears promising.

The Rail EPC segment of the Company continued to show improved performance. With the Government's emphasis on up-grading the rail infrastructure including metros, a strong order book has been built up, both for domestic and export. Completion and closure of old contracts is also contributing in deploying resources for the new contracts.

The Company's unit, Bright Power, specialized in Railway electrification, is poised for further growth, owing to the Railway's plan for complete electrification of tracks in the next 3 years.

The performance of Steel Foundry Division, both on domestic and export fronts, has been strong. Moreover, exports during the year accounted for 45% of the turnover of the Division. The Division has also developed some new products for export and with the acquisition of a Foundry, Simplex Castings at Urla Raipur, has increased its total installed capacity to 42000 MT per annum. The acquisition will add to the business opportunities for the Division.

### GST

The ill-conceived application of GST rate for wagons continued to cripple and maintained a pressure on the cash flow of the Company. It is hoped that the anomaly in the rates of GST for wagons will be corrected soon by the GST Council, after which the present constraints due to GST will be largely mitigated.

## SIGNIFICANT FINANCIAL RATIOS

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

Particulars		2018-19	2017-18
Net Profit Margin*	%	4.01	1.13
Operating Profit Margin <sup>§</sup>	%	6.77	2.05
Debtors Turnover <sup>@</sup>	Times	2.27	1.68
Stock Turnover	Times	4.13	3.84
Debt Equity Ratio	Times	0.51	0.48
Current Ratio	Times	1.47	1.56
Interest Coverage Ratio <sup>^</sup>	Times	2.50	1.53
Return on Net Worth <sup>#</sup>	%	6.60	1.25

\*The increase in Net Profit Margin is on account of improved turnover.

§The increase in Operating Profit Margin is on account of absorption of overheads on improved turnover and economy on cost.

@The increase in Debtor Turnover Ratio is on account of increase in Rail EPC turnover and temporary fund non – availability with Indian Railway, division's major customer.

^The increase in Interest Coverage Ratio is on account of higher earnings to support Rail EPC division operations.

#Return is higher due to improved turnover & Profit margins.

## HEAVY ENGINEERING DIVISION

### I. Rolling Stock Division

#### a. Freight Car & Coachings

Your Company's Rolling Stock Division showed improved performance for the year even as the full potential was not realized due to challenges in obtaining supplies of components/ materials for reasons beyond control.

During the year, orders for 1621 wagons were received from the Indian Railways against their tender for 21758 wagons, floated for the first time under reverse auction system. Though, the Company was in a better position to secure a larger order, the Railway finally chose to place order only for 12216 wagons, with the logic that the prices offered by the Industry were too high, and for the balance they decided to retender. The new tender for 10168 wagons has been issued by the Railway on 18th April 2019, due for submission on 21st May 2019.

The year was challenging for the division on account of serious bottleneck faced due to non-availability of critical bought-out components and wheelsets. Due to poor off-take of wagons during the past few years, the small component suppliers, who were mostly MSMEs with little sustaining power, were badly hit and virtually forced to shut their shops. It took them quite some time to revamp and restart normal operations resulting in serious



disruption in supply of bought-out components, ultimately affecting the production adversely. This apart, inadequate supply of wheelsets from RWF, also seriously affected the production. In fact, Railways had advised the wagon builders to procure all wheelsets, both for Railways and non-Railway customers, only from its own production unit, RWF, effectively banning the import of wheelsets. RWF, on the other hand, due to its own problems, failed to meet the requirement of wheels for the wagon industry. In turn, the end user Industrial customers have suffered heavily due to shortage/non-availability of wagons for moving their cargo, compelling them to opt for costly alternatives.

There is a robust growth in the demand for wagons from Non Railway Customers, especially for commodity-specific wagons, such as Container Cars, Auto Cars, Coil carrying Cars, Fly Ash / Cement Carrying Cars, etc. Based on the strong order book, the Company is confident for improving its performance in the Rolling Stock Division.

During the year, the Railways introduced a new scheme, GPWIS, under which private sector logistics and industrial players are now allowed to procure even the general purpose wagons, hitherto kept reserved for Railways. This, along with existing schemes of AFTO, SFTO, LWIS, Leasing etc, will certainly add to the increase in the demand for wagons.

#### b. Locomotive Components / Assemblies

Your company has now established itself as a leading supplier of Electric Loco Shell Assemblies and other Loco Shell components to the various locomotive plants of Indian Railways. With a planned total electrification of Indian Railways by 2022, there has been a steep increase in the production of Electric Locos by the Production Units (CLW & DLW) of the Railways. Consequently, there is a strong growth in the demand for Electric loco shells from private parties, which is expected to be sustained in future also.

Your company stepped up the production of complete Electric Loco Shells from 40 Shells in FY'18 to 65 Shells in FY'19, an increase of 63%. The turnover of the Electric Loco shells and Assemblies in FY'19 has been INR 784.2 mn as compared to INR 473.5 mn in FY'18, an increase of 66 %.

In FY'20 a sustainable growth rate is expected.

#### II. Hydro Mechanical Equipment

The turnover in FY'19 was INR 550.7 mn against INR 478.3 mn for the previous year. Rongnichhu Project and Farakka Gate work continued satisfactorily. There was however setback in turning out fabricated assemblies for Upper Tamakoshi Project. Due to non-availability of plates for some time and bends/ bifurcations requiring modifications as per the advice of Client/ their Engineer, dispatch was delayed. At Bajoli Holi,

site work suffered due to flash floods in September 2018 and unprecedented snowfall since January 2019, resulting in practically no activity up to March 2019.

Efforts are being made to expedite dispatch from Shops and also to accelerate the pace of erection work at sites.

#### III. Bridge & other Steel Structures

The turnover of the Bridge Division for FY'19 was only 175.2 mn due to lack of orders. However, the outlook is bright as the Bridge Division has been able to book a total Order of INR 900 mn which will reflect in the turnover of the coming year.

In addition, some minor Bridge works in Bangladesh associated with the Gauge Conversion Project will also be undertaken for our Rail EPC division.

Bridge Division is executing an order for a complete Railway Bridge including Foundation, Sub-structure and Super structure at Jajpur which will enable the division to gain credentials and execute works of complete Bridges, including civil and structural in future.

#### IV. TCD

As reported earlier, your Company has the prestigious order from Alstom for manufacturing of E-Loco car body shells for 480 Dual Locomotives to be manufactured at Madhepura, for INR 5000 mn to be executed over a period of 9 years.

The first Loco Shell for Alstom was manufactured in May 2018 and thereafter a total of 21 shells were supplied to Alstom in FY'19 valued INR 94.7 mn

Your company is now successfully manufacturing 4 Nos. Shell per month as per the requirement of Alstom.

#### V. Texmaco Hi-tech

The turnover of the division during FY'19 was INR 105.8 mn. The turnover could have been higher but due to critical break down of some of the key imported machines, whose repair took long due to delay in availability of spare parts.

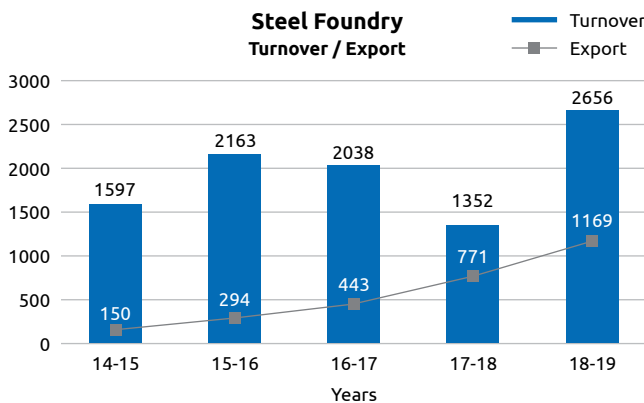
The Division has now undertaken developmental work of Platform and Cab Structures for GE Diesel Locomotives. While some primary parts/ sub-assemblies have already been manufactured/supplied to Customer, complete platform and Cab Structures are planned to be developed during the current year. This would be a steady source of revenue for Hi-Tech, apart from other, Hi-tech fabrication work being carried out for some other discerning customers. The current year i.e. FY'20 should see Hi-Tech generating reasonable revenue.

## STEEL FOUNDRY DIVISION

The overall demand of Railway steel castings, both domestic as well as export, is buoyant. Presently, after meeting the export demand of around 700 MT per month, the remaining capacity of our foundry is utilised primarily to meet our captive requirement. However, as this is not adequate to meet the total captive requirement, we have to depend on other foundries for castings for our wagon division. During the year the total production & despatch were 18567 MT & 18638 MT respectively against 12147 MT & 10879 MT from the previous year, an increase of 52.85% & 71.32% respectively. The turnover of the foundry for the year stood at INR 2655 mn against that of INR 1352 mn in the previous year, i.e. nearly double compared to the last financial year. The demand of wagons in North American market is more or less stable at 52000 to 55000 units per year and therefore, the Railway casting demand for export is also stable.

Your Directors are happy to inform that foundry has also developed some new cast components such as various types of yoke for North American market and has also undertaken some items for development from Caterpillar & GE which will fetch better revenues and credibility. The demand of center plate is also looking up. The demand for mining casting is also higher than the previous year and therefore, we expect that overall export during the current year will be better than the previous year.

During FY'19, our total export was INR 1170 mn as compared to INR 771 mn previous financial year which is 52% higher.



With robust demand in Steel Casting Segment and Company's obligation to meet its export commitments, the enhancement of division's production capacity was becoming a critical and imperative need. Fortunately, on scouting the market, the company was able to locate a steel foundry unit at Urla, Raipur of Simplex Castings Limited ("Simplex") and, after due

negotiations, entered into a Business Transfer Agreement ("BTA") with Simplex and its promoter on 26th April 2019 to acquire their Steel Casting unit at Urla on a slump sale basis at an enterprise value INR 875 mn.

The Simplex unit has already commenced regular production from May 2019 onwards under company's management. Your directors believe that this acquisition will further add to the improvement in the performance of the Steel Foundry Division.

Your Directors are further happy to inform that your foundry has, for the second time, been awarded the "STAR PERFORMER AWARD" by EEPC for the highest export in its segment.

## RAIL EPC DIVISION

With continued focus on closing old contracts and expediting new contracts, the Rail EPC Division completed 164.3 TKM of ballasted track, 164.2 TKM of ballast-less track and 31 stations/gates signalling during the year. This is the highest ever commissioning achieved in a year. Also, the commissioning of 164.2 TKM of ballast-less track puts this division as the undisputed leader in the metro track work in India.

All projects are commissioned to the highest quality standards and your company won accolades from Chief Commissioner of Railway Safety for ballast-less track work of DMRC. Similarly, on the Sitapur-Lakhimpur section, the trial run by CRS was successfully done at a speed of 131 KMPH against the section speed of 110 KMPH.

In Western Dedicated Freight Corridor, due to operational reasons, a decision has been taken to commission about 600 km in one shot. Keeping the above in view, the division has geared up and is proceeding to commission the same within FY'20.

The division has won orders worth INR 10000 mn in the current financial year and a number of bids including the Mumbai Metro track work are expected to be finalised shortly.

The division has bagged two orders in Bangladesh which are under execution. The total order book of Bangladesh Railways stands at about INR 7000 mn.

As a part of its bid to meet delivery by extensive use of mechanisation, new machinery to the tune of INR 250 mn have already been deployed in WDFCC and Bangladesh projects. This is yielding good results as our cost has come down and dependence on sub-contracted equipment has reduced.

The division has currently focused on closure of contracts post completion of works in various projects and completion of balance minor works in the old projects.

During the year, Bright Power, a pioneer in the field of Overhead Electrification of railway system, has achieved a turnover of INR 2624.16 mn with an EBITDA of INR 345.60 mn and has successfully commissioned 368 TKM Railway Electrification works against the targeted 300 TKM. Company has completed few projects ahead of contracted completion schedule.

The Company has also completed the highly complicated work of OHE on additional pair of lines between Chennai Beach and Royapuram, which included modification, augmentation of Beach & Royapuram yards with additional connectivity to Chennai Port.

During the year, Bright Power has extended its reach into the new area of OHE and Sub-Station maintenance. The Company has received order for maintenance of OHE and Sub-station between Bengaluru and Mysore section for a period of 2 years from South Western Railway, which is one of the first sizeable maintenance contract awarded by Indian Railways. The Company believes this will open up new opportunities for its business as maintenance activity will be the need of the hour in near future considering the large-scale electrification underway.

## SUBSIDIARY COMPANIES

### i. Texmaco Transtrak Private Limited

Further to the incorporation of the subsidiary, the technical details and application for approval for electronic interlocking of CAF, Spain have been submitted to RDSO and the same are under their consideration.

With the approval, expected within current financial year, it is expected that the Company will be able to start supplying this equipment to various Railway projects by next year.

### ii. Texmaco Defence Systems Private Limited

With a view to expand its footprint in the Defence segment in deference to the Government of India Policy of 'Make in India', the Company has forayed into identifying opportunities in the Defence segment and has formed as a subsidiary company named and styled as "Texmaco Defence Systems Private Limited." The company is in process of identifying certain low hanging fruit areas in the Defence segment by entering into strategic arrangement with OEM suppliers of certain Defence equipment.

Defence being niche and fast growing segment, the company has identified some specific products where it plans to make meaningful contribution.

### iii. Texrail SA (Pty) Limited

The Company located at Johannesburg, South Africa has identified certain large Rail EPC projects in East and Central Africa and is in touch with the Government Authorities in these Countries for participating in and

developing such projects. The projects by nature of being high value, require continuous dialogue and persuasion with various authorities for fruition, which presently the company is engaged in.

### iv. Belur Engineering Private Limited

The Company acquired a parcel of land at Sodepore to facilitate fabrication and erection work of Texmaco Rail & Engineering Limited ('Texmaco'). Presently the land is leased out to Texmaco for carrying out execution of some critical and urgent project works under HME/BSD.

### v. Texmaco Signalling Systems Private Limited

Texmaco Signalling Systems Private Limited was incorporated on 5th March 2019 with the object of carrying on its business as a manufacturer and supplier of parts of railway signaling and transportation systems. The Company is expected to commence its operations from mid 2019, and is expected to be fully functional in all respects by the end of the current Financial Year.

## JOINT VENTURES

### i. Touax Texmaco Railcar Leasing Private Limited

The leasing business for wagons presents a positive outlook. The drive within the IR to regain the cargo share lost to road transport has a trickle-down effect to our own business. Also, the continued economic upturn generating more volumes of exim traffic has a positive effect. The various trade friendly measures of the IR, be it freight rationalisation or easing of freight policies, have sizeable potential to increase private wagon ownership and is reflecting in the increase of demand for wagons in the private sector. Besides the 10 rakes in operation, the JV has 6 rakes on order with Texmaco Rail & Engineering Limited and is in advanced negotiation for leasing of 3 or more rakes, order against which is expected to be concluded shortly.

The financials of the JV Company Showed positive results and it has earned a cash profit of INR 89.6 mn during FY' 19.

### ii. Wabtec Texmaco Rail Private Limited

Wabtec Texmaco Rail Private Limited, Texmaco's JV company with Wabtec Corporation, USA, which started its operation in the year 2016, had achieved a turnover of INR 470.15 mn for FY'19. The new state-of-art fully operational facility within Texmaco area at Belgharia was inaugurated in August'2018 with the presence of Wabtec CEO, Mr. Ray Betler and their senior executives. The JV company continued to maintain its leadership position for the products it has introduced in the market. New products



like various Autocar items were introduced during the year which received positive response from the market. Further introduction of new products has been planned during the current year. The JV company also exported its products including to the neighbouring countries. The JV company is poised to grow steadily during the next few years.

## EXPORTS

The Company is actively pursuing on the emerging opportunity in the field of Rail EPC in Africa and West Central Asia. The Company's subsidiary, Texrail SA (Pty) Limited, Johannesburg, has been able to generate interest for opportunities in East and Central African countries for modernization/expansion of their rail infrastructure segment.

The Company's Steel Foundry Division continued to excel in its export performance and achieved a turnover of INR 1170 mn which was 52% higher than the corresponding period of last year. Various new products continued to be developed for export markets to expand the Company's export product base. With the acquisition of a foundry at the Urla, Raipur, the Division expects to further excel in its export performance.

Heavy Engineering Division is presently engaged in execution of export orders for neighboring countries for HME and Rolling Stock.

## R & D ACTIVITIES

The R & D Centre of the Company is a registered and recognised Centre under the Department of Scientific and Industrial Research (DSIR), Govt. of India. It is engaged in carrying out research and innovation for the development of various products & processes. It has helped the Company to develop new products, improve product life through process innovations, develop light & efficient designs for higher and faster transportation of goods & specialised cargos. This has enabled our Company in saving precious energy and resources and improving cost effectiveness. The metallurgical lab of our company, an integral part of the R & D Centre, has recently received NABL (National Accreditation Board for Testing and Calibration Laboratories) accreditation.

### a) New Product Development:

- 1) Two new designs of yoke castings, new designs of follower, draft gear housing and machined bogie castings of premium quality have been developed for North American market by unique metallurgical and process improvement. This has enabled your Company to expand its footprint in the USA.
- 2) 15 new components with improved wear resistance have been developed for ground excavating applications.
- 3) Bogie casting has been developed for Sri Lankan Railways.

- 4) Explosion Depth Hardened (EDH) cast manganese steel crossing has been developed in collaboration with IDL Explosives.

### b) New Process Development:

- 1) Two critical components have been successfully migrated from Alphasert sand system to green sand system.
- 2) Weld repair procedure for high abrasion resistance steel castings has been successfully developed.

Apart from the above, the R & D Division has also undertaken the following projects.

- 1) Development of optimum charge mix and charging sequence in electric arc furnace to improve productivity, by linear programming.
- 2) Development of welding procedures for on-site welding of 10mm thick stainless steel plates at Upper Tamakoshi Hydro-electric power project, Nepal.
- 3) Improving service life of Electric Arc Furnace electrodes by application of anti-oxidation coating.
- 4) Development of flash butt welded CMS crossing for Indian Railways.
- 5) Simulation of Critical Foundry Processes.
- 6) Analysis of abnormal failures in operations across several grades and components. These failure analysis studies have identified the root cause of failures and have implemented the necessary corrective actions to avoid such failures in future.

- c) The R & D department of Steel Foundry Division has initiated a collaborative project with Dr. Kinnor Chattopadhyay, Department of Materials Science and Engineering, University of Toronto. The objective of the project is to achieve improvements through process modelling and simulation. The R & D department has also collaborated with reputed academic institutions like the Indian Institute of Engineering Science & Technology (IEST), National Institute of Foundry & Forge Technology (NIFFT) and Birla Institute of Technology (BITS- Pilani) with the aim of developing new products & processes and improving the quality and life cycle of the products.

One research article, entitled "Root Cause Analysis of Low Impact Toughness of Cast Steel Yokes used in Railway Freight Cars" has been published in an international peer reviewed scientific journal "Journal of Failure Analysis and Prevention".

## IT SERVICES

The IT department, on an on-going basis, keeps upgrading its systems and measures to protect the IT network of the organisation from external threats and ensure a secure

environment to prevent data loss. All the manufacturing units, corporate and administrative offices are integrated through secured online connectivity with high bandwidth. All divisions of your Company are maintaining ERP applications to track regular business operations of the organization, maintained by the in-house team of your Company.

## HUMAN RELATIONS

Human Relations policy of the Company focuses on enhanced inter-personal relationship, quality of life and on improving self-esteem and overall development of the employees. Human Resource Development in the Company involves learning and implementation, career progression and quality delivery through skill building. These are the pillars adding to employee's personal and professional growth. The Human Resources function also emphasizes on Employee Retention and Recognition. The inclusive good relationship environment motivates and influences the quality of work through teamwork where harmony and flexibility persists. Human Relations is practised as an art of using systematic knowledge about human behaviour to improve effectiveness.

## OPPORTUNITIES & THREATS

The Governments' commitment on upgradation of the railways infrastructure, both track & signaling, with massive provision of funds, will continue to benefit to the EPC Division of the Company. The Railways recent announcement regarding building of three new Dedicated Freight Corridors, in addition to the existing Western and Eastern Dedicated Freight Corridor, is also a positive for the EPC business.

Wagon Orders from the Railways have now started flowing. Besides, there has been further liberalization of wagon investment scheme wherein general purpose wagons, hitherto the preserve of the railways, has also been opened up to the private sector. This is reflecting in the burgeoning demand for wagons from non-railway customers.

The simmering trade war between USA and China, while having a dampening effect on the global economy, is perhaps to our advantage with exports from the Foundry division to USA showing a long term positive trend.

The sluggishness in the domestic economy and the liquidity crisis is now acknowledged even by the government and the RBI and will certainly cast its shadows on our business. However, your company is confident of overcoming any substantial impact with improved efficiency in operations.

## CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility (CSR) is how a company operates in an ethical and sustainable way and deals with its environmental and social impacts. With careful consideration

of human rights, the community, environment, and society in which it operates. Texmaco thrusts upon its CSR activities vigorously especially in the varied spheres of Health, Education, Skill Development, Women Empowerment, Environment, etc.

Texmaco Neighbourhood Welfare Society (TNWS), the social and community welfare catering to the common people settled in the neighbourhood of Texmaco facilities is appropriately supported by Texmaco Rail & Engineering Ltd. and it has created a wonderful Health Hub facility, 'Texmaco Arogyam' at Texmaco Estate premises that includes a well-equipped Physiotherapy Centre, a State-of-the-Art Gym and Yoga Centre for the employees and neighbourhood people. 'Texmaco Arogyam Physio Centre' has further added yet another significant milestone by setting up an Alternative Therapy Centre adjacent to its Physio Centre that was inaugurated on 7th February 2019. 'Texmaco Arogyam Alternative Therapy Centre' primarily comprises the services of Traditional Chinese Techniques (Acupuncture, Electro-acupuncture, Moxibustion, Fire & Plastic Cupping, Tuina), Homeopathy and Ayurveda under the expert guidance of competent Medical Practitioner.

In today's age of globalisation, skill building for a large segment of unemployed youth is an important instrument to increase the efficacy and quality of their life entering them to be in a state of preparedness to reap the benefit of the economic growth.

Skill Development is an increasingly important factor in empowering individuals and adapting societies to changing economic and environmental conditions. As a part of Corporate Social Responsibility, the Company has set up a Vocational Training Institute in the Company's campus in collaboration with The George Telegraph Training Institute (GTTI), duly approved by The National Skill Development Corporation (NSDC). The objective of the centre is to make the local youth employable by imparting vocational training in relevant trades as well as developing their entrepreneurial spirit. This will also promote inclusive growth and improve overall social environment. The Annual Report on CSR activities is enclosed as **Annexure A**.

## GREEN INITIATIVES

Your Company has diligently embraced a sustainability initiative with the aim of going green and minimizing the impact on environment. Your Company has already started sending Annual Report, Notices, etc. through e-mails to the Shareholders, whose e-mail IDs are registered with their Depository Participants / Company. In case a Shareholder wishes to receive a printed copy, he/she may send a request to the Company, after which a printed copy of the Annual Report will be sent. Shareholders are requested to support this initiative by registering / updating their email addresses for receiving Annual Report, Notices, etc. through e-mail. The Company has also followed the Standardised Norms for transfer of securities in physical mode in case of Non-availability of transferor's PAN or Signature.

## PARTICULARS OF EMPLOYEES

The number of employees as at 31st March 2019 was 2471. In terms of the provisions of Section 197(12) of the Companies Act, 2013 ('Act') read with Rules 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, a statement showing the names and other particulars of the employees drawing remuneration in excess of the limits set out in the said rules is enclosed as **Annexure B**.

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

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

Disclosure relating to Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo as required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, are enclosed as **Annexure D**.

## BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Meetings of the Board

During the year under review, 4 (Four) Board Meetings were held on 15th May 2018, 30th July 2018, 3rd November 2018 and 4th February 2019.

### Change in Directors and Key Managerial Personnel

Messrs. Damodar Hazarimal Kela (DIN: 01050842) and Ashok Kumar Vijay (DIN: 01103278) retire by rotation and being eligible, offers themselves for re-appointment at the ensuing Annual General Meeting.

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

The Board of Directors at its Meeting held on 15th May 2018 had recommended the re-designation of Mr. Sandeep Fuller as Managing Director and the appointment of Mr. Girish Chandra Agrawal as an Executive Director of the Company. Further, the Board of Directors at its Meeting held on 30th July 2018 had recommended the appointment of Mr. Utsav Parekh as an Independent Director. All these aforesaid appointments and re-designation were approved at the Annual General Meeting held on 4th September 2018.

During the year, the tenure of Mr. Sabyasachi Hajara had expired on 28th September 2018 pursuant to which he ceased to be a Director of the Company.

## Board Evaluation

The Company has formulated a Policy for performance evaluation of Independent Directors, Committees of the Board and individual Directors, by fixing certain criteria, duly approved by the Nomination and Remuneration Committee and adopted by the Board. The criteria for the evaluation includes their functioning as Members of Board or Committees of the Board. A structured questionnaire, evolved through discussions within the Board, has been used for this purpose. Further, on the basis of recommendations of the Nomination and Remuneration Committee and the performance review by Independent Directors at their meeting, a process of evaluation was followed by the Board for its own performance and that of its Committees and individual Directors. Furthermore, the evaluation of the Independent Directors was performed by the entire Board of Directors. The evaluation criteria comprised of assessing the various parameters including performance of the Directors, expertise/skills, contribution to the strategic planning, etc.

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

## Criteria for Appointment of Directors and Remuneration Policy

The Nomination and Remuneration Committee has approved the criteria to determine the appropriate characteristics, skills and experience for the Board as a whole and its individual members with the objective of having a Board of eminent Qualified Professionals, entrepreneurs with diverse backgrounds and experience in business, governance, education and public service.

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

The policy ensures equity, fairness and consistency in rewarding the employee on the basis of performance against set of objectives. The Policy is available on our website at the link [https://www.texmaco.in/webfiles/doc/Investors\\_Information/Remuneration-Policy.pdf](https://www.texmaco.in/webfiles/doc/Investors_Information/Remuneration-Policy.pdf)

## Declaration by Independent Directors

All Independent Directors of your Company have given declaration that they meet the criteria of independence as laid down under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board of Directors of the Company took on record the declarations submitted by the Independent directors after undertaking due assessment of their independence from the Management.



## AUDIT COMMITTEE AND AUDITORS

### Composition of Audit Committee

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

### Statutory Auditors

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

### Cost Auditors

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

### Secretarial Audit Report

Your Company has appointed Messrs. S. R. & Associates., Company Secretaries, for conducting the Secretarial Audit for FY'19 in terms of the provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014.

The Secretarial Audit Report in Form MR-3 is enclosed as **Annexure E**.

### Whistle Blower Policy

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

## INTERNAL FINANCIAL CONTROLS AND RISK MANAGEMENT

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

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

The objectives pertaining to Risk Management is to monitor and review the risk management plan of the Company

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

## DISCLOSURES

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

### (d) Merger

During the year, Bright Power Projects (India) Private Limited ('Bright Power') and Texmaco Hi-tech Private Limited ('Texmaco Hi-tech'), the subsidiaries of the Company has merged into and with the Company vide a Scheme of Amalgamation ('Scheme') as approved by the Board and Shareholders at their meetings held on 18th September 2017 and 15th September 2018, respectively. The Company has received the order of Hon'ble National Company Law Tribunal, Kolkata Bench on 23rd April 2019 approving the said scheme, effective date being 1st April 2017. Accordingly, the Financial Statement of the Company are being presented after incorporating the Financial Statement of Bright Power and Texmaco Hi-tech. The Company in terms of the Scheme, has allotted 47,85,300 equity shares on 11th May 2019 to the Shareholders of Bright Power. The synergy created out of the Merger would contribute towards the better performance of the Company and would accord an escalation to the Financials of the Company.

### (e) Share Capital

During the year, your Company has allotted 221039 Equity Shares of INR 1, respectively each to eligible Employees pursuant to exercise of Options under Texmaco Employee Stock Option Scheme, 2014.

### (f) Deposits

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

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

An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment which meets at regular intervals. The details pertaining to FY'19 are as follows:

Number of complaints filed during the Financial Year	Number of complaints disposed of during the Financial Year	Number of complaints pending as on end of the Financial Year
Nil	N.A.	Nil

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

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

**OTHER INFORMATION****Extract of Annual Return**

The extract of Annual Return in Form. MGT 9 as on the Financial Year ended 31st March 2019 available is enclosed as a separate **Annexure F** and forms a part of this Report.

**Dividend Distribution Policy**

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

**Corporate Governance**

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

**Business Responsibility Report**

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

**Particulars of Loans, Guarantees and Investments**

The details of Loans, Corporate Guarantees and Investments made during the year under the provisions of section 186 of the Companies Act, 2013 have been disclosed in the Note nos. 1.03,1.04, 1.14, 1.36 and 1.10, respectively to the Financial Statement of the Company.

**Related Party Transactions**

All related party transactions during the Financial Year were entered in the ordinary course of business and on arm's length basis. All related party transactions are reported to and approved by the Audit Committee and Board of Directors. There were no material related party transactions entered into by the Company with the promoters, directors, key managerial personnel which may have a potential conflict of interest with the Company at large and as such disclosure in Form AOC-2 is not required.

The Company has also formulated a policy on dealing with Related Party transactions and the same is disclosed on the Company's website. The web link for accessing such policy is [https://www.texmaco.in/webfiles/doc/Investors\\_Information/RELATED%20PARTY%20TRANSACTION%20POLICY.PDF](https://www.texmaco.in/webfiles/doc/Investors_Information/RELATED%20PARTY%20TRANSACTION%20POLICY.PDF)

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

Your Directors state:

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

For and on behalf of the Board

**S. K. Poddar**

*Chairman*

DIN: 00008654

Place: Kolkata

Dated: 13th May 2019

## ANNEXURE - A

### Annual Report on Corporate Social Responsibility (CSR)

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

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

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

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

**2. The Composition of the CSR committee:**

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

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

Average profit (₹ in lakhs)                      1599.88

**4. Prescribed CSR expenditure:**

2% of the net profit (₹ in lakhs)              32.00

**5. Details of CSR spent during the year:**

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programmes (1) Local area or other (2) Specify the State and district where projects or programs was under taken	Amount outlay (budget) project or programs wise (₹ in Lakhs)	Amount spent on the projects or programs		Amount spent: Direct or through implementing agency
					1) Direct expenditure on projects or Programs (₹ in Lakhs)	2) Overheads	
1	Eradicating hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swachh Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water.	Health & Sanitation, Drinking Water	Local Area	-	15.16	-	Direct



(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or Programmes (1) Local area or other (2) Specify the State and district where projects or programs was under taken	Amount outlay (budget) project or programs wise (₹ in Lakhs)	Amount spent on the projects or programs		Amount spent: Direct or through implementing agency
					1) Direct expenditure on projects or Programs (₹ in Lakhs)	2) Overheads	
2	Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly, and the differently abled and livelihood enhancement projects	Education	Local Area Maharashtra Mumbai		29.13		-Direct
3	Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the clean ganga fund set up by the Central Government for rejuvenation of river ganga	Sports	Local Area	32.00	8.37		-Direct
<b>Total</b>				<b>32.00</b>	<b>52.66</b>		

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

N.A.

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

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

**S. K. Poddar**

Chairman

**D. H. Kela**

Chairman of the Committee

## ANNEXURE - B

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

Name	Designation	Age (Years)	Remuneration (₹)	Qualifications	Experience (Years)	Date of Commencement of Employment	Previous Employment
1	2	3	4	5	6	7	8
Top Ten Employees in terms of Remuneration drawn / Employed throughout the year and in receipt of remuneration aggregating ₹ 1,02,00,000 or more							
1. Poddar Saroj Kumar	Executive Chairman	73	3,85,99,600	B.Com (Hons)	50	01-01-2006	M/s. Poddar Heritage Investments Limited
2. Kamath Udyavar Vittal	Chief Executive – Rail EPC division Unit Bright Power	55	2,04,68,492	B E (Electrical)	32	21-05-1991	Square Automation
3. Maheshwari Ramesh	Corporate Advisor	86	1,54,89,023	M.Com., L.L.B.	63	01-02-1962	M/s. F & Cosler (India) Limited & Sister Concerns
4. Kela Damodar Hazarimal	Executive Director	79	1,37,02,604	B.E.(Metallurgy)	53	14-11-2000	M/s. Hindusthan Engineering & Industries Limited
5. Fuller Sandeep	Managing Director	53	1,21,85,185	B.Tech & PGD in Management	33	01-02-2014	M/s. L&T Limited
6. Vijay Ashok Kumar	Executive Director	66	76,93,793	FCA,ACS	42	17-10-2001	M/s. Hindusthan Engineering & Industries Limited
7. Kottawar Arvind Dattatraya	COO – Rail EPC division Unit Bright Power	52	68,43,260	MIE (Electrical), C. Eng.	32	27-06-2017	Atkins Global, UK & India
8. Mohan Kumar Mysore Subbanna	Chief Executive (Projects) - Rail EPC division Unit Kalindee	53	66,54,366	BE(Electrical)	31	15-01-2014	L & T Limited
9. Agrawal Girish Chandra	Executive Director	62	59,50,265	B.Tech	40	05-03-2018	Western Railways
10. Satyaprasad Chimpiri	G M – Projects - Rail EPC division Unit Bright Power	59	56,75,989	B.A.	37	23-10-1998	ECS Industries Limited

**Notes:**

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

## ANNEXURE - C

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

- a. The ratio of remuneration of the Executive Director to the median remuneration of the employees of the Company for the financial year ended 31st March, 2019 is as below:

Sl. No.	Name of Directors/KMP	Designation	Ratio of Remuneration to Median Remuneration of all the employees	Increase in remuneration over previous Financial Year (in%)
i.	Mr. S.K.Poddar	Executive Chairman	216:1	-
ii.	Mr. D.H.Kela	Executive Director & CEO (SF)	77:1	10
iii.	Mr. Sandeep Fuller	Managing Director	68:1	10
iv.	Mr. A.K.Vijay	Executive Director & CFO	43:1	10
v.	Mr. G C Agrawal	Executive Director & CEO (HED)	33:1	-
vi.	Mr. A. C. Chakrabortti	Independent Director	3:1	-
vii.	Mr. D. R. Kaarthikeyan	Independent Director	3:1	-
viii.	Mr. Sunil Mitra	Independent Director	3:1	-
ix.	Mr. Sabyasachi Hajara	Independent Director	1:1	-
x.	Ms. Mridula Jhunjunwala	Independent Director	3:1	-
xi.	Mr. V K Sharma	Independent Director	2:1	-
xii.	Mr. Utsav Parekh	Independent Director	1:1	-
xiii.	Mr. Akshay Poddar	Non-executive Director	2:1	(16)
xiv.	Mr. Ravi Varma	Company Secretary	10:1	27
b.	The percentage increase in the median remuneration of employees in the financial year ended March 2019.			4%
c.	The number of permanent employees on the Company as at 31st March, 2019:			2471 Nos.
d.	<ul style="list-style-type: none"> <li>- Median Remuneration and Average Remuneration of all employees have increased by 4% and 7%.</li> <li>- Average remuneration of employees excluding Key Managerial Personnel has also increased by 7%, which is based on their performance. The increase in remuneration is in line with the market trends, internal parity and current salary of the employees. In order to ensure that remuneration reflects Company's performance, the variable pay is linked to organization and business unit's performance, apart from individual's performance.</li> <li>- Remuneration of Key Managerial Personnel has increased by 10%.</li> </ul>			
e.	The remuneration of the Directors, KMP and other employees is in accordance with the Remuneration Policy of the Company. The same can be accessed on the website of the Company at the link: <a href="https://www.texmaco.in/webfiles/doc/Investors_Information/Remuneration-Policy.pdf">https://www.texmaco.in/webfiles/doc/Investors_Information/Remuneration-Policy.pdf</a>			



## ANNEXURE - D

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

#### (A) Conservation of energy-

- i. the steps taken or impact on conservation of energy;
  - a) Installation and commissioning of Power Factor Improvement System continued during the year.
  - b) Maximum Demand has been enhanced from 8000 KVA-10000 KVA-12000 KVA in two year as over all load of the Belgharia Works, Agarpara Works & Webtec (Installed in August 2018) have increased.

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

The Installation of 50 KW solar panel on roof top of the NAOB has been commissioned from 14th August 2018.

- iii. the capital investment on energy conservation equipments;

Installation of 2.5 MVA Transformer 11 KV /440V substation with 2.5 MVA transformer capacity is in progress. To feed the associated auxiliary load of electrically heated treatment furnaces and High pressure moulding line-2 (HPML) and to curtail distribution and line losses as presently these electrical load are being fed by 6 KV/440V substation (installed in Nineteen Sixties) located at the south end of the Belgharia Steel Foundry, whereas load centre of HPML-II as well as of Electrical Heated Furnaces is at the north end of the Foundry (350 M apart). 6 KV/440V substation consists of 5 nos (500 KVA- 6KV/440V) Transformer and 30 nos OCB unit with copper contacts along with 4000 amps 4 line copper bus. By installation & commissioning of 2.5 MVA Transformer, the existing 6 KV substation will be spared for disposal.

#### (B) Technology absorption-

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

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

- ii. in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- N.A.
- iii. the expenditure incurred on Research and Development - 119.88 Lakhs

#### (C) Foreign exchange earnings 15,645.64 Lakhs and Outgo 8,029.15 Lakhs

**ANNEXURE - E**

Form No. MR-3

**Secretarial Audit Report****For The Financial Year Ended 31st March 2019****[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To

The Members

**Texmaco Rail & Engineering Limited**

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TEXMACO RAIL & ENGINEERING LIMITED** (hereinafter called the 'Company'). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March 2019 complied with the statutory provisions listed hereunder and also that the Company has maintained proper Board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined books, papers, minute books, forms and returns filed and other records maintained by **TEXMACO RAIL & ENGINEERING LIMITED** for the financial year ended on 31st March 2019 according to the provisions of the following, in so far as they are applicable to the Company:

1. The Companies Act, 2013 with Companies Act, 1956 (to the extent applicable) and the rules made thereunder the relevant Act;
2. The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the regulations and Bye-laws framed thereunder;
4. The Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowing;
5. The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- d) The Securities and Exchange Board of India (Share Based Employees Benefits) Regulations, 2014;
- e) The Securities and Exchange Board of India (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 regarding the Companies Act, 2013 and dealing with client;
- g) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.

6. The following other laws specially applicable to the Company :-
  - A) Factories Act, 1948 read with Rules;
  - B) Industrial Dispute Act, 1947 read with Rules; and
  - C) Environment (Protection) Act, 1968

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

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

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

**We further report that:**

- the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non – Executive Directors and Independent Directors. There are 6 (Six) Independent Directors on the Board of Directors of the Company as required under the SEBI (Listing Obligations and Disclosure Requirements) Regulations,

2015 read with the provisions of the Companies Act, 2013 ('Act'). There were no changes in the composition of the Board of Directors that took place during the period under review. Adequate notice is given to all directors to schedule the Board Meetings, Agenda and detailed Notes on Agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meetings.

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

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

**We further report that** during the audit period, the Company has raised capital by issuing 221039 Equity Shares through Texmaco Employee Stock Option Scheme 2014 (ESOP) raising ₹ 9062599/- at a premium of ₹ 40/- per share i.e. Equity Shares of face value of ₹ 1/- each were issued at ₹ 41/- each.

**We further report that** the Scheme of Amalgamation between the Company, Texmaco Hitech Private Limited and Bright Power Projects (India) Private Limited with the Hon'ble National Company Law Tribunal (NCLT) under section 230 and 232 of the Companies Act, 2013 has been approved by the NCLT vide its order dated 4th April, 2019.

For S R & Associates

Signature:  
Partner

Unique Code of Partnership Firm: P2008WB016700

Name of Company Secretary in Practice:  
**Geeta Roy Chowdhury**

Membership No: FCS: 7040; C.P. No.: 7741  
Unique Code of Number: 12007WB599800

Place: Kolkata  
Dated: 13th May 2019

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

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## Annexure

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

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

For S R & Associates

Signature:  
Partner

Unique Code of Partnership Firm: P2008WB016700

Name of Company Secretary in Practice: **GEETA ROY CHOWDHURY**  
Membership No: FCS: 7040; C.P. No.: 7741  
Unique Code of Number: 12007WB599800

Place: Kolkata  
Dated: 13th May 2019



**ANNEXURE - F****Form No. MGT-9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 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:**

i.	CIN:	L29261WB1998PLC087404
ii.	Registration Date:	25th June 1998
iii.	Name of the Company:	Texmaco Rail & Engineering Limited
iv.	Category:	Public Limited
v.	Sub-Category of the Company:	Limited by Shares
vi.	Address of the Registered office and contact details:	Belgharia, Kolkata – 700 056, Phone no. 033 2569 1500, Fax no. 033 2541 2448
vii.	Whether listed company:	Yes
viii.	Name, Address and Contact details of Registrar and Transfer Agent:	M/s. Karvy Fintech Private Limited Karvy Selenium, Tower- B, Plot No. 31 & 32., Gachibowli, Financial District, Nanakarmguda, Hyderabad 500032 Phone no. 040-67162222

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1.	ROLLING STOCK	302	40
2.	ENGINEERING PROCUREMENT & CONSTRUCTION	439	47
3.	STEEL CASTINGS	243	13

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sl. No.	Name and Address of the Company	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of Shares held	Applicable Section
1.	Texmaco Hi-tech Private Limited# Belgharia, Kolkata – 700 056	U35201WB2009PTC133330	Subsidiary	100.00	2 (87)
2.	Bright Power Projects (India) Private Limited# Belgharia, Kolkata – 700 056	U32109WB1994PTC220449	Subsidiary	55.00	2 (87)
3.	Belur Engineering Private Limited Belgharia, Kolkata – 700 056	U28100WB2017PTC219523	Subsidiary	100.00	2 (87)
4.	Texmaco Defence Systems Private Limited Birla Mills Compound G. T. Road, Clock Tower, New Delhi 110 007	U35100DL2018PTC328277	Subsidiary	51.00	2 (87)

Sl. No.	Name and Address of the Company	CIN/GLN	HOLDING / SUBSIDIARY / ASSOCIATE	% of Shares held	Applicable Section
5.	Texmaco Transtrak Private Limited 238A, AJC Bose Road Unit 5D/2, 5th Floor Kolkata 700 020	U35923WB2017PTC223786	Subsidiary	51.01	2 (87)
6.	Texrail (SA) Pty Limited Atrium, 9 <sup>th</sup> Floor, 5th Street, Sandton, Johannesburg, 2196 South Africa	2018/213036/07	Subsidiary	100.00	2 (87)
7.	Texmaco Signalling Systems Private Limited* Belgharia, Kolkata -700056	U74999WB2019PTC230789	Subsidiary	100.00	2(87)
8.	Touax Texmaco Railcar Leasing Private Limited Belgharia, Kolkata – 700 056	U74999WB2011PTC167754	Joint Venture	50.00	2 (6)
9.	Wabtec Texmaco Rail Private Limited Belgharia, Kolkata – 700 056	U35122WB2015FTC207096	Joint Venture	40.00	2 (6)

# Merged into the Company w.e.f. 7 June 2019

\*Became Subsidiary w.e.f. 5th March 2019

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

Paid up Capital of the Company has increased from 21,98,28,443 at 31st March 2018 to 22,00,49,482 at 31st March 2019 on account of allotment of 221039 Equity Shares under Texmaco Employees Stock Option Scheme 2014.

##### (i) Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF	3579510	-	3579510	1.63	3579510	-	3579510	1.63	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	111504110	-	111504110	50.72	111504110	-	111504110	50.67	(0.05)
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(1)</b>	<b>115083620</b>	<b>-</b>	<b>115083620</b>	<b>52.35</b>	<b>115083620</b>	<b>-</b>	<b>115083620</b>	<b>52.30</b>	<b>(0.05)</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	43390	-	43390	0.02	43390	-	43390	0.02	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-total (A)(2) :-</b>	<b>43390</b>	<b>-</b>	<b>43390</b>	<b>0.02</b>	<b>43390</b>	<b>-</b>	<b>43390</b>	<b>0.02</b>	<b>-</b>
<b>Total shareholding of Promoter (A)=(A)(1)+(A)(2)</b>	<b>115127010</b>	<b>-</b>	<b>115127010</b>	<b>52.37</b>	<b>115127010</b>	<b>-</b>	<b>115127010</b>	<b>52.32</b>	<b>(0.05)</b>

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
1. Mutual Funds	31349394	-	31349394	14.26	30525034	-	30525034	13.87	(0.39)
2. Banks / FI	1425261	-	1425261	0.65	1261510	-	1261510	0.57	(0.08)
3. Central Govt	-	-	-	-	-	-	-	-	-
4. State Govt(s)	-	-	-	-	-	-	-	-	-
5. Venture Capital Funds	-	-	-	-	-	-	-	-	-
6. Insurance Companies	0	10	10	0.00	110000	10	110010	0.05	0.05
7. FIs	16941230	-	16941230	7.71	15688383	-	15688383	7.13	(0.58)
8. Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
9. Qualified Foreign Investors	-	-	-	-	-	-	-	-	-
10. Foreign Nationals	581	-	581	0.00	710	-	710	0.00	-
<b>Sub-total (B)(1):-</b>	<b>49716466</b>	<b>10</b>	<b>49716476</b>	<b>22.62</b>	<b>47585637</b>	<b>10</b>	<b>47585647</b>	<b>21.62</b>	<b>(1.00)</b>
<b>2. Non- Institutions</b>									
a) Bodies Corp.									
i) Indian	12819194	271838	13091032	5.96	12694943	219842	12914785	5.87	(0.09)
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	29095546	1045205	30140751	13.71	29596171	686255	30282426	13.76	0.05
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	5667870	-	5667870	2.58	7625083	-	7625083	3.47	0.89
c) Others (specify)									
NBFC	62052	-	62052	0.03	18418	-	18418	0.01	(0.02)
Trusts	42	-	42	0.00	39	-	39	0.00	-
Non Resident Indians	3028580	14840	3043420	1.39	2263868	14690	2278558	1.04	(0.35)
HUF	2223607	-	2223607	1.01	2549709	-	2549709	1.16	0.15
Clearing Members	221158	-	221158	0.10	128570	-	128570	0.06	(0.04)
Employees	485400	45075	530475	0.24	625998	35075	661073	0.30	0.06
Enemy Individuals	-	4550	4550	0.00	-	4550	4550	0.00	-
IEPF	-	-	-	-	321333	-	321333	0.15	0.15
Alternative Investment Fund	-	-	-	-	552281	-	552281	0.25	0.25
<b>Sub-total (B)(2):-</b>	<b>53603449</b>	<b>1381508</b>	<b>54984957</b>	<b>25.01</b>	<b>56376413</b>	<b>960412</b>	<b>57336825</b>	<b>26.06</b>	<b>1.05</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>103319334</b>	<b>1381518</b>	<b>104700852</b>	<b>47.63</b>	<b>103962050</b>	<b>960422</b>	<b>104922472</b>	<b>47.68</b>	<b>0.05</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	<b>218446925</b>	<b>1381518</b>	<b>219828443</b>	<b>100</b>	<b>219089060</b>	<b>960422</b>	<b>220049482</b>	<b>100</b>	<b>-</b>



**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mr Saroj Kumar Poddar	3447020	1.57	-	3447020	1.57	-	-
2.	Ms Jyotsna Poddar	71790	0.03	-	71790	0.03	-	-
3.	Ms Puja Poddar	28570	0.01	-	28570	0.01	-	-
4.	Mr Akshay Poddar	14820	0.01	-	14820	0.01	-	-
5.	Kumari Anisha Agarwala	32140	0.01	-	32140	0.01	-	-
6.	Ms Aashti Agarwala	14280	0.01	-	14280	0.01	-	-
7.	Ms Shradha Agarwala	14280	0.01	-	14280	0.01	-	-
8.	Texmaco Infrastructure & Holdings Limited	54600000	24.84	-	54600000	24.81	-	(0.03)
9.	Zuari Investments Limited	28963900	13.18	-	28963900	13.16	-	(0.02)
10.	Adventz Finance Private Limited	8377400	3.81	-	8377400	3.81	-	-
11.	Duke Commerce Limited	7514000	3.42	-	7514000	3.42	-	-
12.	Zuari Global Limited	4035000	1.83	-	4035000	1.83	-	-
13.	Adventz Securities Enterprises Limited	3809140	1.73	-	3809140	1.73	-	-
14.	Adventz Investment Company Private Limited	3035710	1.38	-	3035710	1.38	-	-
15.	New Eros Tradecom Limited	738800	0.34	-	738800	0.34	100	-
16.	Premium Exchange and Finance Limited	188090	0.08	-	188090	0.08	-	-
17.	Jeewan Jyoti Medical Society	160500	0.07	-	160500	0.07	-	-
18.	Greenland Trading Private Limited	35000	0.02	-	35000	0.02	-	-
19.	Indrakashi Trading Company Private Limited	30000	0.01	-	30000	0.01	-	-
20.	Master Exchange & Finance Limited	15760	0.01	-	15760	0.01	-	-
21.	Eureka Traders Private Limited	530	0.00	-	530	0.00	-	-
22.	Abhishek Holdings Private Limited	280	0.00	-	280	0.00	-	-
<b>Total</b>		<b>115127010</b>	<b>52.37</b>	<b>-</b>	<b>115127010</b>	<b>52.32</b>	<b>-</b>	<b>(0.05)</b>

On account of allotment of 221039 under Texmaco Employees Stock Option Scheme 2014.

## (iii) Change in Promoters' Shareholding

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	115127010	52.37		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	<b>At the End of the year</b>			<b>115127010</b>	<b>52.32</b>

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

Sl. No.	For each of the top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
<b>1.</b>	<b>HDFC Trustee Company Limited - HDFC Prudence Fund</b>				
	At the beginning of the year	16935583	7.70		
	Increase / Decrease in shareholding during the year due to transfer of shares				
	18.05.2018	1000000	0.45	17935583	8.15
	06.07.2018	45000	0.02	17980583	8.17
	27.07.2018	90954	0.04	18071537	8.21
	10.08.2018	18000	0.01	18089537	8.22
	At the end of the year			18089537	8.22
<b>2.</b>	<b>National Westminster Bank PLC as Trustee of the Jupiter India Fund</b>				
	At the beginning of the year	8020874	3.65		
	Increase / Decrease in shareholding during the year due to transfer of shares				
	06.04.2018	91494	0.04	8112368	3.69
	21.09.2018	(42000)	(0.02)	8070368	3.67
	28.09.2018	(203761)	(0.10)	7866607	3.57
	16.11.2018	137212	0.07	8003819	3.64
	At the end of the year			8003819	3.64
<b>3.</b>	<b>Reliance Capital Trustee Co. Ltd. A/C Reliance Diversified Power Sector Fund</b>				
	At the beginning of the year	7036655	3.20		
	Increase / Decrease in shareholding during the year due to transfer of shares				
	20.04.2018	1400000	0.64	8436655	3.84
	20.04.2018	(1400000)	(0.64)	7036655	3.20
	27.04.2018	(700000)	(0.32)	6336655	2.88
	04.05.2018	700000	0.32	7036655	3.20
	18.05.2018	(325896)	(0.15)	6710759	3.05
	25.05.2018	(488628)	(0.22)	6222131	2.83
	03.08.2018	(149432)	(0.07)	6072699	2.76

Sl. No.	For each of the top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	01.03.2019	49950	0.02	6122649	2.78
	08.03.2019	90477	0.04	6213126	2.82
	15.03.2019	140192	0.07	6353318	2.89
	At the end of the year			6353318	2.89
<b>4.</b>	<b>Canara Robeco Mutual Fund A/c Canara Robeco Emerging Equity</b>				
	At the beginning of the year	3987038	1.81		
	Increase / decrease in shareholding during the year due to transfer of shares				
	04.05.2018	(500000)	(0.23)	3487038	1.58
	18.05.2018	(1924381)	(0.87)	1562657	0.71
	25.05.2018	30000	0.01	1592657	0.72
	25.05.2018	(11778)	(0.00)	1580879	0.72
	15.06.2018	(987208)	(0.45)	593671	0.27
	05.10.2018	(309966)	(0.14)	283705	0.13
	02.11.2018	(37701)	(0.02)	246004	0.11
	16.11.2018	(8817)	(0.00)	237187	0.11
	23.11.2018	(60000)	(0.03)	177187	0.08
	30.11.2018	(88620)	(0.04)	88567	0.04
	07.12.2018	(88567)	(0.04)	0	0.00
	At the end of the year			0	0.00
<b>5.</b>	<b>Hypnos Fund Limited</b>				
	At the beginning of the year	2396000	1.09		
	Increase / decrease in shareholding during the year due to transfer of shares				
	25.05.2018	400000	0.18	2796000	1.27
	At the end of the year			2796000	1.27
<b>6.</b>	<b>Jupiter South Asia Investment Company Limited - South Asia Access Fund</b>				
	At the beginning of the year	2143143	0.97		
	Increase / Decrease in shareholding during the year due to transfer of shares				
	06.04.2018	(79171)	(0.03)	2063972	0.94
	16.11.2018	(70110)	(0.03)	1993862	0.91
	22.02.2019	(130097)	(0.06)	1863765	0.85
	15.03.2019	(29348)	(0.02)	1834417	0.83
	At the end of the year			1834417	0.83
<b>7.</b>	<b>Akash Bhansali</b>				
	At the beginning of the year	1365587	0.62		
	Increase / Decrease in shareholding during the year	Nil	Nil	Nil	Nil
	At the end of the year			1365587	0.62
<b>8.</b>	<b>IDFC Tax Advantage (ELSS) Fund</b>				
	At the beginning of the year	1300000	0.59		
	Increase / Decrease in shareholding during the year due to transfer of shares				
	06.04.2018	120000	0.06	1420000	0.65
	13.04.2018	80000	0.03	1500000	0.68



Sl. No.	For each of the top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	20.04.2018	50000	0.03	1550000	0.71
	18.05.2018	150000	0.06	1700000	0.77
	25.05.2018	44374	0.02	1744374	0.79
	01.06.2018	5626	0.01	1750000	0.80
	08.06.2018	25000	0.01	1775000	0.81
	15.06.2018	75000	0.03	1850000	0.84
	29.06.2018	25000	0.01	1875000	0.85
	06.07.2018	25000	0.01	1900000	0.86
	13.07.2018	41767	0.02	1941767	0.88
	20.07.2018	28233	0.02	1970000	0.90
	27.07.2018	55000	0.02	2025000	0.92
	10.08.2018	25000	0.01	2050000	0.93
	17.08.2018	25000	0.01	2075000	0.94
	24.08.2018	25000	0.01	2100000	0.95
	12.10.2018	75000	0.04	2175000	0.99
	19.10.2018	25000	0.01	2200000	1.00
	09.11.2018	48270	0.02	2248270	1.02
	16.11.2018	21730	0.01	2270000	1.03
	30.11.2018	130000	0.06	2400000	1.09
	07.12.2018	200000	0.09	2600000	1.18
	14.12.2018	25000	0.01	2625000	1.19
	04.01.2019	75000	0.04	2700000	1.23
	11.01.2019	50000	0.02	2750000	1.25
	18.01.2019	50000	0.02	2800000	1.27
	25.01.2019	75000	0.04	2875000	1.31
	01.02.2019	25000	0.01	2900000	1.32
	08.02.2019	75000	0.03	2975000	1.35
	22.02.2019	15000	0.01	2990000	1.36
	01.03.2019	10000	0.00	3000000	1.36
	22.03.2019	50000	0.03	3050000	1.39
	29.03.2019	25000	0.01	3075000	1.40
	At the end of the year			3075000	1.40
<b>9.</b>	<b>IIFL Best of Class Fund 1</b>				
	At the beginning of the year	1178620	0.54		
	Increase / Decrease in shareholding during the year due to transfer of shares				
	30.11.2018	(139152)	(0.07)	1039468	0.47
	07.12.2018	(565821)	(0.25)	473647	0.22
	14.12.2018	(473647)	(0.22)	0	0.00
	At the end of the year			0	0.00
<b>10.</b>	<b>UTI Retirement Benefit Pension Fund</b>				
	At the beginning of the year	1055118	0.48		
	Increase / Decrease in shareholding during the year due to transfer of shares				
	13.04.2018	59774	0.03	1114892	0.51
	20.04.2018	56464	0.02	1171356	0.53
	03.08.2018	27141	0.01	1198497	0.54

Sl. No.	For each of the top Ten Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
	24.08.2018	150000	0.07	1348497	0.61
	24.08.2018	(170000)	(0.07)	1178497	0.54
	At the end of the year			1178497	0.54
<b>11.</b>	<b>BNP Paribas Dividend Yield Fund</b>				
	At the beginning of the year	900000	0.41		
	Increase / Decrease in shareholding during the year due to transfer of shares				
	06.04.2018	50000	0.02	950000	0.43
	13.04.2018	50000	0.02	1000000	0.45
	20.04.2018	25000	0.02	1025000	0.47
	25.05.2018	50000	0.02	1075000	0.49
	03.08.2018	50000	0.02	1125000	0.51
	31.08.2018	50000	0.02	1175000	0.53
	04.01.2019	100000	0.05	1275000	0.58
	25.01.2019	25000	0.01	1300000	0.59
	At the end of the year			1300000	0.59
<b>12.</b>	<b>Finquest Securities Pvt Ltd- Client Beneficiary A/c</b>				
	At the beginning of the year	637100	0.29		
	Increase / decrease in shareholding during the year due to transfer of shares				
	22.06.2018	925000	0.42	1562100	0.71
	29.06.2018	900000	0.41	2462100	1.12
	06.07.2018	121600	0.05	2583700	1.17
	06.07.2018	(158600)	(0.07)	2425100	1.10
	10.08.2018	107000	0.05	2532100	1.15
	10.08.2018	(107000)	(0.05)	2425100	1.10
	24.08.2018	(107000)	(0.05)	2318100	1.05
	07.09.2018	33000	0.01	2351100	1.06
	07.09.2018	(33000)	(0.01)	2318100	1.05
	14.09.2018	18900	0.01	2337000	1.06
	14.09.2018	(33000)	(0.01)	2304000	1.05
	28.09.2018	107000	0.05	2411000	1.10
	12.10.2018	24000	0.01	2435000	1.11
	12.10.2018	(24000)	(0.01)	2411000	1.10
	19.10.2018	20900	0.01	2431900	1.11
	26.10.2018	37000	0.01	2468900	1.12
	09.11.2018	87100	0.04	2556000	1.16
	09.11.2018	(87100)	(0.04)	2468900	1.12
	At the end of the year			2468900	1.12

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

**(v) Shareholding of Directors and Key Managerial Personnel****Mr S. K. Poddar**, *Executive Chairman*

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

**Mr A. C. Chakrabortti**, *Independent Director*

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

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

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

**Mr D. H. Kela**, *Executive Director*

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	12000	0.01		
Increase / Decrease in Shareholding during the year				
21.04.2018 (ESOP allotment)	20000	0.01	32000	0.02
At the end of the year			32000	0.02



**Mr Sandeep Fuller, Managing Director**

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	30000	0.01		
Increase / Decrease in Shareholding during the year				
30.07.2018 (ESOP allotment)	20000	0.01	50000	0.02
At the end of the year			50000	0.02

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

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	32530	0.01		
Increase / Decrease in Shareholding during the year				
21.04.18 (ESOP allotment)	20000	0.01	52530	0.02
At the end of the year			52530	0.02

**Mr. Ravi Varma, Company Secretary**

For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
At the beginning of the year	0	0.00		
Increase / Decrease in Shareholding during the year				
21.04.18 (ESOP allotment)	3938	0.00	3938	0.00
At the end of the year			3938	0.00

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

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	47028.81	3000.00	-	50028.81
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	35.03	-	-	35.03
<b>Total (i+ii+iii)</b>	<b>47063.84</b>	<b>3000.00</b>	<b>-</b>	<b>50063.84</b>
Change in Indebtedness during the financial year				
• Addition	535.82	4000.00	-	4535.82
• Reduction	-	-	-	-
Net Change	535.82	4000.00	-	4535.82
Indebtedness at the end of the financial year				
i) Principal Amount	47557.20	7000.00	-	54557.20
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	42.46	-	-	42.46
<b>Total (i+ii+iii)</b>	<b>47599.66</b>	<b>7000.00</b>	<b>-</b>	<b>54599.66</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/ Manager					Total Amount
		Mr S. K. Poddar	Mr D. H. Kela <sup>^</sup>	Mr Sandeep Fuller <sup>^</sup> (Managing Director)	Mr A. K. Vijay <sup>*</sup>	Mr. G. C. Agrawal <sup>^</sup>	
1.	Gross Salary						
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	324.99	98.04	81.73	45.30	48.35	598.41
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	25.01	6.33	12.98	6.86	8.94	60.12
	(c) Profits in lieu of salary under section 17(3) Income- Tax Act, 1961	-	-	-	-	-	-
2.	Stock Option	-	9.14	6.60	9.14	-	24.88
3.	Sweat Equity	-	-	-	-	-	-
4.	Commission	-	-	-	-	-	-
	i) As % of profit	-	-	-	-	-	-
	ii) Others, specify	-	-	-	-	-	-
5.	Others :-						
	i) Co's Contribution to PF / Pension Fund	36.00	10.45	12.21	9.27	2.16	70.09
	ii) Value of Furniture	-	-	-	0.05	0.05	0.10
	iii) Superannuation	-	13.07	8.33	6.32	-	27.22
	<b>Total</b>	<b>386.00</b>	<b>137.03</b>	<b>121.85</b>	<b>76.94</b>	<b>59.50</b>	<b>781.24</b>
	Ceiling as per the Act						922.78

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

<sup>\*</sup>Mr. A.K. Vijay is also the CFO of the Company.

**B. Remuneration to other Directors**

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of Directors								Total Amount
		Mr A.C. Chakrabortti	Mr D. R. Kaarathikeyan	Mr Sunil Mitra	Mr S.Hajara	Mr V.K. Sharma	Mr. Utsav Parekh	Ms Mridula Jhunjunwala	Mr Akshay Poddar	
<b>1.</b>	<b>Independent Directors</b>									
	Fee for attending board committee meetings	3.40	2.60	2.60	0.30	0.90	0.80	3.40	-	14.00
	Commission	2.00	2.00	2.00	0.99	2.00	1.15	2.00	-	12.14
	Others, please specify	-	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>5.40</b>	<b>4.60</b>	<b>4.60</b>	<b>1.29</b>	<b>2.90</b>	<b>1.95</b>	<b>5.40</b>	<b>-</b>	<b>26.14</b>
<b>2.</b>	<b>Other Non-executive Directors</b>									
	Fee for attending board committee meetings	-	-	-	-	-	-	-	1.50	1.50
	Commission	-	-	-	-	-	-	-	2.00	2.00
	Others, please specify	-	-	-	-	-	-	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.50</b>	<b>3.50</b>
	<b>Total (B)=(1+2)</b>	<b>5.40</b>	<b>4.60</b>	<b>4.60</b>	<b>1.29</b>	<b>2.90</b>	<b>1.95</b>	<b>5.40</b>	<b>3.50</b>	<b>29.64</b>
	Total Managerial Remuneration									810.88
	<b>Ceiling as per the Act</b>									<b>1015.06</b>

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

(₹ in lakhs)

Sl. No.	Particulars of Remuneration	Name of Company Secretary		Total Amount
		Mr Ravi Varma		
1.	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961		14.00	14.00
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961		0.78	0.78
	(c) Profits in lieu of salary under section 17(3) Income- Tax Act, 1961		-	-
2.	Stock Option		1.80	1.80
3.	Sweat Equity		-	-
4.	Commission			
	i) As % of profit		-	-
	ii) Others, specify		-	-
5.	Others :-			
	i) Co's Contribution to PF / Pension Fund		0.61	0.61
	ii) Value of Furniture			
	<b>Total</b>		<b>17.19</b>	<b>17.19</b>

**VII. There were no penalties / Punishment / Compounding of Offences under the Companies Act, 1956 / 2013 for the year ended 31st March 2019.**



## ANNEXURE - G

### Dividend Distribution Policy

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

#### Preamble

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

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

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

#### Process for approval of Payment of Final Dividend:

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

#### Declaration of Dividend

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

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

#### Factors to be considered while declaring Dividend

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

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

#### External Factors:-

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

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

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

#### Internal Factors:-

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

- i) Profits earned during the year;
- ii) Present & future Capital requirements of the existing businesses;

- iii) Brand/ Business Acquisitions;
- iv) Expansion/ Modernization of existing businesses;
- v) Additional investments in subsidiaries/associates of the Company;
- vi) Fresh investments into external businesses;
- vii) Any other factor as deemed fit by the Board.

#### Dividend Range

The Company stands committed to deliver sustainable value to all its stakeholders. The Company will strive to distribute an

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

#### Review

This Policy will be reviewed periodically by the Board.

## ANNEXURE - H

### Report on Corporate Governance

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

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

#### 2. Board of Directors

The Company's Board comprises twelve (12) Directors, representing the optimum mix of professionalism, knowledge and experience. Six (6) Directors of the current strength of the Board are Independent Directors as on 31st March 2019. The category of Directors, number of Board Meetings attended, attendance at the last Annual General Meeting (AGM), number of Directorships in other companies including the name of listed entities and their category thereof, number of Committees in which such Director is a Chairperson or Member, are mentioned below:-

Name of Director	Category of Directors	No. of Board Meetings attended	Attendance at the last AGM	No. of Directorships in other Companies #	Name of other listed entities where the person is a Director and the category of directorship		No. of Chairpersonship/ Membership of Board Committees in Companies ^	
					Name	Category	Chairperson	Member
Mr. S. K. Poddar (DIN: 00008654)	Executive Chairperson - Promoter	4	Yes	11	Chambal Fertilisers and Chemicals Limited Texmaco Infrastructure & Holdings Limited Zuari Agro Chemicals Limited Zuari Global Limited	Non-Executive & Non-Independent Director-Chairperson	-	-
Mr. Sandeep Fuller** (DIN: 06754262)	Managing Director	4	Yes	7	-	-	-	2
Mr. A. C. Chakrabortti (DIN:00015622)	Independent	4	Yes	6	Asian Hotels (East) Limited La Opala RG Limited	Non-Executive & Independent Director Non-Executive & Independent Director-Chairperson	2	2
Mr. D. R. Kaarthikeyan (DIN:00327907)	Independent	4	No	7	Taj GVK Hotels and Resorts Limited Lotus Eye Hospital and Institute Limited Raj Television Network Limited Texmaco Infrastructure & Holdings Limited	Non-Executive & Independent Director	-	4
Mr. Sunil Mitra (DIN: 00113473)	Independent	4	Yes	8	Nicco Parks & Resorts Limited Dollar Industries Limited Century Plyboards (India) Limited	Non-Executive & Independent Director	1	4
Mr.Sabyasachi Hajara* (DIN:00004485)	Independent	1	No	N. A.	N. A.	N. A.	N. A.	N. A.
Ms. Mridula Jhunjunwala (DIN:05339373)	Independent	4	Yes	-	-	-	-	1
Mr. V. K. Sharma (DIN: 02051084)	Independent	3	No	2	Firstsource Solutions Limited	Non-Executive & Independent Director	-	1

Name of Director	Category of Directors	No. of Board Meetings attended	Attendance at the last AGM	No. of Directorships in other Companies #	Name of other listed entities where the person is a Director and the category of directorship		No. of Chairpersonship/ Membership of Board Committees in Companies ^	
					Name	Category	Chairperson	Member
Mr. Utsav Parekh® (DIN: 00027642)	Independent	2	NA	12	SMIFS Capital Markets Limited	Non-Executive & Non-Independent Director-Chairperson	4	3
					Mcleod Russel India Limited	Non-Executive & Independent Director		
					Xpro India Limited	Non-Executive & Independent Director		
					Texmaco Infrastructure & Holdings Limited	Non-Executive & Independent Director		
					Spencer's Retail Limited	Non-Executive & Independent Director		
Mr. Akshay Poddar* (DIN:00008686)	Non-executive & Non-independent - Promoter	3	No	16	Adventz Securities Enterprises Limited Mangalore Chemicals & Fertilizers Limited Texmaco Infrastructure & Holdings Limited Zuari Agro Chemicals Limited	Non-Executive & Non-Independent Director	1	2
Mr. D. H. Kela (DIN: 01050842)	Executive	4	Yes	3	-	-	-	1
Mr. G. C. Agrawal <sup>§</sup> (DIN:08132434)	Executive	4	Yes	1	-	-	-	-
Mr. A. K. Vijay (DIN: 01103278)	Executive	4	Yes	7	Macfarlane & Co. Limited	Non-Executive & Non-Independent Director	-	1

\*\*Re-designated as Managing Director w.e.f. 15th May 2018

\* Ceased w.e.f. 28th September 2018

@ Appointed w.e.f. 4th September 2018

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

§ Appointed w.e.f. 15th May 2018

# Excluding Foreign Companies.

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

The Chairman does not have a separate office in Kolkata and the Corporate Office of the Company supports the Chairman for discharging his responsibilities. The Company however, maintains a separate office for the Chairman at New Delhi. No Director of the Company was a member of more than ten (10) committees or Chairperson of more than five (5) committees across all the Public / Listed Companies in which he / she was a Director as on 31st March 2019. For the purpose of determination of limit, chairpersonship and membership of the Audit Committee and the Stakeholders Relationship Committee had been considered.

Four (4) Board Meetings were held during the year 2018 – 19. The details are given below:

15 <sup>th</sup> May 2018	30 <sup>th</sup> July 2018
3 <sup>rd</sup> November 2018	4 <sup>th</sup> February 2019

#### Skills/expertise/competencies identified by the board of directors:-

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

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



4. **Financial:** Your Company is having ace class financial team having experience worth handling the organization from any financial hiccups. To compliment the same, your company is conducting periodical independent audits ensuring sound financial health of your Company.
5. **Governance:** Your Company seeks to achieve 100% governance. Practicing good corporate governance has been your Company's backbone and a marked accolade.
6. **Global Presence:** With ever -increasing competition, your Company is drawing new heights in the International Arenas as well. With a view to become a global leader, your Company is committed to work in its optimum capacity and serve the best interest of its stakeholders worldwide.

### 3. Audit Committee

#### Terms of Reference and Composition

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

Four (4) Audit Committee Meetings were held during the year 2018 – 19. The details are given below:

15 <sup>th</sup> May 2018	30 <sup>th</sup> July 2018
3 <sup>rd</sup> November 2018	4 <sup>th</sup> February 2019

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

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

### 4. Nomination and Remuneration Committee

#### Terms of Reference and Composition

The terms of reference of the Committee cover the matters specified for the Nomination and Remuneration Committee under Section 178 of the Companies Act,

2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Two (2) Nomination and Remuneration Committee Meetings were held during the year 2018-19. The details are given below:

15 <sup>th</sup> May 2018	30 <sup>th</sup> July 2018
---------------------------	----------------------------

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

Name of the Director	Category of Directorship	No. of Meeting(s) attended
Mr A. C. Chakrabortti, Chairperson	Independent	2
Mr Akshay Poddar	Non-executive & Non-independent	1
Mr Sunil Mitra	Independent	2
Ms Mridula Jhunjhunwala	Independent	2

#### Remuneration of Directors

The Remuneration of Executive Directors is fixed by the Board of Directors as recommended by Nomination and Remuneration Committee and approved by the Shareholders' at the General Meeting. Non-executive Directors are eligible for sitting fee and a commission not exceeding 1% of the net profit of the Company for each financial year, with a ceiling of ₹2,00,000/- per annum on commission for each such Director. The sitting fee for attending the Board Meeting or Audit Committee Meeting is ₹30,000/- each and the sitting fee for attending the other Committee/Sub-committee Meeting is ₹20,000/- each as approved by the Board of Directors.

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

The details of the remuneration paid to the Directors during the year 2018-19 are given below:

**i) Non-executive Directors**

Name of the Director	Sitting Fee for the year (₹)	Commission for the year (₹)	Total (₹)	No. of Equity Shares held in the Company
Mr A. C. Chakrabortti	3,40,000	2,00,000	5,40,000	1800
Mr D. R. Kaarthikeyan	2,60,000	2,00,000	4,60,000	Nil
Mr Sunil Mitra	2,60,000	2,00,000	4,60,000	Nil
Mr Sabyasachi Hajara*	30,000	99,178	1,29,178	Nil
Ms Mridula Jhunjunwala	3,40,000	2,00,000	5,40,000	Nil
Mr V. K. Sharma	90,000	2,00,000	2,90,000	Nil
Mr Utsav Parekh <sup>§</sup>	80,000	1,14,521	1,94,521	Nil
Mr Akshay Poddar	1,50,000	2,00,000	3,50,000	14820

\* Ceased w.e.f. 28th September 2018

<sup>§</sup> Appointed w.e.f. 4th September 2018

**ii) Executive Directors**

Name of the Director	Designation	Salary (₹)	Perquisites and Allowances# (₹)	Retirement Benefits (₹)
Mr S. K. Poddar	Executive Chairman	3,00,00,000	85,99,600	As per Company's Rules
Mr Sandeep Fuller <sup>^</sup>	Managing Director	55,50,000	66,35,185	
Mr D. H. Kela	Executive Director	87,12,000	49,90,604	
Mr G. C. Agrawal*	Executive Director	18,00,000	41,50,265	
Mr A. K. Vijay	Executive Director	42,12,000	34,81,793	

<sup>^</sup> Re-designated w.e.f. 15th May 2018

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

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

**5. Stakeholders Relationship Committee**
**Terms of Reference and Composition**

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

The Stakeholders Relationship Committee met once during the year on 4th February 2019.

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

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

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

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

All the grievances received from the Shareholders are redressed within the stipulated time. Shareholders are requested to furnish their updated telephone numbers and email addresses to facilitate prompt redressal. During the year, Sixteen (16) complaints were received from the Shareholders, which were resolved within the stipulated time period.

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

**6. Corporate Social Responsibility Committee**
**Terms of Reference and Composition**

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

The Corporate Social Responsibility Committee met once during the year on 4th February 2019.

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

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

## 7. Independent Directors

During the year 2018-19, a Meeting of the Independent Directors of the Company was held on 14th March 2019. All the Independent Directors except Mr. V. K. Sharma attended the Meeting. The matters discussed at the Independent Directors Meeting, *inter alia*, included the evaluation of the performance of Non-independent Directors including the Chairman of the Company. The Performance evaluation criteria for Independent Directors are mentioned in the Report of the Board of Directors.

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

## 8. Induction & Training of Board Members

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

The details of programmes for familiarisation of Independent Directors with the Company, including their duties in the Company and related matters are available on the website of the Company at the link: <https://www.texmaco.in/webfiles/doc/Investors Information/Familiarisation%20Programme%20for%20Independent%20Directors.pdf>

## 9. Whistle Blower Policy

The Company believes in promoting ethical behaviour and accordingly, there is a mechanism for reporting unethical behaviour, actual or suspected fraud or violation against the Company's Code of Conduct. The objective of the policy is to provide adequate safeguard measures against victimization. The Company has a Whistle Blower Policy under which the employees are free to report any such grievances to the Nodal Officer appointed for the purpose. Mr Ravi Varma, Company Secretary & Compliance Officer of the Company is the Nodal Officer appointed for this purpose. In certain circumstances, employees may also report to the Chairman of the Audit Committee. The Policy is also placed on the website of the Company at the link: <https://www.texmaco.in/webfiles/doc/Investors Information/Whistle%20Blower%20Policy.pdf>

## 10. Internal Control System

The Internal Control System of the Company is aimed at proper utilization and safeguarding of the Company's resources and to promote operational efficiency. The findings of the Internal Audit and consequent corrective actions initiated and implemented from time to time are placed before the Audit Committee. The Audit Committee reviews such audit findings and the adequacy of the Internal Control System.

## 11. Policy on Material Subsidiary

The Company has Five (5) Subsidiaries namely Messrs Belur Engineering Private Limited, Texmaco Defence Systems Private Limited, Texrail SA (Pty) Limited, Texmaco Transtrak Private Limited and Texmaco Signalling Systems Private Limited. The Company has a policy to determine its material subsidiary. The policy is also placed on the website of the Company at the link <https://www.texmaco.in/webfiles/doc/Investors Information/Annexure%2010.pdf>. In Pursuant to the Scheme of Amalgamation between Texmaco Hitech Private Limited (TexHitech), Bright Power Projects (India) Private Limited (Bright Power) and the Company and their respective Shareholders and Creditors, TexHitech and Bright Power have ceased to be the subsidiaries of the Company vide the order of Hon'ble National Company Law Tribunal, Kolkata Bench dated 4th April 2019.

## 12. General Body Meetings

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

Financial Year	Date and time of the AGM	Date and time of the EGM	No. of Special Resolutions approved at the AGM	Venue
2017-2018	4 <sup>th</sup> September 2018 at 2.30 P.M	15 <sup>th</sup> September 2018 at 1.00 P.M.	6	K. K. Birla Kala Kendra, Texmaco Estate, Belgharia, Kolkata- 700 056
2016-2017	16 <sup>th</sup> September 2017 at 2.00 P.M	-	3	
2015-2016	26 <sup>th</sup> September 2016 at 2.00 P.M.	-	4	

### Whether Special Resolutions-

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

### A Tribunal Convened Meeting for Merger of Texmaco Hitech Private Limited, Bright Power Projects (India) Private Limited into and with the Company was held on 15th September 2018:

During the year, the Scheme of Amalgamation between Texmaco Hitech Private Limited, Bright Power Projects (India) Private Limited and Texmaco Rail & Engineering Limited and their respective Shareholders and Creditors was approved at the Tribunal Convened Meeting of the Members of the Company held on 15th September 2018.

The Board had appointed Ms. Rasna Goyal, a Practicing Company Secretary, as the Scrutinizer to conduct the postal ballot voting process in a fair and transparent manner. The Resolution was passed with requisite majority.

## 13. Disclosure

There are no materially significant related party transactions entered into by the Company with its Promoters, Directors or Senior Management Personnel, Associates, etc., that may have potential conflict with the interests of the Company at large. Transactions carried out with the related parties are disclosed in Note No.1.40 to the Audited Financial Statements.

The Web link for accessing the details w.r.t. Related Party Transactions Policy is <https://www.texmaco.in/webfiles/>

[doc/Investors Information/RELATED%20PARTY%20TRANSACTION%20POLICY.PDF](#)

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

## 14. Reconciliation of Share Capital Audit Report

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

## 15. Means of Communication

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

These results are also posted on Company's [website www.texmaco.in](http://www.texmaco.in)

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



## 16. General Shareholder Information

AGM : Date, Time & Venue	<b>9<sup>th</sup> September 2019 at 2:00 P.M. K. K. Birla Kala Kendra, Texmaco Estate, Belgharia, Kolkata – 700 056</b>												
Financial Calendar (Tentative)	1 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020 First Quarter Results – First week of August 2019. Second Quarter Results – First week of November 2019 Third Quarter Results – First week of February 2020 Results for the year ending 31 <sup>st</sup> March 2020- By Last week of May 2020												
Date of Book Closure	Saturday, 24 <sup>th</sup> August 2019 to Monday, 9 <sup>th</sup> September 2019.												
Dividend Payment Date	End September 2019												
Listing on Stock Exchanges	1. National Stock Exchange of India Limited, Exchange Plaza, Bandra - Kurla Complex, Bandra (E), Mumbai – 400 051 2. BSE Limited, P. J. Towers, Dalal Street, Fort, Mumbai – 400 001 3. The Calcutta Stock Exchange Limited, 7, Lyons Range, Kolkata – 700 001 The Company has paid listing fees for the period 1 <sup>st</sup> April 2019 to 31 <sup>st</sup> March 2020.												
CIN of the Company	L29261WB1998PLC087404												
Stock Code –													
National Stock Exchange of India Limited	TEXRAIL												
BSE Limited	533326												
The Calcutta Stock Exchange Limited	30285												
Demat ISIN No. for NSDL / CDSL	INE 621L01012												
Credit Ratings obtained by the Company	The Company has obtained Credit Rating from India Ratings & Research with respect to the additional bank facilities which are as follows:												
	<table border="1"> <thead> <tr> <th>Sl. No.</th> <th>Instrument Type</th> <th>Rating/Outlook</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Fund Based Limits</td> <td>IND AA-/Negative/IND A1+</td> </tr> <tr> <td>2.</td> <td>Non-fund based limits</td> <td>IND AA-/Negative/IND A1+</td> </tr> <tr> <td>3.</td> <td>Term Loan</td> <td>IND AA-/Negative</td> </tr> </tbody> </table>	Sl. No.	Instrument Type	Rating/Outlook	1.	Fund Based Limits	IND AA-/Negative/IND A1+	2.	Non-fund based limits	IND AA-/Negative/IND A1+	3.	Term Loan	IND AA-/Negative
Sl. No.	Instrument Type	Rating/Outlook											
1.	Fund Based Limits	IND AA-/Negative/IND A1+											
2.	Non-fund based limits	IND AA-/Negative/IND A1+											
3.	Term Loan	IND AA-/Negative											

High / Low market prices of the Company's Equity Shares of ₹1/- each traded on National Stock Exchange of India Limited and BSE Limited during the period April 2018 to March 2019 are furnished below:

Period	National Stock Exchange of India Limited		BSE Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2018	89.50	82.60	90.00	82.80
May 2018	85.40	70.65	86.90	70.65
June 2018	74.60	66.05	74.40	66.10
July 2018	81.95	56.55	81.90	57.00
August 2018	78.85	68.90	78.50	69.10
September 2018	81.45	58.10	81.00	58.35
October 2018	64.25	53.90	65.65	54.00
November 2018	68.65	55.40	68.40	55.60
December 2018	61.30	50.15	61.35	50.20
January 2019	65.00	52.00	61.00	51.00
February 2019	61.90	52.00	62.40	51.65
March 2019	75.00	58.40	74.90	58.20

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

<b>Registrar &amp; Share Transfer Agent (RTA)</b>	M/s Karvy Fintech Private Limited Karvy Selenium Tower B , Plot No. 31& 32, Gachibowli Financial District, Nanakramguda, Hyderabad: 500032	Phone: 040-6716 2222 Fax No: 040-23001153 E-mail: einward.ris@karvy.com Website: www.karvyfintech.com
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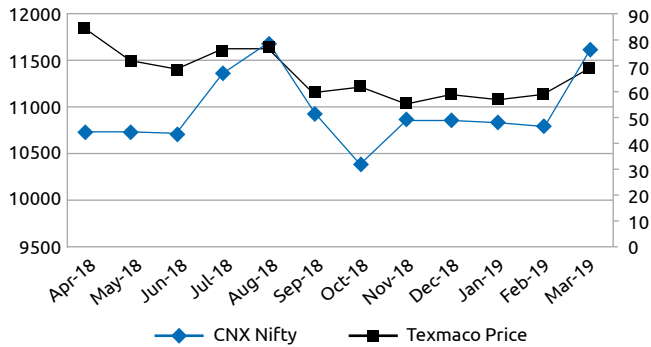
### Share Transfer System

Request for transfer of Equity Shares held in demat form may be lodged with Depository Participants. In terms of the SEBI Circular, the transfer of Shares will only be executed in demat form w.e.f. 1st April 2019.

### Distribution of Shareholding as on 31st March 2019

No. of Equity Shares	No. of Folios	%	No. of Equity Shares	%
Upto 5000	64803	98.22	20255444	9.20
5001 to 10000	529	0.80	3907906	1.78
10001 to 20000	295	0.45	4276397	1.94
20001 to 30000	101	0.15	2530207	1.15
30001 to 40000	51	0.08	1750640	0.80
40001 to 50000	38	0.06	1737489	0.79
50001 to 100000	66	0.10	4650854	2.11
100001 and above	95	0.14	180940545	82.23
<b>Grand Total</b>	<b>65978</b>	<b>100.00</b>	<b>220049482</b>	<b>100.00</b>

Category	No. of Equity Shares	%
Promoters	115127010	52.32
Banks, Insurance Cos., and FIs	1371520	0.62
Mutual Funds	30525034	13.87
NRI / OCB/FIIs	17967651	8.17
Corporate Bodies	12914785	5.87
Indian Public	37907509	17.23
Others	4235973	1.92
<b>Total</b>	<b>220049482</b>	<b>100.00</b>

**Texmaco Share Price vis a vis Nifty**

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

**Dematerialization of Shares as on 31st March 2019 and Liquidity**

The Company's Equity Shares are generally traded in dematerialized form. 21,90,89,060 Equity Shares of the Company representing 99.56 % of the Company's Equity Share Capital are in the dematerialized form on NSDL and CDSL as on 31st March 2019.

**Statutory Auditors**

During the year, the Company and its subsidiaries had paid ₹ 16.81 Lakhs on consolidated basis to Messrs L. B. Jha & Co., the Statutory Auditors and its network firms.

**Code of Conduct and Ethics and Insider Trading**

The Company has adopted a Code of Conduct and Ethics (Code) for the members of Board of Directors and Senior Management Personnel of the Company. The essence of the code is to conduct the business of the Company in an

honest, fair and ethical manner, in compliance with the applicable laws and in a way that excludes considerations for personal advantage. All Directors and Senior Management Personnel have affirmed compliance with the Code and a declaration to this effect, signed by the Managing Director, is attached to this report.

The Company has also adopted the Code as framed under the SEBI (Prohibition of Insider Trading) Regulations, 2015, prohibiting Insider Trading in the Equity Shares of the Company.

Further, Your Company has an Internal Complaints Committee (ICC) to redress complaints received regarding sexual harassment which meets at regular intervals. No complaints pertaining to sexual harassment were received during Financial Year 2018-19.

**Location of the Plants**

The Company's Plants are located at Belgharia, Agarpara, Panihati and Sodepur in Dist. 24-Parganas (North), West Bengal.

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

**Investor Education and Protection Fund (IEPF)**

Information under Section 124 of the Companies, Act 2013, read with the IEPF Rules thereunder in respect of Unclaimed Dividend, when due for transfer to the said Fund, is given below:

Financial year ended	Date of declaration of Dividend	Last date for claiming Un-paid Dividend	Due date for transfer to IEPF
31.03.2018	04.09.2018	10.10.2025	09.11.2025
31.03.2017	16.09.2017	21.10.2024	21.11.2024
31.03.2016	26.09.2016	02.11.2023	02.12.2023
31.03.2015	28.09.2015	02.11.2022	02.12.2022
31.03.2014	04.09.2014	09.10.2021	09.11.2021
31.03.2013	14.09.2013	19.10.2020	19.11.2020
31.03.2012	29.08.2012	03.10.2019	03.11.2019

Further, IEPF Rules mandate to transfer of Equity Shares of Shareholders whose dividends remain unpaid / unclaimed for a continuous period of seven (7) years to the demat account of IEPF Authority. Communications are being sent to the concerned Shareholders advising them to write to RTA or to the Company to claim the dividend. Members may note that the Equity Shares as well as Unclaimed Dividends transferred to IEPF Authority can be claimed back as per the procedure prescribed under IEPF Rules.

### 17. Adoption of mandatory and non-mandatory requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has complied with the applicable mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub - regulation (2) of Regulation 46 under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has adopted the following non-mandatory requirements:

(i) **The Board:**

The Company is headed by the Executive Chairman.

(ii) **Shareholder Rights:**

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

(iii) **Audit Qualifications:**

There are no audit qualifications on the Company's Financial Statements for the year ended 31st March 2019.

(iv) **Separate posts of Chairman and CEOs:**

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

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

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

### 18. Certificate from Practicing Company Secretary

A Certificate from a Company Secretary in practice has been obtained that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Board/ Ministry of Corporate Affairs or any such Statutory Authorities.

The aforementioned certificate is annexed herewith as a part of this Report.

### 19. CEOs and CFO Certification

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

### 20. Retirement of Directors by rotation and re-appointment

Messrs D. H. Kela and A. K. Vijay, Executive Directors are due for retirement by rotation and are eligible for re-appointment in the ensuing Annual General Meeting (AGM). The Board has recommended the re-appointment of Messrs Kela and Vijay as the Executive Directors of the Company. Brief particulars regarding Messrs Kela and Vijay are given in the Notice calling AGM of the Company.

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## Declaration by the Managing Director

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

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

For Texmaco Rail & Engineering Limited

Place: Kolkata  
Dated: 13th May 2019

**Sandeep Fuller**  
Managing Director



# Certificate of Non-Disqualification of Directors

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

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

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Messrs Texmaco Rail & Engineering Limited having CIN: L29261WB1998PLC087404 and having registered office at Belgharia, Kolkata – 700 056 (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications [including Directors Identification Number (DIN) status at the portalwww.mca.gov.in] as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year 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 in the Company
1.	Saroj Kumar Poddar	00008654	25-09-2010
2.	Sandeep Fuller	06754262	01-02-2014
3.	A. C. Chakrabortti	00015622	25-09-2010
4.	D. R. Kaarthikeyan	00327907	02-09-2011
5.	Sunil Mitra	00113473	05-11-2012
6.	V. K. Sharma	02051084	29-06-2016
7.	MridulaJhunjunwala	05339373	20-03-2015
8.	Utsav Parekh	00027642	04-09-2018
9.	AkshayPoddar	00008686	02-09-2011
10.	D. H. Kela	01050842	01-01-2010
11.	G. C. Agrawal	08132434	15-05-2018
12.	A. K. Vijay	01103278	01-01-2015

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

For S R & Associates

Signature:

Partner

Unique Code of Partnership Firm: P2008WB016700

Name of Company Secretary in Practice: **GEETA ROY CHOWDHURY**

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

Unique Code of Number: 12007WB599800

Place: Kolkata

Dated: 13th May 2019

## CEOs and CFO Certification

We certify that:

- a. we have reviewed Financial Statements and the Cash Flow Statement for the year ended 31st March 2019 and that to the best of our knowledge and belief:
  - (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the listed entity's affairs and are in compliance with the existing accounting standards, applicable laws and regulations.
- b. there are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct;
- c. we accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. During the year, we have not come across any reportable instances relating to deficiencies in design or operation of such internal controls;
- d. we have indicated to the Auditors and the Audit Committee:
  - (1) that there are no significant changes in internal control over financial reporting during the year;
  - (2) that there are no significant changes in accounting policies during the year; and
  - (3) that there are no instances of significant fraud of which we have become aware.

For Texmaco Rail & Engineering Limited

**Sandeep Fuller**  
**D. H. Kela**  
**G. C. Agrawal** } CEOs  
**A. K. Vijay**  
CFO

Place: Kolkata

Dated: 13th May 2019

# Auditor's Certificate on Corporate Governance

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

1. We, L B Jha & Co., Chartered Accountants, the Statutory Auditors of Texmaco Rail & Engineering Limited ("the Company"), have examined the compliance of conditions of Corporate Governance by the Company, for the year ended on 31st March 2019, as stipulated in Regulations 17 to 27 and clauses (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

## Management's Responsibility

2. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

## Auditor's Responsibility

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

## Opinion

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

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

**(D. N. Roy)**  
Partner  
(Membership number 300389)

Place : Kolkata  
Date : 13<sup>th</sup> May 2019

## ANNEXURE - I

### Business Responsibility Report

#### SECTION A – GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L29261WB1998PLC087404
2.	Name of the Company	Texmaco Rail & Engineering Limited
3.	Registered Address	Belgharia, Kolkata - 700 056
4.	Website	<a href="http://www.texmaco.in">www.texmaco.in</a>
5.	E-mail ID	texrail_cs@texmaco.in
6.	Financial Year reported	2018-19
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Rolling Stock, Hydro – Mechanical Equipment, Steel Castings, Rail – EPC, Bridges and other Steel Structures
8.	List three key products / services that the Company manufactures / provides (as in balance sheet)	i. Rolling Stock ii. Rail – EPC iii. Steel Castings
9.	Total number of locations where business activity is undertaken by the Company	
	a Number of International Locations	Johannesburg, South Africa
	b Number of National Locations	<b>Registered &amp; Corporate Office: Belgharia, Kolkata – 700 056</b> <b>Regional Offices:</b> i. Delhi ii. Mumbai iii. Jaipur <b>Plant Locations:</b> i. Belgharia ii. Agarpara iii. Sodepur iv. Panihati
10.	Markets served by the Company	National / International

#### SECTION B – FINANCIAL DETAILS OF THE COMPANY

i.	Paid up Capital (₹)	220049482
ii.	Total Turnover (₹)	185816.38 lakhs
iii.	Total Profit after Taxes (₹)	7527.98 lakhs
iv.	Total Spending on Corporate Social Responsibility (CSR) as percentage of average Net profit of the Company for last 3 financial years (₹)	52.66 lakhs

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

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

#### SECTION C – OTHER DETAILS

Does the Company have any Subsidiary Company/ Companies?	Yes. The Company has 5(five) subsidiaries, namely: i. Bright Power Projects (India) Private Limited* ii. Texmaco Hi-tech Private Limited* iii. Belur Engineering Private Limited iv. Texmaco Transtrak Private Limited v. Texmaco Defence Systems Private Limited vi. Texrail SA (Pty) Limited vii. Texmaco Signalling Systems Private Limited
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Do the Subsidiary Company / Companies participate in the Business Responsibility (BR) initiatives of the Parent Company? If yes, then indicate the number of such subsidiary company(ies)?	The Subsidiaries are encouraged to participate in the BR initiatives of the Company by adhering to the BR initiatives of the Company.
Do any other entity / entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]	No

\*Merged w.e.f. 7th June 2019

## SECTION D – BUSINESS RESPONSIBILITY (BR) INFORMATION

### Details of Directors Responsible for BR

The Executive Directors are empowered to look after the BR of the Company. In this respect, the Committee of the Executive Directors is responsible for the implementation and review of the BR Policy / Initiatives of the Company. The details of the Committee members as on 31<sup>st</sup> March 2019 are as follows:

Name	Designation	DIN
Mr. D. H. Kela	Executive Director	01050842
Mr. Sandeep Fuller	Managing Director	06754262
Mr. A. K. Vijay	Executive Director	01103278

### Governance related to BR

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

Your Directors have pleasure in presenting the 3rd Business Responsibility Report of the Company, which forms a part of the Annual Report. The report is available on the website of the Company.

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

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

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

The Company's policy on ethics, bribery and anti-corruption covers all individuals / associates working with it at all levels and grades, and the same extends to its subsidiaries for their adherence. The Policy on Code of Conduct formulated by the Company applies to all its employees including the Directors, Key Managerial Personnel, Senior Executives, Officers and third parties including consultants, contractors, etc. A well-defined policy showcases the tenets on ethical business conduct and the framework for reporting concerns.

The Company has a well-defined mechanism for receiving, dealing and expeditious redressal of the complaints received from Stakeholders like Customers, Employees, Suppliers, etc.

As enumerated in the Corporate Governance Report, a total of investor complaints were received during Financial Year 2018-19. All the complaints were resolved within the prescribed time period.

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

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

Creating sustainable products is a part of the Company's endeavour towards responsible product stewardship. The Company ensures to design its products in a manner which caters to social responsibility of creating safe and environment friendly products.

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

The Company's motto is to establish a long-term relationship with its external stakeholders including the customers, vendors, etc. and work towards building an inclusive growth environment. The Company places high premium on techno-commercial aspects and the Company's procedures with regard to finalising vendors emphasises on safe working practices, technical certifications, prevention of child labour and general housekeeping, etc. The selection procedure of the Company's transport vendors (Trucks and Containers) involves scrutiny at various levels like age of vehicle / container fleet, well laid out systems of mandatory inspections, safe driving procedures. It is also ensured that to the extent possible, the Transporter dwells into the integrities of minimizing environmental pollution caused by its vehicles towards. The Company places high credence to sustainability in its supply chain management.

Raw materials, components, stores and packing materials are generally procured from vendors close to the manufacturing units, wherever feasible. The Company has a zero tolerance policy on safety compromise.

The Company ensures that majority of the scrap materials generated during the process of manufacturing are recycled. Presently, the Company recycles more than 80% of its scrap materials. Adequate practices are adopted in order to mitigate the impact of other waste generations and these wastes are disposed off in due compliance with the local rules and regulations.

**Principle 3: Employees’ Well-being [P3]**

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

The Company is motivated towards creating a healthy work environment powered by work ethics and professionalism. Moreover, major emphasis is laid on up keeping the standards of Safety, Health and Environment.

Apropos to the firm commitment towards sustainability, it is significant to develop and follow corporate processes which are control driven and adequate steps have been taken in this regard. The Company has extended its humble initiatives in the fields of Health, Education, Women Empowerment, Environment, etc., in order to contribute to a better society and a greener environment. The Company continuously strives to enhance the Quality of Life of its employees.

As a part of its Corporate Social Responsibility, the Company has created an extensive social infrastructure in its sprawling Estate, which comprises of an Air-conditioned Auditorium, Swimming Pool, Staff Club, Football Pitch, Eco Park and a Health Hub with Physiotherapy, Gym & Yoga Centre, Butterfly Park on the nature’s lap with a soothing water body, etc.

The Company takes a rigid stand against the barbaric practices relating to child labour, forced labour, involuntary labour and discriminatory employment.

The Company has been able to create an environment which promotes the concept of respecting every employee, at all levels and henceforth, the Company has not received any complaints with regard to sexual harassment during the period under review.

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

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

Total number of employees	2471
Total number of employees hired on temporary/contractual / casual basis	2806
Number of permanent women employees	43

Number of permanent employees with disabilities	4
Percentage of under mentioned employees that were given safety & skill up-gradation training in the last year	Permanent Employees – 10% Permanent Women Employees- 0 Casual/ Temporary/ Contractual Employees- 4% Employees with disabilities- 0

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

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

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

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

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

Straightforward, honest communication with adequate feedback and transparent accountability are responsibly maintained between the Company and its Stakeholders.

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

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

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

There were no complaints reported during the Financial Year 2018-19.

**Principle 6: Environment [P6]**

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

The Company recognizes its moral and social responsibility to ensure safety, health and well-being of all staffs, clients

and visitors at our workplaces. Your Company recognizes that environmental conservation is one of the important issues of our community. Hence, the importance of maintaining a high standard of environmental care in conducting our activities is well-observed. Your Company is committed to "Maintaining the Environmental Management System to ISO 14001 Standard". To achieve our environmental commitments, your Company is involved in-

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

There were no pending or unresolved show cause/ legal notices from CPCB / SPCB, as at 31st March 2019.

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

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

Your Company's collaborations with industrial /commercial associations and academia demonstrates its approach towards addressing sustainability challenges faced by the society. Your Company aims to create an environment that encourages supportive deliberations made in a responsible way. The Company has its representation in several business and industrial associations such as Federation of Indian Chambers of Commerce and Industry, Confederation of Indian Industry, Indo-American Chamber of Commerce, International Chamber of Commerce, PHD Chamber of Commerce and Industry, The Owners Forum, etc.

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

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

Human Relations has empowered the employees to work with professionalism bonded with integrity. The endeavour

continues towards improving the Quality of Life of the people and motivating them to deliver their best.

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

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

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

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

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

The Company displays requisite product informations as mandated under the applicable law(s) for the purpose of granting the right to information to its customers.

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

There was no case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and /or anti-competitive behaviour during the last five years and hence, there were no pending cases as at the end of the Financial Year 31st March, 2019

Customer satisfaction is your Company's goal, driving it to ensure its products deliver performance that continually meets customer requirements. To understand customers better, the Company follows several modes of engagement such as customer surveys, direct feedback, visits by managers / plant personnel and production facilities visit organised for customers. These modes help your Company to understand customer requirements, satisfaction levels and expectations. The Company also conducts one-to-one meetings with customers in order to enable efficient communication and redressal of customers' grievances, if any.

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

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

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

## Independent Auditor’s Report

**To**  
**The Members of**  
**TEXMACO RAIL & ENGINEERING LIMITED**

### Report on the Audit of the Standalone Ind AS Financial Statements

#### Opinion

1. We have audited the accompanying standalone Ind AS financial statements of **TEXMACO RAIL & ENGINEERING LIMITED** (“the Company”), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended on that date, including a summary of significant accounting policies and other explanatory information in which are incorporated the returns for the year ended on that date audited by the branch auditor of the Kalindee unit (herein after referred to as “Standalone Ind AS Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the 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, its profit (including Other Comprehensive Income), Changes in equity and its cash flows for the year ended on that date.

#### Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Ind AS 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 Ind AS financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

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

Sl No.	Key Audit Matter	Auditor’s Response
1	<p><b>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 “Revenue from Contracts with Customers” (new revenue accounting standard)</b></p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collection of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>We assessed the Company’s process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>• Selected a sample of continuing and new contracts and performed the following procedures:                             <ol style="list-style-type: none"> <li>1. Read, analysed and identified the distinct performance obligations in these contracts.</li> <li>2. Compared these performance obligations with that identified and recorded by the Company.</li> </ol> </li> </ul>



Sl No.	Key Audit Matter	Auditor's Response
2.	<p><b>Recoverability of Indirect tax receivables</b></p> <p>As at March 31, 2019, non-current assets in respect of input credits and indirect taxes recoverable amounting to ₹ 212 crores which are pending adjudication/adjustment.</p>	<p>3. Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</p> <p>4. Samples in respect of revenue recorded for material contracts were tested using a combination of customer acceptances, subsequent invoicing and historical trend of collections and disputes.</p> <ul style="list-style-type: none"> <li>• In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts.</li> <li>• Performed analytical procedures for reasonableness of revenues disclosed.</li> </ul> <p><b>Principal Audit Procedures</b></p> <p>With the assistance of internal tax specialists who have knowledge of relevant tax regulations, we assessed management's processes and tested internal controls implemented for the identification, recognition and measurement of tax positions. As part of our audit procedures for uncertain tax positions, we evaluated whether management's assessment of the tax effect of significant business transactions and events in current fiscal year, which could result in uncertain tax provisions or impact the measurement of existing uncertain tax positions comply with the applicable tax laws</p>
3.	<p><b>Contingent Liabilities</b></p> <p>The company has several on-going legal matters relating to statutory taxes which require management judgement to be applied in order to determine the likely outcome.</p>	<p><b>Principal Audit Procedures</b></p> <p>In assessing the potential exposures to the Company, we have completed a range of procedures including:</p> <ul style="list-style-type: none"> <li>– assessing the design and implementation of controls in relation to the monitoring of known exposures;</li> <li>– reading Board and other meeting minutes to identify areas subject to Company consideration;</li> <li>– meeting with the Company's internal legal advisors in understanding on-going and potential legal matters impacting the Company;</li> <li>– reviewing third party correspondence and reports; and</li> <li>– reviewing the proposed accounting and disclosure of actual and potential legal liabilities, drawing on third party assessment of open matters.</li> </ul>

### Other Information

4. The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis; Board's Report including Annexures to Board Report, Business Responsibility Report, Corporate Governance and Shareholders' Information but does not include the standalone financial statements and our auditor's report thereon.
5. Our opinion on the standalone Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
6. In connection with our audit of the standalone Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
7. 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.

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

8. The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS 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 Ind AS financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

### Auditor's Responsibility for the Audit of the Ind AS Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the Ind AS 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 Ind AS financial statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - We also identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

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

of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

#### Other Matters

17. We did not audit the financial statements of one unit included in the standalone Ind AS financial statements of the Company whose financial statements reflect total assets ₹ 1,01,528.87 lakhs as at 31st March, 2019 and total revenues of ₹ 69,193.99 lakhs, total net profit after tax of ₹ 2,411.55 lakhs, total comprehensive income of ₹ 2,488.39 lakhs and cash flows (net) of ₹ (553.03 lakhs) for the year ended on that date. The financial statements of this unit has been audited by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this unit, is based solely on the report of such branch auditor.

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

#### Report on Other Legal and Regulatory Requirements

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

- (e) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (f) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act;
- (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 1.36 of the standalone Ind AS financial statements.
  - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

**(D.N.Roy)**

Partner

Membership No. 300389

Place : Kolkata  
Date : 13th May, 2019

**ANNEXURE- A: TO THE INDEPENDENT AUDITOR’S REPORT To the Members of TEXMACO RAIL & ENGINEERING LIMITED [Referred to in paragraph 18 of the Auditors’ Report of even date]**

1. (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of Property, plant and equipments.
- (b) As explained to us, the company has a system of verifying all its major Property, Plant & Equipments over a period of three years. The Property, Plant & Equipments so scheduled for verification during this year have been physically verified. The discrepancies noticed on such verification were not material and have been properly dealt with in the books of accounts.
- (c) According to the information and explanations given to us and the records of the Company examined by us, the title deeds of the immovable properties demerged/merged to the company under the scheme of arrangement approved by the Hon’ble High Court of Calcutta and Delhi are held in the name of erstwhile Texmaco Limited and Kalindee Rail Nirman(Engineers) Limited. The National Company Law Tribunal, Kolkata Bench has approved the Scheme of Amalgamation of Bright Power Projects (India) Private Limited with the Company vide their order dated: 4th April 2019 and the title deeds of the immovable properties are held in their name.
2. The inventory has been physically verified by the management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of account.
3. (a) According to the information and explanations given to us and based on the audit procedures conducted by us, the Company has granted unsecured loans to subsidiary companies covered in the register maintained under section 189 of the Companies Act, 2013. The terms and conditions of these loans in our opinion are not prejudicial to the interests of the Company.
- (b) There is no stipulation regarding recovery of loans as these loans are repayable on demand.
- (c) The aforesaid loans being repayable on demand, there is no amount overdue for more than ninety days in respect of recovery of principal and interest of the above loans.
4. According to the information and explanations given to us and the records of the Company examined by us, the provisions of section 185 and 186 of the Companies Act, 2013, have been complied with in respect of loans, investments guarantees and securities given by the Company.
5. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the rules framed there under.
6. We have broadly reviewed the books of accounts maintained by the Company pursuant to the order made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, carried out any detailed examination of such records and accounts.
7. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing the undisputed statutory dues including provident fund, employees’ state insurance, income-tax, duty of customs, goods and services tax, cess and any other statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of Customs, Central Excise, Service Tax, Entry Tax, Income Tax and Value Added Tax as at 31st March 2019 which has not been deposited on account of a dispute are as follows.

<b>Name of the statute</b>	<b>Nature</b>	<b>Amount (₹ in lakhs)</b>	<b>Period to which the amount relates</b>	<b>Forum where the dispute is pending</b>
The Central Excise Act, 1944	Excise	1,866.63	1986-87 to 2013-14	Appeal filed before the CESTAT
The Central Excise Act, 1944	Excise	111.82	1986-87 to 2013-14	Commissioner Appeal
The Central Excise Act, 1944	Excise	118.43	1995-96 to 2007-08	Supreme Court
Finance (Service Tax) Act, 1994	Service Tax	6,665.96	2003-04 to 2010-11	Appeal filed before the CESTAT
Finance (Service Tax) Act, 1994	Service Tax	2.22	2008-09 to 2009-10	Commissioner Appeal
Entry Tax Act	Entry Tax	41.81	2011-12 to 2016-17	Commissioner Appeal
Income Tax Act, 1961	Income Tax	161.75	AY 2010-11 to 2013-14	Commissioner Appeal
Value Added Tax Act	Vat	204.71	2003-04 to 2005-06	Addl. Commissioner
Value Added Tax Act	Vat	4,783.93	2008-09 to 2011-12	Appellate and Revisional Board.
Value Added Tax Act	Vat	2,236.81	2011-12 to 2015-16	West Bengal Taxation Tribunal.
Central Sales Tax Act	CST	360.57	2003-04 to 2014-15	Addl. Commissioner
Central Sales Tax Act	CST	5.65	2015-16	Appellate and Revisional Board.
Central Sales Tax Act	CST	1,739.97	2006-07 to 2013-14	West Bengal Taxation Tribunal.



Name of the statute	Nature	Amount (₹ in lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax & VAT Act	Sales Tax	273.03	2010-11 to 2014-15	Assistant Commissioner
Maharashtra Value Added Tax Act 2002	Sales Tax	65.68	2012-13 to 2013-14	Dy. Commissioner of Sales, Tax Mumbai
Odisha VAT ACT 2004	Sales Tax	122.54	2013-14 to 2016-17	Sales Tax, Bhubaneshwar-III Circle
West Bengal Value Added Tax Act, 2003	Sales Tax	75.25	2012-13	Senior Joint Commissioner, Commercial Taxes, Kolkata South Circle
Income Tax Act, 1961	Income Tax	30.57	AY 2009-10	High Court, Mumbai
Value Added Tax Act	Vat	12.64	AY 2012-13	Appellate Authorities, West Bengal
Value Added Tax Act	Vat	5.42	AY 2008-09	Appellate Authorities, Bhopal
Value Added Tax Act	Vat	2.55	AY 2008-09	Appellate Authorities, Bhopal
Value Added Tax Act	Vat	0.99	AY 2008-09	Appellate Authorities, Bhopal
Value Added Tax Act	Vat	2.09	AY 2008-09	Appellate Authorities, Bhopal
Value Added Tax Act	Vat	13.55	AY 2009-10	Appellate Authorities, Bhopal
Value Added Tax Act	Vat	2.53	AY 2009-10	Appellate Authorities, Bhopal
Value Added Tax Act	Vat	19.48	AY 2009-10	Appellate Authorities, Bhopal
Value Added Tax Act	Vat	2.61	AY 2015-16	Appellate Authorities, Bhopal

8. According to the information and explanation given to us and the records of the Company examined by us, the Company has not defaulted in repayment of dues of any of loans or borrowings to any banks.
- The Company has neither taken any loan from financial institutions or Government nor issued any debentures.
9. In our opinion, and according to the information and explanation given to us, on an overall basis, the money raised by Company during the year by way of term loan have been applied for the purpose for which they were obtained.
- The Company has not raised any money by way of initial public offer or further public offer (including debt instruments).
10. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.
11. According to the information and explanations given to us and the records of the Company examined by us, the managerial remuneration paid or provided to the Executive Chairman is in excess of the prescribed limits mandated by the provisions of section 197 read with Schedule V of the Act for which the Company has to take an approval from shareholders through a Special Resolution. Further, the applications made to The Ministry of Corporate Affairs for waiver of excess managerial remuneration paid to its Executive Directors for the financial years 2015-16, 2016-17 and 2017-18 stand abated as per the amended section 197 of the Companies Act, 2013 for which the Company has to obtain the approval of shareholders in accordance with the provisions of the amended section within a period of one year from the date of the amendment.
12. The related statutes are not applicable as the Company is not a Nidhi Company.
13. According to the information and explanations given to us and the records of the Company examined by us, the company has complied with the requirements of sections 177 and 188 of the Act with respect to its transactions with the related parties. Pursuant to the requirement of the applicable Accounting Standard, details of the related party transactions have been disclosed in Note 1.40 of the standalone Ind AS financial statements for the year under audit.
14. The Company has neither made any preferential allotment of shares nor fully or partly convertible debentures during the year under audit.
15. According to the information and explanations given to us and the records of the Company examined by us, the Company has not entered into any non-cash transactions, with any director of the Company and the holding company or persons connected with them, involving acquisition of assets by or from them for consideration other than cash.
16. In our opinion, and according to the information and explanations given to us, not being a non-banking financial company, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

**(D.N.Roy)**

Partner

Place : Kolkata  
Date : 13th May, 2019

Membership No. 300389

**ANNEXURE- B TO THE INDEPENDENT AUDITOR'S REPORT To the Members of TEXMACO RAIL & ENGINEERING LIMITED  
[Referred to in paragraph 19 (g) of the Independent Auditor's Report of even date]**

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

1. We have audited the internal financial controls over financial reporting of **Texmaco Rail & Engineering Limited** ("the Company") as of 31st March, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

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

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

**Auditors' Responsibility**

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

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

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

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

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

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

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

financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respect, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 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 Control Over Financial Reporting, issued by ICAI.

### Other Matters

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

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

Place : Kolkata  
Date : 13th May, 2019

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

## Balance Sheet as at 31st March, 2019

(₹ in Lakhs)

Particulars	Note No.	As at		
		31.03.2019	31.03.2018	01.04.2017
<b>ASSETS :</b>				
<b>(1) Non-Current Assets</b>				
(a) Property, Plant & Equipment	1.01	36,305.44	34,188.50	33,849.68
(b) Capital work-in-progress	1.01	978.95	534.51	163.84
(c) Investment Property	1.02	-	-	87.50
(d) Other Intangible Assets	1.01	145.48	245.28	276.43
(e) Financial Assets				
(i) Investments	1.03	7,361.61	6,894.72	5,285.86
(ii) Loans	1.04	156.56	188.96	267.07
(iii) Bank Balance	1.05	607.45	7.72	418.54
(iv) Others	1.06	71.52	71.46	105.32
(f) Deferred Tax Assets (Net)	1.07	4,288.99	3,661.13	3,592.52
(g) Other Non current Assets	1.08	539.97	1,534.43	1,170.70
		<b>50,455.97</b>	<b>47,326.71</b>	<b>45,217.46</b>
<b>(2) Current Assets</b>				
(a) Inventories	1.09	45,005.93	29,074.93	23,155.53
(b) Financial Assets				
(i) Investments	1.10	6,951.47	18,453.25	33,776.07
(ii) Trade Receivables	1.11	82,005.13	67,969.57	54,842.58
(iii) Cash & cash equivalents	1.12	2,098.95	1,610.29	1,027.90
(iv) Bank balances other than (iii) above	1.13	2,555.93	1,830.53	3,833.77
(v) Loans	1.14	5,154.02	3,528.30	3,673.93
(c) Current Tax Assets (Net)	1.15	636.20	207.14	122.23
(d) Other Current Assets	1.16	71,545.88	55,061.73	31,961.86
		<b>2,15,953.51</b>	<b>1,77,735.74</b>	<b>1,52,393.87</b>
		<b>2,66,409.48</b>	<b>2,25,062.45</b>	<b>1,97,611.33</b>
<b>TOTAL ASSETS</b>				
<b>EQUITY AND LIABILITIES:</b>				
<b>1 Equity</b>				
(a) Equity Share capital	1.17	2,248.35	2,246.13	2,242.00
(b) Other Equity	1.18	1,11,776.91	1,05,007.15	1,03,479.07
		<b>1,14,025.26</b>	<b>1,07,253.28</b>	<b>1,05,721.07</b>
<b>2 Non-Current Liabilities :</b>				
(a) Financial Liabilities				
(i) Borrowings	1.19	5,014.10	3,300.28	301.28
(b) Provisions	1.20	648.79	604.60	548.09
(c) Other non current liabilities	1.21	-	-	4,321.03
		<b>5,662.89</b>	<b>3,904.88</b>	<b>5,170.40</b>
<b>3 Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	1.22	53,602.15	48,244.48	39,406.97
(ii) Trade Payables	1.23			
(A) Total outstanding dues of micro enterprises and small enterprises		-	66.22	345.19
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		55,643.97	32,814.55	29,425.90
(iii) Other financial liabilities	1.24	3,464.84	5,155.15	4,392.27
(b) Other current liabilities	1.25	32,768.39	26,587.87	12,147.89
(c) Provisions	1.26	1,241.98	1,036.02	1,001.64
		<b>1,46,721.33</b>	<b>1,13,904.29</b>	<b>86,719.86</b>
		<b>2,66,409.48</b>	<b>2,25,062.45</b>	<b>1,97,611.33</b>
<b>TOTAL EQUITY AND LIABILITIES</b>				
Summary of significant accounting Policies & Notes	B			

Notes referred to above form an integral part of the Financial Statements  
In terms of our Report of even date attached herewith.

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

Chartered Accountants

Firm Registration No: 301088E

**D. N. Roy**

Partner

Membership No.300389

B2/1, Gillander House

8, Netaji Subhas Road

Kolkata- 700 001

Dated: 13th May, 2019

**Ravi Varma**

Company Secretary

**Directors**

**S. K. Poddar**

**A. C. Chakrabortti**

**Sandeep Fuller**

**D. H. Kela**

**A. K. Vijay**

**G. C. Agarwal**

## Statement of Profit and Loss for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Note No.	Year Ended 31.03.2019	Year Ended 31.03.2018
I Revenue from Operations	1.27	1,85,816.38	1,13,920.36
II Other Income	1.28	2,112.96	5,064.08
<b>III Total Income (I +II)</b>		<b>1,87,929.34</b>	<b>1,18,984.44</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	1.29	1,36,153.61	81,109.93
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	1.30	(6,444.64)	(5,393.40)
Excise Duty		-	400.66
Employee benefit expenses	1.31	11,325.39	9,742.77
Finance costs	1.32	7,064.45	6,085.95
Depreciation and amortization expense	1.33	2,895.96	2,481.59
Other expenses	1.34	28,113.81	22,001.69
<b>Total expenses (IV)</b>		<b>1,79,108.58</b>	<b>1,16,429.19</b>
<b>V Profit/ (loss) before tax (III-IV)</b>		<b>8,820.76</b>	<b>2,555.25</b>
<b>VI Tax Expenses</b>			
1) Current Tax		1,794.45	1,181.96
2) MAT Credit Entitlement		(1,794.45)	(398.00)
3) Deferred Tax		1,166.58	326.79
4) Income Tax Paid Related to Earlier Years		126.20	105.87
<b>Total Tax Expenses (VI)</b>		<b>1,292.78</b>	<b>1,216.62</b>
<b>VII Profit/(loss) for the period (V-VI)</b>		<b>7,527.98</b>	<b>1,338.63</b>
<b>VIII Other comprehensive income</b>	1.35		
(i) Items that will not be reclassified to profit or loss		(99.31)	1,218.88
(ii) Items that will be reclassified to profit or loss		102.05	(52.57)
		2.74	1,166.31
<b>IX Total Comprehensive Income for the period</b>		<b>7,530.72</b>	<b>2,504.94</b>
<b>X Earnings per equity share (for continuing operations)</b>			
1) Basic		3.42	0.60
2) Diluted		3.35	0.59
<b>Summary of significant accounting Policies &amp; Notes</b>	<b>B</b>		

Notes referred to above form an integral part of the Financial Statements  
In terms of our Report of even date attached herewith.

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

Chartered Accountants

Firm Registration No: 301088E

**D. N. Roy**

Partner

Membership No.300389

B2/1, Gillander House

8, Netaji Subhas Road

Kolkata- 700 001

Dated: 13th May, 2019

**Ravi Varma**  
Company Secretary

**Directors**

**S. K. Poddar**

**A. C. Chakrabortti**

**Sandeep Fuller**

**D. H. Kela**

**A. K. Vijay**

**G. C. Agarwal**



## Statement of Cash Flow for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>A) Cash Flows from Operating Activities:</b>		
Net Profit before Taxation & Exceptional Items	8,820.76	2,555.25
Adjustments for:		
Depreciation	2,895.96	2,481.59
Interest Paid	7,064.45	6,085.95
Bad Debt Written off	703.17	20.24
Employee Compensation Expenses under ESOP	(179.06)	168.78
Provision and Excess Liabilities Written Back	(1.40)	(2.99)
Interest Received	(965.98)	(1,194.89)
Income from Investments	(29.54)	(25.06)
Profit on Sale Of Investments-Current(Net)	(174.28)	(147.82)
Gain on Fair Value of bonds/Mutual Fund	(401.38)	(1,466.36)
Loss/(Profit) on Sale Of Property, Plant and Equipment(Net)	(146.33)	(2.52)
	<b>8,765.61</b>	<b>5,916.92</b>
<b>Operating Profit before Working Capital Changes &amp; Exceptional Items</b>	<b>17,586.37</b>	<b>8,472.17</b>
(Increase)/Decrease in Trade & Other Receivables	(31,571.79)	(35,024.20)
(Increase)/Decrease in Inventories	(15,931.00)	(5,919.40)
Increase/(Decrease) in Trade Payables & Other Liabilities	27,779.81	13,006.24
	<b>(19,722.98)</b>	<b>(27,937.36)</b>
<b>Cash Generated from Operations</b>	<b>(2,136.61)</b>	<b>(19,465.19)</b>
Direct Taxes Paid	(2,349.70)	(1,370.14)
Cash Flow before Exceptional Items	(4,486.31)	(20,835.33)
Exceptional Items	-	-
<b>Net Cash from Operating Activities</b>	<b>(4,486.31)</b>	<b>(20,835.33)</b>
<b>B) Cash Flows from Investing Activities</b>		
Sale/(Purchase) of Property, Plant & Equipments	(5,744.97)	(2,879.84)
(Purchase)/Sale of Investments (Net)	11,532.35	16,586.51
Bank Deposits (Includes having original maturity more than three months)	(1,325.13)	2,414.06
Interest Received	938.13	192.61
Dividend Received	29.54	25.06
<b>Net Cash used in Investing Activities</b>	<b>5,429.92</b>	<b>16,338.40</b>
<b>C) Cash Flows from Financing Activities</b>		
Receipt/(Payment) of Long Term Borrowings	1,713.82	2,999.00
Receipt/(Payment) of Short Term Borrowings	5,357.67	8,837.51
Increase in Share Capital	2.22	4.13
Increase in Securities Premium	88.42	165.38
Interest Paid	(7,057.02)	(6,215.86)
Dividend Paid	(550.12)	(546.51)
Dividend Tax Paid	(111.99)	(111.76)
<b>Net Cash used in Financing Activities</b>	<b>(557.00)</b>	<b>5,131.89</b>
<b>D) Changes in Foreign Currency Translation arising from Foreign Operations</b>	102.05	(52.57)
Net Decrease in Cash and Cash Equivalents	488.66	582.39
Cash and Cash Equivalents at the beginning of the period	1,610.29	1,027.90
Cash and Cash Equivalents at the end of the period	2,098.95	1,610.29
Note:		
(1) Details of Cash and Equivalents as on		
Balances with banks		
Current Accounts	2,064.63	1,574.75
Cash on hand	34.32	35.54
	<b>2,098.95</b>	<b>1,610.29</b>

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 (Statement of Cash Flow) Notes referred to above form an integral part of the Financial Statements.

In terms of our Report of even date attached herewith.

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

Chartered Accountants

Firm Registration No: 301088E

**D. N. Roy**

Partner

Membership No.300389

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Dated: 13th May, 2019

**Ravi Varma**

Company Secretary

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## Statement of Changes in Equity

### a. Equity share capital

(₹ in Lakhs)

Particulars	Issued, Sub- scribed Paid up Capital	Share Capital Suspense	Total
<b>Balance as at 01.04.2017</b>	2,194.15	47.85	2,242.00
Add: Changes in Equity Share Capital during the year	4.13	-	4.13
<b>Balance as at 01.04.2018</b>	2,198.28	47.85	2,246.13
Add: Changes in Equity Share Capital during the year	2.22	-	2.22
<b>Balance as at 31.03.2019</b>	<b>2,200.50</b>	<b>47.85</b>	<b>2,248.35</b>

### b. Other equity

(₹ in Lakhs)

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	Capital reserve	Securities premium account	General Reserve	Share Option Outstanding Account	Retained earnings	Equity instruments/re- tained benefits/income in Associates and Joint Ventures through other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	
<b>Balance as at 01.04.2017</b>	3,951.22	39,671.06	46,620.92	1,194.66	11,527.71	407.42	106.08	1,03,479.07
Income for the year	-	-	-	-	1,338.63	-	-	1,338.63
Other Comprehensive Income for the year	-	-	-	-	-	1,260.13	(52.57)	1,207.56
Dividend and Tax on Dividend	-	-	-	-	(660.77)	-	-	(660.77)
Transfer to/from retained earnings	-	-	100.00	-	-	-	-	100.00
Transfer to General Reserve	-	-	-	-	(100.00)	-	-	(100.00)
Any other change (ESOP allotment)	-	165.38	-	168.78	-	-	-	334.16
Adjustment for share pur- chase agreement	-	-	-	-	(691.50)	-	-	(691.50)
<b>Balance as at 01.04.2018</b>	3,951.22	39,836.44	46,720.92	1,363.44	11,414.07	1,667.55	53.51	1,05,007.15
Income for the year	-	-	-	-	7,527.98	-	-	7,527.98
Other Comprehensive Income for the year	-	-	-	-	-	(107.49)	102.05	(5.44)
Adjustment of Goodwill in Business Combination	-	-	-	-	-	-	-	-
Dividend and Tax on Dividend	-	-	-	-	(662.14)	-	-	(662.14)
Transfer to/from retained earnings	-	-	500.00	-	(146.26)	146.26	-	500.00
Transfer to General Reserve	-	-	-	-	(500.00)	-	-	(500.00)
Any other change (ESOP allotment)	-	88.42	-	(179.06)	-	-	-	(90.64)
Adjustment for share pur- chase agreement	-	-	-	-	-	-	-	-
<b>Balance as at 31.03.2019</b>	3,951.22	39,924.86	47,220.92	1,184.38	17,633.64	1,706.32	155.56	1,11,776.91

In terms of our Report of even date attached herewith.

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

Chartered Accountants

Firm Registration No: 301088E

**D. N. Roy**

Partner

Membership No.300389

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Dated: 13th May, 2019

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## Notes on Financial Statement

### A. CORPORATE INFORMATION

Texmaco Rail & Engineering Limited, ("the Company") incorporated on 25th June 1998 has its Registered Office at Belgharia, Kolkata 700056. The Company is listed on the National Stock Exchange of India Limited, Bombay Stock Exchange Limited and The Calcutta Stock Exchange Limited. The Company manufactures a diverse range of products viz. Railway Freight Cars, Hydro-mechanical Equipment & Industrial Structural's, Loco Components and Loco Shells, Steel Girders for Railway Bridges, Steel Castings, and Pressure Vessels, etc along with EPC contracts for Execution of Railway Track, Signaling & Telecommunication Projects on turnkey basis. During the year, Bright Power Projects (India) Private Ltd and Texmaco Hi-Tech Private Ltd, subsidiaries of the Company, in terms of the Scheme of Amalgamation duly approved by the Shareholders and the Hon'ble National Company Law Tribunal, Kolkata Bench, order dated 4th April 2019, merged with the Company, effective date being 1st April 2017. The results are accordingly after incorporating the financial results for Bright Power Projects (India) Private Ltd and Texmaco Hi-Tech Private Ltd. The Company has further strengthened its position as a Total Rail Solution Provider Company.

### B. SIGNIFICANT ACCOUNTING POLICIES

#### (i) Statement of Compliance

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

#### (ii) Basis of Accounting

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

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

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

#### (iii) Use of Estimates

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

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

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

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

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

#### Valuation of deferred tax assets

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

## Notes on Financial Statement

### (iv) Property, plant and equipment

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

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

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

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

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

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

### Capital work-in-progress

Capital work-in-progress / Intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

### (v) Derivative Financial Instrument

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

## Notes on Financial Statement

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized to Statement Profit or Loss immediately.

### (vi) Financial Instrument

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

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

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

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

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

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

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

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

#### d) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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

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

#### f) Impairment

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

#### g) Offsetting Financial Instruments

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

### (vii) Measurement of Fair Values

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities



## Notes on Financial Statement

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

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

### (viii) Revenue Recognition

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

#### a. Revenue from Operations

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

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

#### b. Revenue from construction contracts

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

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

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

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

In some old projects where substantial contract revenue has already been recognized in earlier periods, revenue is recognized as per Ind AS115 "Revenue from Contracts with customers" where income from operations is determined

## Notes on Financial Statement

and recognized, based on the bills raised on technical evaluation of work executed based on joint inspection with customers including railways. The figures have been taken as per the management working on the basis of the work completed.

### c. Other Income

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

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

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

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

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

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

### (ix) Employee Benefits

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

#### a. Short term benefits:

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

#### b. Defined contribution retirement benefits :

Payments to defined contribution retirement benefits are recognised as an expense when employees have rendered services entitling them to the contributions. Defined contribution plans are those plans where the Company pays fixed contributions to funds/schemes managed by independent trusts or authority. Contributions are paid in return for services rendered by the employees during the year. The Company has no legal or constructive obligation to pay further contributions if the fund/scheme does not hold sufficient assets to pay/extend employee benefits. The Company provides Provident Fund facility to all employees. The contributions are expensed as they are incurred in line with the treatment of wages and salaries. The Company's Provident Fund is exempted under section 17 of Employees' Provident Fund and Miscellaneous Provision Act, 1952. Conditions for exemption stipulate that the Company shall make good deficiency, if any, in the interest rate declared by the trust vis-à-vis interest rate declared by the Employees' Provident Fund Organisation.

#### c. Defined benefit retirement benefits:

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

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

## Notes on Financial Statement

discount rate to the net defined liability or asset at the beginning of the period, taking into account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

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

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

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

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

### **d. Voluntary Retirement Scheme Benefits**

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

### **(x) Employee Stock Option Scheme**

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

### **(xi) Custom Duty & Goods & Service Tax (GST)**

GST Credit availed on Raw materials, Stores and Capital Goods are reduced from the cost of the Respective Goods.

### **(xii) Research and Development**

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

### **(xiii) Valuation of Inventories**

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

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

### **(xiv) Lease**

#### **a. Where the Company is the lessee**

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

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

#### **b. Where the Company is the lessor**

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

## Notes on Financial Statement

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

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

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

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

#### a. Provisions & Warranties

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

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

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

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

#### b. Onerous contracts

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

#### c. Contingent liabilities

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

#### d. Contingent Assets

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

## Notes on Financial Statement

### (xvii) Cash & Cash Equivalents

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

### (xviii) Borrowing Cost

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

### (xix) Segment Reporting

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

### (xx) Taxation

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

#### a. Current income taxes

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

#### b. Deferred income taxes

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

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

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.



## Notes on Financial Statement

### (xxi) Government Grant

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

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

### (xxii) Earning Per Share

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

### (xxiii) Cash Flow Statement

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

### (xxiv) Accounting for interests in Joint Ventures

Interests in joint ventures are accounted as follows:

Type of joint venture	Accounting treatment
Jointly controlled operations	Company's share of revenues, common expenses, assets and liabilities are included in revenues, expenses, assets and liabilities respectively on line by line basis.
Jointly controlled assets	Share of assets, according to nature of the assets, and share of the liabilities are shown as part of gross block and liabilities respectively. Share of expenses incurred on maintenance of the assets is accounted as expense. Monetary benefits, if any, from use of the assets are reflected as income.
Jointly controlled entities	<p><b>(a) Integrated joint ventures:</b></p> <p>(i) Company's share in profits or losses of integrated joint ventures is accounted on determination of the profits or losses by the joint ventures.</p> <p>(ii) Investments in integrated joint ventures are carried at cost net of Company's share recognised in profits or losses.</p> <p><b>(b) Incorporated jointly controlled entities:</b></p> <p>(i) Income on investments in incorporated jointly controlled entities is recognised when the right to receive the same is established.</p> <p>(ii) Investment in such joint ventures is carried at cost after providing for any diminution in value of investment which is other than temporary in nature.</p>

## Notes on Financial Statement

### Note 1.01 Property, Plant and Equipment

(₹ in Lakhs)

Description of Assets	Gross Block				Depreciation				Net Block
	As at 01.04.2018	Additions during the Year	Sales / Adjustments	As at 31.03.2019	As at 01.04.2018	During the year	Sales/ Adjustments	As at 31.03.2019	As at 31.03.2019
<b>Tangible Assets</b>									
Land	1,543.33	-	-	1,543.33	79.61	50.27	-	129.88	1,413.45
Buildings	12,524.09	870.82	30.92	13,363.99	784.49	427.57	14.58	1,197.48	12,166.51
Roads	116.43	61.20	-	177.63	57.29	20.48	-	77.77	99.86
Railway Sidings	215.17	2.54	-	217.71	28.85	9.68	-	38.53	179.18
Plant & Machinery	21,883.37	3,462.66	16.03	25,330.00	3,036.98	1,861.65	14.96	4,883.67	20,446.33
Electrical Machinery	662.13	14.16	3.67	672.62	148.27	54.63	2.65	200.25	472.37
Office Equipments	548.62	289.47	1.35	836.74	184.92	153.49	3.16	335.25	501.49
Furniture & Fittings	596.00	66.94	8.12	654.82	193.51	77.86	8.08	263.29	391.53
Vehicles	785.88	155.51	51.66	889.73	172.60	124.42	42.01	255.01	634.72
<b>Total</b>	<b>38,875.02</b>	<b>4,923.30</b>	<b>111.75</b>	<b>43,686.57</b>	<b>4,686.52</b>	<b>2,780.05</b>	<b>85.44</b>	<b>7,381.13</b>	<b>36,305.44</b>
Capital Work in Progress (CWIP)	534.51	973.33	528.89	978.95	-	-	-	-	978.95
<b>Intangible Assets</b>									
Software	447.30	19.10	2.99	463.41	202.02	115.91	0.00	317.93	145.48
<b>Total</b>	<b>447.30</b>	<b>19.10</b>	<b>2.99</b>	<b>463.41</b>	<b>202.02</b>	<b>115.91</b>	<b>-</b>	<b>317.93</b>	<b>145.48</b>
<b>Grand Total</b>	<b>39,856.83</b>	<b>5,915.73</b>	<b>643.63</b>	<b>45,128.93</b>	<b>4,888.54</b>	<b>2,895.96</b>	<b>85.44</b>	<b>7,699.06</b>	<b>37,429.87</b>

### Previous Year

(₹ in Lakhs)

Description of Assets	Gross Block				Depreciation				Net Block
	As at 01.04.2017	Additions during the Year	Sales / Adjustments	As at 31-03-2018	As at 01-04-2017	During the year	Sales / Adjustments	As at 31.03.2018	As at 31.03.2018
<b>Tangible Assets</b>									
Land	1,455.35	87.98	-	1,543.33	29.36	50.25	-	79.61	1,463.72
Buildings	12,148.01	376.08	-	12,524.09	423.63	360.86	-	784.49	11,739.60
Roads	111.63	4.80	-	116.43	40.90	16.39	-	57.29	59.14
Railway Sidings	215.17	-	-	215.17	19.29	9.56	-	28.85	186.32
Plant & Machinery	20,133.58	3,047.18	1,297.39	21,883.37	1,609.27	1,597.56	169.85	3,036.98	18,846.39
Electrical Machinery	658.78	3.35	-	662.13	91.56	56.71	-	148.27	513.86
Office Equipments	396.33	152.30	0.01	548.62	84.12	100.80	-	184.92	363.70
Furniture & Fittings	539.42	56.58	-	596.00	96.01	97.50	-	193.51	402.49
Vehicles	672.12	153.33	39.57	785.88	86.58	121.36	35.34	172.60	613.28
<b>Total</b>	<b>36,330.39</b>	<b>3,881.60</b>	<b>1,336.97</b>	<b>38,875.02</b>	<b>2,480.72</b>	<b>2,410.99</b>	<b>205.19</b>	<b>4,686.52</b>	<b>34,188.50</b>
Capital Work in Progress (CWIP)	163.85	1,923.04	1,552.38	534.51	-	-	-	-	534.51
<b>Intangible Assets</b>									
Software	407.83	39.47	-	447.30	131.42	70.60	-	202.02	245.28
<b>Total</b>	<b>407.83</b>	<b>39.47</b>	<b>-</b>	<b>447.30</b>	<b>131.42</b>	<b>70.60</b>	<b>-</b>	<b>202.02</b>	<b>245.28</b>
<b>Grand Total</b>	<b>36,902.07</b>	<b>5,844.11</b>	<b>2,889.35</b>	<b>39,856.83</b>	<b>2,612.14</b>	<b>2,481.59</b>	<b>205.19</b>	<b>4,888.54</b>	<b>34,968.29</b>

## Notes on Financial Statement

### Note 1.02 Investment Property

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
As per last account	-	87.50	87.50
Add: Addition during the year	-	-	-
<b>Total</b>	<b>-</b>	<b>87.50</b>	<b>87.50</b>
Less: Adjustment during the year	-	87.50	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>87.50</b>

### Note 1.03 Non Current Investments

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>A. Investments in Equity Instruments (Quoted)</b>			
Texmaco Infrastructure & Holdings Ltd. 23,49,809 (2018: 23,49,809, 2017:23,49,809) Shares of ₹ 1 each	1,332.34	1,434.56	955.21
Chambal Fertilisers & Chemicals Ltd. 10,00,000 (2018: 10,00,000, 2017:10,00,000) Shares of ₹ 10 each	1,670.50	1,646.50	867.50
<b>B. Investments in Equity Instruments of Subsidiary Company (Unquoted)(At Cost)</b>			
Belur Engineering Private Ltd. 1,00,000 (2018: 1,00,000, 2017:1,00,000) Shares of ₹ 10 each	10.00	10.00	10.00
Texmaco Transtac Private Ltd. 5,101 (2018: 5,101) Shares of ₹ 10 each	0.51	0.51	-
Texmaco Defence System Pvt Ltd. 51,000 (2018: Nil) Shares of ₹ 10 each	5.10	-	-
<b>C. Investments in Equity Instruments of Joint Ventures (Unquoted)(At Cost)</b>			
Touax Texmaco Railcar Leasing Pvt Ltd. 1,26,49,999 (2018:1,26,49,999, 2017:1,26,49,999) Shares of ₹ 10 each	1,264.99	1,264.99	1,264.99
Wabtec Texmaco Rail Private Ltd. 32,81,700 (2018:8,81,700, 2017:8,81,700) Shares of ₹ 10 each	328.17	88.16	88.16
<b>D. Investments in CCD of Joint Ventures (Unquoted)(At Cost)</b>			
Touax Texmaco Railcar Leasing Pvt Ltd. 27,50,000 (2018: 24,50,000, 2017: 21,00,000) CCD of ₹ 100 each	2,750.00	2,450.00	2,100.00
<b>Total</b>	<b>7,361.61</b>	<b>6,894.72</b>	<b>5,285.86</b>
(i) Aggregate amount of quoted Investments	3,002.84	3,081.06	1,822.71
(ii) Market value of quoted Investments	3,002.84	3,081.06	1,822.71
(iii) Aggregate amount of unquoted Investments	4,358.77	3,813.66	3,463.15

### Note 1.04 Loans (Non-Current)

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>Unsecured- Considered Good</b>			
(a) Security Deposits	152.29	185.16	260.72
(b) Loans and Advances to Employees	3.17	3.47	3.85
(c) Deferred Interest Expenses (Loan given to Employees)	1.10	0.33	2.50
<b>Total</b>	<b>156.56</b>	<b>188.96</b>	<b>267.07</b>

### Note 1.05 Bank Balance

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Margin Money	607.45	7.72	418.54

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### Note 1.06 Other Non- Current Financial Assets

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Term Deposit of more Than Twelve Months Maturity	45.31	47.48	47.06
Interest Accrued on Deposits & Others	26.21	23.98	58.26
<b>Total</b>	<b>71.52</b>	<b>71.46</b>	<b>105.32</b>

### Note 1.07 Movement in gross/net Deferred Income Tax Assets and Liabilities

(₹ in Lakhs)

Particulars	Carrying value as at 01.04.2018	Changes through profit and loss	Changes through OCI	Carrying value as at 31.03.2019
<b>Deferred income tax assets</b>				
Property, plant and equipment	408.54	28.49	-	437.03
Investment	457.17	(287.25)	-	169.92
Brought forward losses/unabsorbed depreciation	1,484.14	(995.88)	-	488.26
Provisions & others	3,654.48	(606.45)	-	3,048.03
MAT Credit	1,483.44	2,720.22	-	4,203.66
Compensated absences	93.68	34.33	-	128.01
Gratuity	95.17	4.97	-	100.14
<b>Total deferred income tax assets</b>	<b>7,676.62</b>	<b>898.43</b>	<b>-</b>	<b>8,575.05</b>
<b>Deferred income tax liabilities</b>				
Others	(4,015.49)	(270.57)	-	(4,286.06)
Total deferred income tax liabilities	(4,015.49)	(270.57)	-	(4,286.06)
<b>Net deferred tax assets</b>	<b>3,661.13</b>	<b>627.86</b>	<b>-</b>	<b>4,288.99</b>

(₹ in Lakhs)

Particulars	Carrying value as at 01.04.2017	Changes through profit and loss	Changes through OCI	Carrying value as at 31.03.2018
<b>Deferred income tax assets</b>				
Property, plant and equipment	387.42	21.12	-	408.54
Investment	139.01	318.16	-	457.17
Brought forward losses/unabsorbed depreciation	1,080.95	403.19	-	1,484.14
Provisions & others	3,823.90	(169.42)	-	3,654.48
MAT Credit	1,085.44	398.00	-	1,483.44
Compensated absences	90.64	3.04	-	93.68
Gratuity	88.50	6.67	-	95.17
<b>Total deferred income tax assets</b>	<b>6,695.86</b>	<b>980.76</b>	<b>-</b>	<b>7,676.62</b>
<b>Deferred income tax liabilities</b>				
Property, plant and equipment	(3,103.34)	(912.15)	-	(4,015.49)
Total deferred income tax liabilities	(3,103.34)	(912.15)	-	(4,015.49)
<b>Net deferred tax assets</b>	<b>3,592.52</b>	<b>68.61</b>	<b>-</b>	<b>3,661.13</b>

### Note 1.08 Other Non Current Asset

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(a) Capital Advances	393.26	171.11	155.64
(b) Security Deposit	1.61	224.30	136.08
(c) Prepaid Expenses	145.10	114.96	99.93
(d) Claims and other receivables (Statutory dues)	-	1,024.06	779.05
<b>Total</b>	<b>539.97</b>	<b>1,534.43</b>	<b>1,170.70</b>

## Notes on Financial Statement

### Note 1.09 Inventories

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(a) Raw Material and Components	17,975.78	9,332.27	8,679.19
(b) Work in Progress	21,869.00	14,824.81	11,697.64
(c) Finished Goods	1,698.09	2,297.64	31.41
(d) Stores and Spares	1,537.60	1,497.62	1,086.69
(e) Goods in transit (Raw Materials and Components)	1,925.46	1,122.59	1,660.60
<b>Total</b>	<b>45,005.93</b>	<b>29,074.93</b>	<b>23,155.53</b>

### Note 1.10 Current Investments

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>Fully paid-up</b>			
<b>A. Investments in Equity Instruments (Quoted)</b>			
Tata Teleservices (Maharashtra) Ltd. 22,666 (2018: 22,666, 2017: 22,666) Units of ₹ 10 each	0.69	1.26	1.62
Elh Ltd. 10,000 (2018: 10,000, 2017: 10,000) Shares of ₹ 2 each	20.58	15.91	12.05
SREI Infrastructure Finance Ltd. 1,800 (2018: 1,800, 2017: 1,800) Shares of ₹ 10 each	0.54	1.32	1.49
Century Textiles & Industries Ltd. 500 (2018: 500, 2017: 500) Shares of ₹ 10 each	4.67	5.71	5.27
NHPC Ltd. 1,01,471 (2018: 1,01,471, 2017: 1,01,471) Shares of ₹ 10 each	25.06	28.11	32.67
<b>Sub-total-(A)</b>	<b>51.54</b>	<b>52.31</b>	<b>53.10</b>
<b>B. Investments in Bonds (Unquoted) (At Fair Value)</b>			
In 6.70% IRFC (Tax Free) 540 (2018: 540, 2017: 540) Units of ₹ 1,00,000 each	558.12	540.00	540.00
In 8.10% IRFC (Tax Free) 21,751 (2018: 21,751, 2017: 21,751) Units of ₹ 1,000 each	252.31	254.49	253.40
In 8.30% GOI Nil (2018: 5,00,000, 2017: 5,00,000) Units of ₹ 100 each	-	500.00	500.00
In 8.30% NHAI (Tax Free) Nil (2018: 49,448, 2017: 49,448) Units of ₹ 1,000 each	-	582.83	589.42
In 8.20% HUDCO (Tax Free) 50,000 (2018: 50,000, 2017: 50,000) Units of ₹ 1,000 each	569.99	571.00	572.50
In NABARD Nil (2018: Nil, 2017: 8,750) Units of ₹ 8500 each	-	-	1,526.87
<b>Sub-total-(B)</b>	<b>1,380.42</b>	<b>2,448.32</b>	<b>3,982.19</b>
<b>C. Investments in Mutual Funds (Unquoted) (at Fair Value)</b>			
Axis Treasury Advantage Fund Growth 645 (2018: 645, 2017: 645) Units of ₹ 1000 each	13.45	12.48	11.71
Birla Sun Life Income Plus Growth Regular Plan Nil (2018: Nil, 2017: 21,15,639) Units of ₹ 10 each	-	-	1,550.50
Birla Sun Life Treasury Optimiser Fund Growth Nil (2018: Nil, 2017: 2,88,403) Units of ₹ 100 each	-	-	600.42
Birla Sun Life Short Term Opportunities Fund Growth Nil (2018: Nil, 2017: 21,90,494) Units of ₹ 10 each	-	-	594.36
Birla Sun Life Dynamic Bond Fund Retail Growth -Regular plan Nil (2018: Nil, 2017: 42,04,472) Units of ₹ 10 each	-	-	1,220.72
Franklin India Corporate Bond Opportunities Growth Nil (2018: Nil, 2017: 35,54,721) Units of ₹ 10 each	-	-	593.79
Franklin India Short Term Income Fund Growth Nil (2018: 17,424, 2017: 17,424) Units of ₹ 1000 each	-	639.49	589.98
HDFC FMP 369 Days March 2016 (3) Series 29 Regular Growth Nil (2018: Nil, 2017: 79,00,000) Units of ₹ 10 each	-	-	1,013.09



## Notes on Financial Statement

### Note 1.10 Current Investments (Contd..)

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
HDFC Short Term Plan Growth Nil (2018: 38,03,887, 2017: 38,03,887) Units of ₹ 10 each	-	1,309.83	1,232.83
HDFC Corporate Debt Opportunity Fund -Growth Nil (2018: Nil, 2017: 44,54,978) Units of ₹ 10 each	-	-	604.01
HDFC Gilt Fund LTP -Growth Nil (2018: Nil, 2017: 17,63,333) Units of ₹ 10 each	-	-	594.93
IDFC Super Saver Income Fund Institutional Plan Growth Regular Plan Nil (2018: Nil, 2017: 2,74,659) Units of ₹ 10 each	-	-	111.07
IDFC SSIF Medium Term Plan Growth Nil (2018: Nil, 2017: 21,27,651) Units of ₹ 10 each	-	-	589.94
IDFC Low Duration Fund Regular Plan Growth 7,56,810 (2018: Nil, 2017: Nil) Units of ₹ 10 each	200.54	-	-
ICICI Prudential Short Term Plan Growth Nil (2018: 3,94,700, 2017: 25,22,761) Units of ₹ 10 each	-	142.86	860.82
ICICI Prudential Regular Saving Fund Growth Nil (2018: 81,96,176, 2017: 1,40,45,832) Units of ₹ 10 each	-	1,521.58	2,439.69
ICICI Prudential Saving Fund -Regular Plan -Growth Nil (2018: Nil, 2017: 6,50,785) Units of ₹ 100 each	-	-	1,591.46
ICICI Prudential Fixed Maturity Plan Series 83 1108 Days Plan H 1,50,00,000 (2018: Nil, 2017: Nil) Units of ₹ 100 each	1,624.46	-	-
Kotak Income Opportunity Fund- Growth Nil (2018: Nil, 2017: 6,30,282) Units of ₹ 10 each	-	-	113.10
Kotak Medium Term Fund Growth Nil (2018: Nil, 2017: 91,64,818) Units of ₹ 10 each	-	-	1,240.71
Reliance Short Term Fund -Growth Nil (2018: 19,10,833, 2017: 19,10,833) Units of ₹ 10 each	-	623.94	588.86
Reliance Corporate Bond fund Nil (2018: 3,13,69,461, 2017: 1,80,66,505) Units of ₹ 10 each	-	4,393.54	2,378.60
Reliance Strategic Debit Fund - Growth Plan - Growth Option 9,57,068 (2018: Nil, 2017: Nil) Units of ₹ 10 each	140.79	-	-
Reliance Income Fund- Growth Plan - Bonus Option Nil (2018: Nil, 2017: 87,28,086) Units of ₹ 10 each	-	-	1,335.06
Reliance Dynamic Bond Fund Direct Growth Plan Nil (2018: Nil, 2017: 37,49,367) Units of ₹ 10 each	-	-	862.29
Reliance Dynamic Bond Fund Growth Plan -Growth Option Nil (2018: Nil, 2017: 59,87,327) Units of ₹ 10 each	-	-	1,338.78
Reliance Credit Risk Fund Growth Plan -Growth Option 56,93,711 (2018: 56,93,711, 2017: Nil) Units of ₹ 10 each	1,467.74	1,377.60	-
Reliance Regular Saving Fund Debt Plan- Growth Plan Growth Option Nil (2018: 1,90,10,042, 2017: 1,90,10,042) Units of ₹ 10 each	-	4,599.53	4,307.05
Reliance Liquid Fund Growth Plan Growth 2780 (2018: Nil, 2017: Nil) Units of ₹ 100 each	126.17	-	-
SBI Magnum Income Fund Regular Plan - Growth Nil (2018: 31,38,399, 2017: 38,52,150) Units of ₹ 10 each	-	1,331.77	1,555.06
SBI Magnum Gilt Fund -LTP Growth Nil (2018: Nil, 2017: 16,55,673) Units of ₹ 10 each	-	-	610.90
SBI Ultra Short Term Debt Fund Regular Plan Growth Nil (2018: Nil, 2017: 10,326) Units of ₹1000 each	-	-	216.90
SBI Premier Liquid Fund-Regular Plan-Growth Nil (2018: Nil, 2017: 15,717) Units of ₹1000 each	-	-	400.11
SBI Magnum Ultra SDF Direct Fund - Growth 11,997 (2018: Nil, 2017: Nil) Units of ₹ 10 each	500.20	-	-
SBI Liquid Fund Regular Growth 616 (2018: Nil, 2017: Nil) Units of ₹ 10 each	17.95	-	-

## Notes on Financial Statement

### Note 1.10 Current Investments (Contd..)

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
SBI Debt Fund Series C-16 1100 Days 1,32,24,964 (2018: Nil, 2017: Nil) Units of ₹ 10 each	1,428.21	-	-
UTI Short Term Income Fund Growth Nil (2018: Nil, 2017: 29,79,383) Units of ₹ 10 each	-	-	594.04
<b>Sub-total-(C)</b>	<b>5,519.51</b>	<b>15,952.62</b>	<b>29,740.78</b>
<b>Total</b>	<b>6,951.47</b>	<b>18,453.25</b>	<b>33,776.07</b>
(i) Aggregate amount of quoted Investments	51.54	52.31	53.10
(ii) Market value of quoted Investments	51.54	52.31	53.10
(iii) Aggregate amount of unquoted Investments	6,899.93	18,400.94	33,722.97

### Note 1.11 Trade Receivables

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(a) Unsecured , considered good	82,005.13	67,969.57	54,842.58
(b) Unsecured, Credit Impaired	8,092.51	9,218.94	9,766.50
	<b>90,097.64</b>	<b>77,188.51</b>	<b>64,609.08</b>
<b>Allowance for bad and doubtful debts</b>	(8,092.51)	(9,218.94)	(9,766.50)
<b>Total</b>	<b>82,005.13</b>	<b>67,969.57</b>	<b>54,842.58</b>

- (i) The above includes ₹ 20,533.01 Lakhs as retention money (2018: ₹ 16,325.83 Lakhs and 2017: ₹ 13,146.55 Lakhs ) which are recoverable on completion of the Project as per the relevant contract.
- (ii) Trade Receivable are secured against first charge on working capital facility.
- (iii) The Company provides allowance in trade receivables based on historic credit loss experience, current economic conditions and events and future observable data and information. The expected credit loss allowance is computed based on the ageing of the receivables.

### Note 1.12 Cash and Cash Equivalents

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(a) Balances with banks			
- In current accounts	2,064.63	1,574.75	994.14
(b) Cheques/ Pay order in hand	-	-	1.90
(b) Cash on hand	34.32	35.54	31.86
<b>Total</b>	<b>2,098.95</b>	<b>1,610.29</b>	<b>1,027.90</b>

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

### Note 1.13 Bank Balances Other than above

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(a) Unpaid Dividend Account	26.61	26.58	24.08
(b) Term Deposit of upto Twelve Months Maturity	12.71	11.88	14.97
(c) Margin Money	2,516.61	1,792.07	3,794.72
<b>Total</b>	<b>2,555.93</b>	<b>1,830.53</b>	<b>3,833.77</b>

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

## Notes on Financial Statement

### Note 1.14 Loans (Current)

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>I Unsecured Considered Good</b>			
(a) Security Deposits to others	87.55	53.33	29.11
(b) Loan to Subsidiaries	4,567.31	3,002.00	2,990.00
(c) Other loans (Unsecured)			
(d) Interest accrued on Loans	400.90	375.28	544.76
(e) Advance to Employee	97.86	95.54	109.53
(f) Deferred Interest Exp(Loan given to Employees)	0.40	2.15	0.53
	<b>5,154.02</b>	<b>3,528.30</b>	<b>3,673.93</b>
<b>II Unsecured, Credit Impaired</b>			
(a) Loan to Body Corporates	275.00	275.00	275.00
Less: Allowance for Loan to Body Corporate	(275.00)	(275.00)	(275.00)
	-	-	-
<b>Total</b>	<b>5,154.02</b>	<b>3,528.30</b>	<b>3,673.93</b>

### Note 1.15 Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Advance Payment of Income Tax (net of provision)	636.20	207.14	122.23
<b>Total</b>	<b>636.20</b>	<b>207.14</b>	<b>122.23</b>

### Note 1.16 Other Current Assets

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(a) Security Deposits	-	0.01	6.83
<b>(b) Advance to Related Parties</b>			
- Advance to Subsidiaries	-	-	11.66
(c) Advance to Parties	4,773.01	4,592.14	3,605.77
(d) Other Advances	1,809.61	3,584.76	2,133.95
(e) Prepaid Expenses	866.90	574.65	609.02
(f) Balances with Government Dept	21,231.92	14,571.78	8,121.93
(g) Contractually reimbursable expenses	1,754.93	-	-
(h) Unbilled Debtors	41,109.04	31,674.83	17,245.37
(i) Receivables against Sale of Non Current Assets	-	40.97	78.90
(j) Deferred Rent Expenses (Security Deposit Rent Given)	0.47	0.01	0.08
(k) Interest Accrued on Fixed deposits	-	22.58	148.35
<b>Total</b>	<b>71,545.88</b>	<b>55,061.73</b>	<b>31,961.86</b>

## Notes on Financial Statement

### Note 1.17 Equity Share capital

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>Authorised Share Capital</b>			
197,00,00,000 Equity shares at par value of Re. 1/- each (As at 31st March 2018: 95,00,00,000 equity share of Re 1/- each) (As at 31st March 2017: 95,00,00,000 equity share of Re 1/- each)	19,700.00	9,500.00	9,500.00
	<b>19,700.00</b>	<b>9,500.00</b>	<b>9,500.00</b>
<b>Issued, Subscribed and paid up capital</b>			
22,00,49,482 Equity Share of Re 1/- each (As at 31st March 2018: 21,98,28,443 equity share of Re 1/- each) (As at 31st March 2017: 21,94,14,993 equity share of Re 1/- each)	2,200.50	2,198.28	2,194.15
<b>Share Capital Suspense Accounts</b>			
(4785300 Share to be issued to shareholders of Bright Power Project (Pvt) Limited, as per scheme of merger approved by NCLT dated:29th March 2019 w.e.f. 1st April 2017)	47.85	47.85	47.85
	<b>2,248.35</b>	<b>2,246.13</b>	<b>2,242.00</b>

- The Company has only one class of shares referred to as equity shares having a par value of Re.1/-. Each holder of equity shares is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.
- Issued, Subscribed and Paid Up Capital includes 12,71,83,090 equity shares allotted on the basis of 1 equity shares in TexRail for Re. 1/- each credited as fully paid-up for every 1 equity shares held by each member of Texmaco Infrastructure & Holdings Limited (formerly Texmaco Limited) on record date without payment being received in cash for demerging its Heavy Engineering Division & Steel Foundry Division to Texmaco Rail & Engineering Limited.
- During the Year the Company has allotted 2,21,039 Equity Shares to its employees under Employee Stock Option Scheme.
- Reconciliation of number of Issued,Subscribed and Paid-up Capital

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
	No of Shares	No of Shares	No of Shares
Number of Shares at the beginning of the year	21,98,28,443	21,94,14,993	21,94,14,993
Add: Allotment under ESOP	2,21,039	4,13,450	-
Number of Shares at the end of the year	22,00,49,482	21,98,28,443	21,94,14,993

- After the reporting date, dividend of 0.35 paisa (2018: 0.25 Paisa) per equity share were proposed by the Board of Directors subject to the approval of the shareholders at the Annual General Meeting, the dividend has not been recognised as Liabilities. Dividends would attract Dividend Distribution Tax when declared or paid.

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

Name of Shareholders	As at 31.03.2019		As at 01.04.2018		As at 01.04.2017	
	No. of Shares	% Holding	No. of Shares	% Holding	No. of Shares	% Holding
Texmaco Infrastructure & Holdings Ltd.	5,46,00,000	24.81	5,46,00,000	24.84	5,46,00,000	24.88
Zuari Investments Ltd.	2,89,63,900	13.16	2,89,63,900	13.18	2,89,63,900	13.20

## Notes on Financial Statement

### Note 1.18 Other Equity

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>(i) Share Options Outstanding Account</b>			
Balance as per last Account	1,363.44	1,194.66	804.33
Add: On issue of ESOP	(179.06)	168.78	390.33
	<b>1,184.38</b>	<b>1,363.44</b>	<b>1,194.66</b>
<b>(ii) Capital Reserve</b>			
Balance as per last Account	3,951.22	3,951.22	11,124.44
Less: Adjustment of Goodwill in Business Combination	-	-	(7,173.22)
	<b>3,951.22</b>	<b>3,951.22</b>	<b>3,951.22</b>
<b>(iii) Securities Premium</b>			
Balance as per last Account	39,836.44	39,671.06	35,137.97
Add: On Business Combination	-	-	4,445.54
Add: On issue of ESOP	88.42	165.38	87.55
	<b>39,924.86</b>	<b>39,836.44</b>	<b>39,671.06</b>
<b>(iv) General reserve</b>			
Balance as at the beginning of the year	46,720.92	46,620.92	46,120.92
Add: Transferred from Retained Earning	500.00	100.00	500.00
	<b>47,220.92</b>	<b>46,720.92</b>	<b>46,620.92</b>
<b>(v) Reserves representing unrealised gains/losses</b>			
(a) Equity Instruments through Other Comprehensive Income	1,784.52	526.15	(25.48)
Addition during the year	(78.20)	1,258.37	551.63
	<b>1,706.32</b>	<b>1,784.52</b>	<b>526.15</b>
(b) Remeasurements of the net defined benefit Plans	(116.97)	(118.73)	(84.47)
Addition during the year	(29.29)	1.76	(34.26)
Less : Transferred to Retained Earning	146.26	-	-
	<b>-</b>	<b>(116.97)</b>	<b>(118.73)</b>
<b>(vi) Exchange differences on translating the financial statements of a foreign operation</b>			
Balance as at the beginning of the year	53.51	106.08	115.42
Addition during the year	102.05	(52.57)	(9.34)
	<b>155.56</b>	<b>53.51</b>	<b>106.08</b>
<b>(vii) Retained Earnings</b>			
(a) Surplus at the beginning of the year	11,414.07	11,527.71	9,706.23
Add : Profit for the year	7,527.98	1,338.63	2,954.21
Add : Transferred from Remeasurements of the net defined benefit Plans	(146.26)	-	-
Less: Transferred to General Reserve	(500.00)	(100.00)	(500.00)
Less: Proposed Dividend on Equity Shares	(550.15)	(549.01)	(525.71)
Less: Tax on dividend	(111.99)	(111.76)	(107.02)
Less: Adjustment for transfer of assets do not form part of the transaction envisaged under the share purchase agreement	-	(691.50)	-
	<b>17,633.65</b>	<b>11,414.07</b>	<b>11,527.71</b>
<b>Total</b>	<b>1,11,776.91</b>	<b>1,05,007.15</b>	<b>1,03,479.07</b>

- (i) General Reserve:** The General Reserve is used from time to time to transfer profit from Retained Earnings for appropriation purpose. As the General Reserve is created by transfer from one component of equity to another and is not an item of other comprehensive income, items included in the General Reserve will not be reclassified subsequently to profit & loss.
- (ii) Reserve for Equity Instrument through Other Comprehensive Income (OCI):** This reserve represents the cumulative gain and loss arising on net revaluation of equity instruments measured at fair value through OCI, net of amounts reclassified to the Retained Earnings when those assets have been disposed off.
- (iii) Capital Reserves:** The Company recognises profit or loss on purchase, sale, issue or cancellation of the Company's own equity instruments to Capital Reserve.
- (iv) Security Premium:** Security Premium Reserve issued to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act 2013.



## Notes on Financial Statement

### Note 1.18 Other Equity (Contd.)

(v) **Foreign currency monetary items translation difference reserve:** Exchange differences arising on settlement and remeasurement of long term foreign currency monetary items are accumulated in "Foreign Currency Monetary items Translation Difference Account" and amortised over the maturity period or upto the date of settlement of such monetary items, which is earlier, and charged to the Statement of Profit and Loss.

(vi) **Retained Earnings:** Retained Earnings refers to the portion of net income which is retained by the corporation to be reinvested in its core business. Similarly if the Company has a loss then that loss is retained and called retained losses or accumulated loss. Retained Earnings and Losses are cumulative from year to year with losses off setting earnings.

### Note 1.19 Borrowings (Non Current)

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>Secured</b>			
<b>From banks</b>			
Term Loan (TL)	4,975.66	3,206.55	223.37
Car Loan	36.16	93.73	77.91
From Other Parties	2.28	-	-
<b>Total</b>	<b>5,014.10</b>	<b>3,300.28</b>	<b>301.28</b>

Term Loan from Banks are secure against the Property, Plant and Equipments created from such Loan, remaining Term Loan from Banks are repayable in 14 quarterly installments.

### Note 1.20 Provisions (Non Current)

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Provision for employee benefits (Leave)	220.14	231.18	192.57
Provision for employee benefits (Gratuity)	244.66	184.43	166.53
For Contingency	-	1.00	1.00
For Warranty and others	183.99	187.99	187.99
<b>Total</b>	<b>648.79</b>	<b>604.60</b>	<b>548.09</b>

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

### Note 1.21 Other Non Current Liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Security Deposit	-	-	1.75
Deferred Rent Income-Security Deposit Rent	-	-	0.10
Advances from Customers	-	-	4,319.18
<b>Total</b>	<b>-</b>	<b>-</b>	<b>4,321.03</b>

### Note 1.22 Borrowings (Current)

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>(a) Secured (From Banks)</b>			
- Cash Credit	42,452.15	43,094.48	33,398.60
<b>(b) Unsecured (From Banks)</b>	7,000.00	3,000.00	3,000.00
<b>(c) From Other Parties</b>			
(i) Loans from related parties	3,150.00	1,800.00	1,797.94
(ii) Inter-Corporate Deposits	1,000.00	350.00	1,210.43
<b>Total</b>	<b>53,602.15</b>	<b>48,244.48</b>	<b>39,406.97</b>

## Notes on Financial Statement

### Note 1.22 Borrowings (Current) (Contd.)

- (i) Cash Credit facilities are secured by hypothecation of first charge on stocks, book debts and other current assets of the Company.
- (ii) Further, Cash Credit for Rail EPC Division is also secured by first charge on the fixed assets (both present and future).
- (iii) Cash Credit facility for Heavy Engineering and Steel Foundry Division are also secured by way of second charge on fixed assets of its divisions.
- (iv) Post Demerger of Heavy Engineering and Steel Foundry businesses of Texmaco Infrastructure & Holdings Limited (Tex Infra), the first charge created on immovable property and Corporate Guarantee of Tex Infra Continues.

### Note 1.23 Trade payables

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Dues to Micro Enterprise and Small Enterprises	-	66.22	345.19
Dues of Creditors other than Micro Enterprise and Small Enterprises	55,643.97	32,814.55	29,425.90
	<b>55,643.97</b>	<b>32,880.77</b>	<b>29,771.09</b>
Information in terms of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 is as follows:			
Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:			
(a) Principal amount due	-	66.22	345.19
Unpaid matured deposits and interest accrued thereon	-	-	-
(b) Interest paid during the period beyond the appointed day	-	-	-
(c) Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	-	-	-
(d) Amount of interest accrued and remaining unpaid at the end of the period	-	-	-
(e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act	-	-	-

There are no material dues owned by the Company to Micro and Small Enterprises, which are outstanding for more than 45 days during the year and as at 31st March, 2018 and 31st March, 2017. This information as required under the Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the Auditors.

### Note 1.24 Other Financial Liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>(a) Current maturities of long-term debt</b>			
Term Loan	90.95	574.41	524.18
Car Loan	-	59.64	37.85
<b>(b) Interest accrued</b>			
Interest accrued but not due on borrowings	42.46	35.03	164.94
<b>(c) Unclaimed / Unpaid dividends</b>	26.61	26.58	24.08
<b>(d) Others</b>			
Liabilities for Expenses	1,239.47	874.73	2,271.01
Amount Due to Employee	971.80	648.35	660.88
Derivative Asset/Liabilities	-	-	40.52
Others Misc. Payable	132.90	1,664.17	127.59
Misc. Security Deposit	-	-	477.30
Creditors for Capital Advance	960.65	1,272.24	63.92
<b>Total</b>	<b>3,464.84</b>	<b>5,155.15</b>	<b>4,392.27</b>

- (i) Term Loan from Bank is secured against Property, Plant and Equipments created from such loan. The balance term loan is repayable in 4 quarterly installments.
- (ii) There is no amount due and outstanding to be credited to the Investor Education and Protection Fund against unpaid dividend as at 31st March, 2019.

## Notes on Financial Statement

### Note 1.25 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(a) Revenue received in advance	295.46	302.39	-
(b) Advances from Customers	29,122.55	24,342.26	10,298.42
(c) TDS and other taxes payable	417.82	601.88	1,172.04
(d) PF, ESI amount Payable	126.06	118.20	93.71
(e) Security Deposits	1,562.05	1,191.32	578.55
(f) Interest Payable	21.90	30.91	-
(g) Other Liabilities	1,222.55	0.91	5.17
<b>Total</b>	<b>32,768.39</b>	<b>26,587.87</b>	<b>12,147.89</b>

### Note 1.26 Provisions (Current)

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(a) Provision for employee benefits (for Gratuity)	41.91	90.55	89.18
(b) Provision for employee benefits (for leave)	146.19	39.52	69.34
(c) Provision for Contract Loss Provision	109.90	96.96	47.60
(d) Provision for Claims & Damages	-	-	32.57
(e) Provision for Expenses	943.98	808.99	759.98
(f) Provision for Others	-	-	2.97
<b>Total</b>	<b>1,241.98</b>	<b>1,036.02</b>	<b>1,001.64</b>

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

### Note 1.27 Revenue From Operations

(₹ in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
(a) Sale of products	1,04,105.94	42,853.67
(b) Sale of services	95,449.07	75,418.56
(c) Other operating revenues	962.58	988.02
Gross Revenue from Operations	2,00,517.59	1,19,260.25
Less: Inter Segment Revenue	(14,701.21)	(5,339.89)
<b>Net Revenue from Operations</b>	<b>1,85,816.38</b>	<b>1,13,920.36</b>

### Note 1.28 Other Income

(₹ in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>(a) Interest Income</b>		
From Bank	140.61	185.82
From Others	825.37	1,009.07
<b>(b) Dividend Income</b>		
Income from Non-Current Investments	29.54	25.06
<b>(c) Other non-operating income</b>		
Net gain on Sale of Current Investments	174.28	147.82
Compensation Against Old Refugee Settlement Area	-	1,900.00
Miscellaneous Receipts and Income	123.34	200.57
Sundry Credit Balance Adjusted	81.65	94.25
Profit on sale of PPE (Net)	146.33	2.52
Rent Received	179.26	29.62
Provision & Excess Liabilities Written Back	1.40	2.99
Insurance Claim Received	9.80	-
Gain on fair valuation of Bonds/Mutual	401.38	1,466.36
<b>Total</b>	<b>2,112.96</b>	<b>5,064.08</b>

## Notes on Financial Statement

### Note 1.29 Cost of Materials Consumed

(₹ in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Opening Stock of Raw Materials	5,049.43	3,564.90
Add: Raw materials Purchased and Departmental Transfers etc.	1,00,334.42	22,169.46
	<b>1,05,383.85</b>	<b>25,734.36</b>
Less: Closing Stock of Raw Materials	8,241.44	5,049.43
	<b>97,142.41</b>	<b>20,684.93</b>
Consumption of Components (Including Job Processing and Contract Labour Charges ₹ 5,298.30 Lakhs, Previous Year ₹ 3,406.18 Lakhs)	53,712.41	65,764.89
Less: Inter Segment Revenue	(14,701.21)	(5,339.89)
<b>Total</b>	<b>1,36,153.61</b>	<b>81,109.93</b>

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

(₹ in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>Opening Stock</b>		
Finished Goods	2,297.64	31.41
Work-in-Progress	14,824.81	11,697.64
	<b>17,122.45</b>	<b>11,729.05</b>
<b>Less : Closing Stock</b>		
Finished Goods	1,698.09	2,297.64
Work-in-Progress	21,869.00	14,824.81
	<b>23,567.09</b>	<b>17,122.45</b>
<b>(Increase) / Decrease in Stock</b>	<b>(6,444.64)</b>	<b>(5,393.40)</b>

### Note 1.31 Employee Benefit Expenses

(₹ in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
a) Salaries ,Wages and Bonus	10,008.34	8,354.73
b) Contribution to provident and other funds		
i) Provident Fund and Pension Fund	675.28	636.26
ii) Superannuation Fund	52.37	50.86
iii) Gratuity	73.08	-
c) Share based payments to employees	(179.06)	168.78
d) Staff Welfare Expenses	688.73	506.66
e) VRS Expenses	6.65	25.48
<b>Total</b>	<b>11,325.39</b>	<b>9,742.77</b>

### Note 1.32 Finance Costs

(₹ in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>(a) Interest</b>		
i) Banks	5,825.75	4,703.38
ii) Others	39.48	135.59
(b) Other borrowing costs	1,199.22	1,246.98
<b>Total</b>	<b>7,064.45</b>	<b>6,085.95</b>

## Notes on Financial Statement

### Note 1.33 Depreciation and Amortization Expense

(₹ in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
(a) Depreciation on Tangible Assets	2,780.05	2,410.98
(b) Depreciation on Intangible Assets	115.91	70.61
<b>Total</b>	<b>2,895.96</b>	<b>2,481.59</b>

### Note 1.34 Other Expenses

(₹ in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Consumption of stores and spares part	9,219.07	5,997.06
Power and Fuel	6,204.92	4,512.00
Rent	729.05	645.04
Repairs to buildings	623.02	492.16
Repairs to machinery	404.72	391.41
Repairs to others	95.77	87.24
Insurance	445.10	269.54
Rates and Taxes excluding taxes on Income	378.27	1,518.24
Freight,Packing and Transport	2,015.36	1,187.70
Erection Expenses	3,886.01	3,770.96
Drawings and Designs	4.05	8.61
Royalty & Knowhow	48.60	256.77
Research & Development	119.88	104.70
Selling Agents Commission	169.09	29.66
Selling Expenses	258.35	234.62
Director's Sitting Fees	15.50	21.18
Director's Commission	14.14	14.00
<b>Payments to the Auditor</b>		
As Auditor	21.92	23.78
For Tax Audit	4.95	4.51
For Quarterly Review	2.55	3.42
For Fees for Other Services (incl for issuing various certificates)	6.30	6.64
To Cost Auditor	1.64	1.40
For Reimbursement of out of pocket expenses	3.63	2.62
40.99		42.37
Donation	1.91	0.89
CSR Expenses	52.66	33.44
Miscellaneous Expenses	3,079.89	2,364.76
Sundry Debit Balance Adjusted	25.19	7.91
Bad Debt written off	1,829.60	20.24
Less: Allowance for bad & doubtful debts	(1126.43)	-
Net (gain)/loss on foreign currency transaction	(420.90)	(8.81)
<b>Total</b>	<b>28,113.81</b>	<b>22,001.69</b>

#### Note on CSR Expense:

(i) Gross amount required to be spent by the Company during the year: ₹ 31.96 Lakhs

#### (ii) Amount spent in cash during the year on:

Particulars	In Cash	Total
i) Construction/acquisition of any asset	20.00	20.00
ii) On purposes other than (i) above	32.66	32.66
<b>Total</b>	<b>52.66</b>	<b>52.66</b>



## Notes on Financial Statement

### Note 1.35 Other Comprehensive Income

(₹ in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>(A) Items that will not be reclassified to profit or loss</b>		
(i) Remeasurements of the defined benefit plans	(21.11)	(39.49)
(ii) Equity Instruments through Other Comprehensive Income;	(78.20)	1,258.37
	<b>(99.31)</b>	<b>1,218.88</b>
<b>(B) Items that will be reclassified to profit or loss</b>		
(i) Exchange differences in translating the financial statements of a foreign operation	102.05	(52.57)
<b>Total</b>	<b>102.05</b>	<b>(52.57)</b>

### Note 1.36 Commitments and Contingent Liabilities

(₹ in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>(A) Commitments</b>		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advance)	1,462.00	1,477.00
<b>(B) Contingent Liabilities (not provided for) in respect of :</b>		
(a) Guarantees given by Banks in the normal course of Business.	1,34,418.20	1,10,975.72
(b) Letters of Credit opened by Banks in the normal course of Business.	25,405.12	12,481.40
(c) Bonds issued to Custom Department	92.20	92.20
(d) Claims under dispute (Excise, Service Tax, Income Tax and others)	18,929.19	18,274.40
(e) Claims not acknowledged as debts (Amount unascertainable)	-	-
(f) Income Tax assessment under appeal (Amount unascertainable)	-	-

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

(₹ in Lakhs)

Particulars	Opening Provision as on 1.4.2018	Utilized during the year	Reversed during the year	Provision during the year	Closing pro- vision as on 31.03.2019
(a) Site warranty period maintenance	187.99	--	4.00	--	183.99
(b) Others	808.99	--	15.01	150.00	943.98
<b>Total</b>	<b>996.98</b>	<b>--</b>	<b>19.01</b>	<b>150.00</b>	<b>1,127.97</b>
Previous Year	947.97	5.11	--	54.12	996.98

In accordance with the requirement of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" issued by the Companies (Accounting Standard) Rules 2006, the company has provided liability for other expenses amounting to ₹ 150 lakhs (Previous Year ₹ 54.12 lakh).

**Site warranty period maintenance:** - The Company gives warranties and maintenance on certain products and services, undertaking to repair, replace and maintain the items for satisfactory working during the warranty period. Provision as at March 31, 2019 represents the amount of the expected cost of meeting such obligations of rectification/ replacement/maintenance. The timing of the outflow is expected to be within a period of two years.

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

## Notes on Financial Statement

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

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

### Note 1.40 Related party Disclosure

#### (a) Name of the Related Parties and Relationship as per Ind AS 24

Relationship	Name of the Parties	Name of the Parties
	2018-19	2017-18
A. Key Management Personnel	Mr. S. K. Poddar, Executive Chairman Mr. Sandeep Fuller, Managing Director w.e.f: 15th May,2018 Mr. A.K. Vijay, Executive Director (Finance) & CFO Mr. D. H. Kela, Executive Director & CEO (SF) Mr. G. C.Agrawal, ED & CEO (HED) w.e.f 15th May,2018 Mr. Ravi Varma, (Company Secretary)	Mr. S. K. Poddar, Executive Chairman Mr. Sandeep Fuller, Executive Director & CEO (HED) Mr. A.K. Vijay, Executive Director (Finance) & CFO Mr. D. H. Kela, Executive Director & CEO (SF) Mr. G. C.Agrawal, CEO (HED) w.e.f: 5th Mar,2018 Mr. Ravi Varma, (Company Secretary)
B. Relative of Key Management Personnel	Ms. Jyotsna Poddar, (Wife of Mr. S.K.Poddar) Mr. Akshay Poddar, (Son of Mr. S.K.Poddar) Ms. Puja Poddar, (Daughter in Law of Mr. S.K.Poddar) Ms. Shradha Agarwal, (Daughter of Mr. S.K.Poddar)	Ms. Jyotsna Poddar, (Wife of Mr. S.K.Poddar) Mr. Akshay Poddar, (Son of Mr. S.K.Poddar) Ms. Puja Poddar, (Daughter in Law of Mr. S.K.Poddar) Ms. Shradha Agarwal, (Daughter of Mr. S.K.Poddar)
C. Subsidiary Company	Belur Engineering Private Ltd. (100% of capital held by Company) Texmaco Defence Systems Private Ltd. (51% of capital held by Company) Texmaco Transtrak Private Ltd. (51.01% of capital held by Company) Texrail SA (Pty) Ltd. (100% of Capital held by Company) Texmaco Rail Systems Private Ltd. (100% of Capital held by Company)	Belur Engineering Private Ltd. (100% of capital held by Company) Texmaco Defence Systems Private Ltd. (51% of capital held by Company) Texmaco Transtrak Private Ltd. (51.01% of capital held by Company) Texrail SA (Pty) Ltd. (100% of Capital held by Company) -
D. Joint Venture	Touax Texmaco Railcar Leasing Pvt. Ltd. (50.00% of Capital held by Company) Wabtec Texmaco Rail Pvt. Ltd. (40.00% of Capital held by Company) Kalindee Cobra JV Kalindee Kapoor Railcon JV Kalindee Karthik JV Kalindee VNC JV Kalindee IF&LS JV GMR TPL KRNL JV Kalindee Rahee JV Kalindee URC JV Tata Projects - Kalindee JV Kalindee ASIS JV JMC-GPT-Vijaywargi-Bright Power JV JMC-Vijaywargi-Bright Power Joint Venture Bright-Vijaywargi JV	Touax Texmaco Railcar Leasing Pvt. Ltd. (50.00% of Capital held by Company) Wabtec Texmaco Rail Pvt. Ltd. (40.00% of Capital held by Company) Kalindee Cobra JV Kalindee Kapoor Railcon JV Kalindee Karthik JV Kalindee VNC JV Kalindee IF&LS JV GMR TPL KRNL JV Kalindee Rahee JV Kalindee URC JV Tata Projects - Kalindee JV - JMC-GPT-Vijaywargi-Bright Power JV JMC-Vijaywargi-Bright Power Joint Venture Bright-Vijaywargi JV
E. Group Company where transaction exists.	Zuari Investments Ltd Duke Commerce Ltd. Adventz Securities Enterprises Ltd. Zuari Global Ltd. New Eros Tradecom Ltd. Master Exchange & Finance Ltd. Adventz Investments Co. Pvt. Ltd. Adventz Finance Pvt. Ltd. Eureka Traders Pvt. Ltd. Abhishek Holdings Pvt. Ltd. Greenland Trading Pvt. Ltd. Indrakshi Trading Company Pvt. Ltd. Zuari Management Services Ltd. High Quality Steels Ltd. Lionel India Ltd. Lionel Edwards Ltd. Texmaco Infrastructure & Holdings Ltd. Indian Furniture Private Ltd. Paradeep Phosphate Ltd.	Zuari Investments Ltd Duke Commerce Ltd. Adventz Securities Enterprises Ltd. Zuari Global Ltd. New Eros Tradecom Ltd. Master Exchange & Finance Ltd. Adventz Investments Co. Pvt. Ltd. Adventz Finance Pvt. Ltd. Eureka Traders Pvt. Ltd. Abhishek Holdings Pvt. Ltd. Greenland Trading Pvt. Ltd. Indrakshi Trading Company Pvt. Ltd. Zuari Management Services Ltd. High Quality Steels Ltd. Lionel India Ltd. - Texmaco Infrastructure & Holdings Ltd. Indian Furniture Private Ltd. Paradeep Phosphate Ltd.

## Notes on Financial Statement

### (b) Related Party Transactions

(₹ in Lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint venture	Key Magt Personnel	Grand Total	Balance outstanding As at 31.03.2019
<b>Remuneration Paid</b>							
- Mr. S. K. Poddar	-- (-)	-- (-)	-- (-)	-- (-)	385.99 (362.22)	385.99 (362.22)	-- (-)
- Mr. Sandeep Fuller*	-- (-)	-- (-)	-- (-)	-- (-)	121.85 (111.83)	121.85 (111.83)	-- (-)
- Mr. A.K. Vijay*	-- (-)	-- (-)	-- (-)	-- (-)	76.94 (69.98)	76.94 (69.98)	-- (-)
- Mr. D. H. Kela*	-- (-)	-- (-)	-- (-)	-- (-)	137.03 (123.13)	137.03 (123.13)	-- (-)
- Mr. G. C. Agrawal (w.e.f: 5th Mar,2018)	-- (-)	-- (-)	-- (-)	-- (-)	59.50 (3.66)	59.50 (3.66)	-- (-)
- Mr. Ravi Varma	-- (-)	-- (-)	-- (-)	-- (-)	17.19 (13.48)	17.19 (13.48)	-- (-)

\*Includes perquisites on equity share allotted in pursuant to Employee Stock Option Scheme.

#### Transactions with Relative of Key Management Personnel

- Mr. Akshay Poddar (Sitting Fees & Commission)	3.50 (4.20)	-- (-)	-- (-)	-- (-)	-- (-)	3.50 (4.20)	-- (-)
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#### Investment

- Touax Texmaco Railcar Leasing Pvt. Ltd.	-- (-)	-- (-)	-- (-)	300.00 (350.00)	-- (-)	300.00 (350.00)	4,014.99 (3,714.99)
- Texmaco Infrastructure & Holdings Ltd.	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	1,332.34 (1,434.56)
- Wabtec Texmaco Rail Pvt. Ltd	-- (-)	-- (-)	-- (-)	240.00 (-)	-- (-)	240.00 (-)	328.17 (88.16)
- Belur Engineering Pvt. Ltd	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	10.00 (10.00)
- Texmaco Transtrak Pvt. Ltd	-- (-)	-- (0.51)	-- (-)	-- (-)	-- (-)	-- (0.51)	0.51 (0.51)
- Texmaco Defence Systems Pvt. Ltd	-- (-)	5.10 (-)	-- (-)	-- (-)	-- (-)	5.10 (-)	5.10 (-)

#### Loans & Advances Given

- Belur Engineering Pvt. Ltd.	-- (-)	1,200.00 (-)	-- (-)	-- (-)	-- (-)	1,200.00 (-)	4,190.00 (2,990.00)
- Texmaco Transtrak Pvt. Ltd	-- (-)	156.87 (12.00)	-- (-)	-- (-)	-- (-)	156.87 (12.00)	168.87 (12.00)

#### Loans & Advances Paid

- Texmaco Transtrak Pvt. Ltd	-- (-)	0.13 (-)	-- (-)	-- (-)	-- (-)	0.13 (-)	0.13 (-)
- Texmaco Defence Systems Pvt. Ltd.	-- (-)	211.04 (-)	-- (-)	-- (-)	-- (-)	211.04 (-)	208.32 (-)
- Belur Engineering Pvt. Ltd	-- (-)	90.70 (-)	-- (-)	-- (-)	-- (-)	90.70 (-)	-- (-)
- Wabtec Texmaco Rail Pvt. Ltd	-- (-)	-- (-)	-- (-)	5.13 (-)	-- (-)	5.13 (-)	-- (-)
- Bright-Vijaywargi-JV	-- (-)	-- (-)	-- (-)	132.80 (-6.14)	-- (-)	132.80 (-6.14)	126.66 (-6.14)

## Notes on Financial Statement

### (b) Related Party Transactions (Contd..)

(₹ in Lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint venture	Key Magt Personnel	Grand Total	Balance outstanding As at 31.03.2019
<b>Loans &amp; Advances Received</b>							
- Adventz Finance Pvt. Ltd.	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	1,100.00 (1,100.00)
- Adventz Securities Enterprises Ltd.	150.00 (--)	-- (--)	-- (--)	-- (--)	-- (--)	150.00 (--)	850.00 (700.00)
- Belur Engineering Pvt. Ltd.	-- (--)	1,200.00 (--)	-- (--)	-- (--)	-- (--)	1,200.00 (--)	1,200.00 (--)
<b>Dividend Paid</b>							
- Mr. Saroj Poddar	-- (--)	-- (--)	-- (--)	-- (--)	8.62 (8.62)	8.62 (8.62)	-- (--)
- Ms Jyotsna Poddar	0.18 (0.18)	-- (--)	-- (--)	-- (--)	-- (--)	0.18 (0.18)	-- (--)
- Ms. Puja Poddar	0.07 (0.07)	-- (--)	-- (--)	-- (--)	-- (--)	0.07 (0.07)	-- (--)
- Mr. Akshay Poddar	0.04 (0.04)	-- (--)	-- (--)	-- (--)	-- (--)	0.04 (0.04)	-- (--)
- Ms Shradha Agarwal	0.03 (0.03)	-- (--)	-- (--)	-- (--)	-- (--)	0.03 (0.03)	-- (--)
- Abhishek Holdings Pvt. Ltd.	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
- Adventz Securities Enterprises Ltd.	9.52 (9.32)	-- (--)	-- (--)	-- (--)	-- (--)	9.52 (9.52)	-- (--)
- Adventz Finance Pvt. Ltd.	20.94 (20.94)	-- (--)	-- (--)	-- (--)	-- (--)	20.94 (20.94)	-- (--)
- Adventz Investments Co. Pvt. Ltd.	7.59 (7.59)	-- (--)	-- (--)	-- (--)	-- (--)	7.59 (7.59)	-- (--)
- Duke Commerce Ltd.	18.79 (18.79)	-- (--)	-- (--)	-- (--)	-- (--)	18.79 (18.79)	-- (--)
- Eureka Traders Pvt. Ltd.	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
- Greenland Trading Pvt. Ltd.	0.09 (0.09)	-- (--)	-- (--)	-- (--)	-- (--)	0.09 (0.09)	-- (--)
- Master Exchange & Finance Ltd.	0.04 (0.04)	-- (--)	-- (--)	-- (--)	-- (--)	0.04 (0.04)	-- (--)
- New Eros Tradecom Ltd.	1.85 (1.85)	-- (--)	-- (--)	-- (--)	-- (--)	1.85 (1.85)	-- (--)
- Indrakshi Trading Company Pvt. Ltd.	0.08 (0.08)	-- (--)	-- (--)	-- (--)	-- (--)	0.08 (0.08)	-- (--)
- Texmaco Infrastructure & Holdings Ltd.	136.50 (136.50)	-- (--)	-- (--)	-- (--)	-- (--)	136.50 (136.50)	-- (--)
- Zuari Investments Ltd.	72.41 (72.41)	-- (--)	-- (--)	-- (--)	-- (--)	72.41 (72.41)	-- (--)
- Zuari Global Ltd.	10.09 (10.09)	-- (--)	-- (--)	-- (--)	-- (--)	10.09 (10.09)	-- (--)
- Mr. D. H. Kela	-- (--)	-- (--)	-- (--)	-- (--)	0.03 (0.03)	0.03 (0.03)	-- (--)

## Notes on Financial Statement

### (b) Related Party Transactions (Contd..)

(₹ in Lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint venture	Key Magt Personnel	Grand Total	Balance outstanding As at 31.03.2019
- Mr. Sandeep Fuller	-- (-)	-- (-)	-- (-)	-- (-)	0.08 (0.03)	0.08 (0.03)	-- (-)
- Mr. A.K. Vijay	-- (-)	-- (-)	-- (-)	-- (-)	0.08 (0.04)	0.08 (0.04)	-- (-)
- Mr. Ravi Varma	-- (-)	-- (-)	-- (-)	-- (-)	0.01 (-)	0.01 (-)	-- (-)
<b>Dividend Received</b>							
- Texmaco Infrastructure & Holdings Ltd.	4.70 (4.70)	-- (-)	-- (-)	-- (-)	-- (-)	4.70 (4.70)	-- (-)
<b>Other</b>							
- Adventz Finance Pvt. Ltd. (Rent Paid)	18.57 (16.77)	-- (-)	-- (-)	-- (-)	-- (-)	18.57 (16.77)	-- (-)
- Adventz Finance Pvt. Ltd. (Interest Paid)	148.50 (67.50)	-- (-)	-- (-)	-- (-)	-- (-)	148.50 (67.50)	90.81 (14.97)
- Adventz Securities Enterprises Ltd. (Interest Paid)	94.83 (27.00)	-- (-)	-- (-)	-- (-)	-- (-)	94.83 (27.00)	71.75 (12.11)
- High Quality Steels Ltd. (Services Received)	630.61 (550.10)	-- (-)	-- (-)	-- (-)	-- (-)	630.61 (550.10)	57.74 (61.44)
- Lionel India Ltd. (Services Received)	241.10 (283.78)	-- (-)	-- (-)	-- (-)	-- (-)	241.10 (283.78)	60.88 (33.78)
- Lionel Edwards Ltd. (Services Received)	5.79 (-)	-- (-)	-- (-)	-- (-)	-- (-)	5.79 (-)	0.58 (-)
- Indian Furniture Private Ltd. (Purchase of Goods)	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	2.34 (2.34)
- Zuari Management Services Ltd. (Services Received)	235.30 (-)	-- (-)	-- (-)	-- (-)	-- (-)	235.30 (-)	54.64 (-)
- Texmaco Infrastructure & Holdings Ltd. (Rent Received)	0.85 (0.05)	-- (-)	-- (-)	-- (-)	-- (-)	0.85 (0.05)	-- (-)
- Texmaco Infrastructure & Holdings Ltd. (Rent Paid)	68.74 (70.38)	-- (-)	-- (-)	-- (-)	-- (-)	68.74 (70.38)	40.35 (56.11)
- Wabtec Texmaco Rail Pvt. Ltd. (Sale of Goods)	-- (-)	-- (-)	-- (-)	225.47 (10.35)	-- (-)	225.47 (10.35)	47.28 (10.35)
- Wabtec Texmaco Rail Pvt. Ltd. (Purchase of Goods)	-- (-)	-- (-)	-- (-)	1,468.61 (4.52)	-- (-)	1,468.61 (4.52)	198.45 (6.13)
- Wabtec Texmaco Rail Pvt. Ltd. (Rent & Electricity Received)	-- (-)	-- (-)	-- (-)	253.12 (-)	-- (-)	253.12 (-)	27.08 (-)
- Wabtec Texmaco Rail Pvt. Ltd. (Advance Against Purchase)	-- (-)	-- (-)	-- (-)	-- (78.03)	-- (-)	-- (78.03)	-- (78.03)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Sale of Goods)	-- (-)	-- (-)	-- (-)	4,762.86 (2,068.83)	-- (-)	4,762.86 (2,068.83)	113.17 (111.47)
- Zuari Investments Ltd. (Depository Services)	-- (0.58)	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Rent Received)	-- (-)	-- (-)	-- (-)	0.05 (0.05)	-- (-)	0.05 (0.05)	-- (-)



## Notes on Financial Statement

### (b) Related Party Transactions (Contd..)

(₹ in Lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint venture	Key Magt Personnel	Grand Total	Balance outstanding As at 31.03.2019
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Deposit Against Order)	-- (--)	-- (--)	-- (--)	2,204.37 (1,525.38)	-- (--)	2,204.37 (1,525.38)	2,204.37 (1,049.13)
- Paradeep Phosphate Ltd. (Rent Received)	8.86 (6.74)	-- (--)	-- (--)	-- (--)	-- (--)	8.86 (6.74)	0.82 (--)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Interest receivable against CCD given)	-- (--)	-- (--)	-- (--)	276.98 (216.21)	-- (--)	276.98 (216.21)	495.01 (278.35)
- Belur Engineering Pvt. Ltd. (Rent Received)	-- (--)	0.05 (0.05)	-- (--)	-- (--)	-- (--)	0.05 (0.05)	-- (--)
- Belur Engineering Pvt. Ltd. (Rent Paid)	-- (--)	390.05 (330.50)	-- (--)	-- (--)	-- (--)	390.05 (330.50)	-- (--)
- Belur Engineering Pvt. Ltd. (Interest received against CCD given)	-- (--)	335.74 (321.42)	-- (--)	-- (--)	-- (--)	335.74 (321.42)	-- (--)
- Belur Engineering Pvt. Ltd. (Interest paid against CCD given)	-- (--)	16.18 (--)	-- (--)	-- (--)	-- (--)	16.18 (--)	-- (--)
- Texmaco Defence Systems Pvt. Ltd. (Rent Received)	-- (--)	0.06 (--)	-- (--)	-- (--)	-- (--)	0.06 (--)	0.06 (--)
- JMC-Vijaywargi-Bright Power JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	144.89 (772.32)	-- (--)	144.89 (772.32)	264.39 (446.24)
- Bright-Vijaywargi JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	3,853.34 (2,552.63)	-- (--)	3,853.34 (2,552.63)	1,075.12 (1,851.37)
- JMC-GPT-Vijaywargi-Bright Power JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	-- (56.32)	-- (--)	-- (56.32)	120.52 (120.52)
- JMC-Vijaywargi-Bright Power JV (Amount paid on behalf of JV)	-- (--)	-- (--)	-- (--)	0.42 (--)	-- (--)	0.42 (--)	1.15 (0.73)
- JMC-GPT-Vijaywargi-Bright Power JV (Amount paid on behalf of JV)	-- (--)	-- (--)	-- (--)	0.30 (--)	-- (--)	0.30 (--)	2.45 (2.15)
- Texmaco Transtrak Private Ltd. (Interest Received)	-- (--)	9.14 (0.07)	-- (--)	-- (--)	-- (--)	9.14 (0.07)	9.21 (0.07)
- Kalindee Cobra JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	2,846.77 (2,668.01)	-- (--)	2,846.77 (2,668.01)	1,966.64 (1,703.27)
- Kalindee Cobra JV (Amount paid by the company on behalf of others)	-- (--)	-- (--)	-- (--)	15.15 (24.75)	-- (--)	15.15 (24.75)	-- (--)
- Kalindee IL & FS JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	2,295.11 (2,164.52)	-- (--)	2,295.11 (2,164.52)	2,569.29 (2,523.24)
- Kalindee Kapoor Railcon JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	7,812.73 (8,435.01)	-- (--)	7,812.73 (8,435.01)	5,700.33 (6,195.09)
- Kalindee Kapoor Railcon JV (Amount paid on behalf of the company)	-- (--)	-- (--)	-- (--)	-- (18.56)	-- (--)	-- (18.56)	-- (--)
- Kalindee Kapoor Railcon JV (Amount paid by the company on behalf of others)	-- (--)	-- (--)	-- (--)	0.05 (10.16)	-- (--)	0.05 (10.16)	-- (--)
- Kalindee Karthik JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	-- (13.64)	-- (--)	-- (13.64)	406.24 (414.97)
- Kalindee Rahee JV (Amount paid by the company on behalf of others)	-- (--)	-- (--)	-- (--)	655.72 (1,283.39)	-- (--)	655.72 (1,283.39)	1,845.25 (1,944.60)

## Notes on Financial Statement

### (b) Related Party Transactions (Contd..)

(₹ in Lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint venture	Key Magt Personnel	Grand Total	Balance outstanding As at 31.03.2019
- Kalindee URC JV (Sale of Goods)	-- (-)	-- (-)	-- (-)	816.84 (3,702.65)	-- (-)	816.84 (3,702.65)	1,173.95 (1,972.87)
- Kalindee URC JV (Amount paid by the company on behalf of others)	-- (-)	-- (-)	-- (-)	0.25 (0.31)	-- (-)	0.25 (0.31)	-- (-)
- Kalindee VNC JV (Amount paid on behalf of the company)	-- (-)	-- (-)	-- (-)	-- (76.81)	-- (-)	-- (76.81)	-- (-)
- Kalindee VNC JV (Amount paid by the company on behalf of others)	-- (-)	-- (-)	-- (-)	426.81 (435.02)	-- (-)	426.81 (435.02)	1,791.12 (1,371.61)
- GMR TPL Kalindee (Sale of Goods)	-- (-)	-- (-)	-- (-)	3,321.01 (3,977.47)	-- (-)	3,321.01 (3,977.47)	2,956.11 (2,772.06)
- Tata Projects- Kalindee (Sale of Goods)	-- (-)	-- (-)	-- (-)	802.71 (890.84)	-- (-)	802.71 (890.84)	325.08 (-)
- Tata Projects- Kalindee (Advance Receipt taken)	-- (-)	-- (-)	-- (-)	-- (53.04)	-- (-)	-- (53.04)	-- (53.04)
- Texmaco Transtrak Private Ltd. (Amount paid by the company on behalf of others)	-- (-)	12.54 (-)	-- (-)	-- (-)	-- (-)	12.54 (-)	12.54 (-)
- Texrail SA (Pty) Ltd. (Amount paid by the company on behalf of others)	-- (-)	8.45 (-)	-- (-)	-- (-)	-- (-)	8.45 (-)	8.45 (-)
<b>Corporate Guarantee Given</b>							
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Against Sale of Wagons)	-- (-)	-- (-)	-- (-)	585.87 (233.96)	-- (-)	585.87 (233.96)	941.80 (1,527.17)
<b>Corporate Guarantee Received</b>							
- Texmaco Infrastructure & Holdings Ltd. (Against Cash Credit facility)	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	5,000.00 (5,000.00)

Note: Figures in brackets are for previous financial year.

#### Note 1.41 Employees Stock Option Scheme

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

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

#### (A) Employees Stock Option Scheme

Sl No	Particulars	Employee Stock Option Scheme 2014
1	Date of shareholders approval	4th September, 2014
2	Total number of Option approved under the Schemes	18,20,000 Ordinary equity Shares of ₹1/- each.
3	Vesting Schedule	The vesting period for conversion of Option is as follows: - 25% of the Options at the end of one year from the date of grant. - 35% of the Options at the end of two year from the date of grant. - 40% of the Options at the end of three year from the date of grant.

## Notes on Financial Statement

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

Sl No	Particulars	Employee Stock Option Scheme 2014
4	Pricing Formula	The exercise price shall be average of the weekly high and low of the closing prices of the related equity shares, quoted on the stock exchange which records highest trading volume in the company Equity shares, during the twenty six week preceding the date of the meeting of the Board of Directors at which the scheme for granting the option would be approved subject to the approval of the shareholders, and discounted by such percentage , not exceeding 30% of the above
5	Maximum term of Option granted	4 year from the date of vesting
6	Source of shares	Primary
7	Variation in term of Options	None
8	Method used for accounting of share-based Payment plans	The employed compensation cost has been calculated using the Intrinsic value method of accounting for option issued under the company's Employee Stock Option Schemes. Had we considered the fair Value approach the net Income would be lower by ₹ 90.23 Lakhs Adjusted Profit: ₹ 7,440.49 Lakhs Standalone - Basic : ₹ 3.37 EPS - Diluted : ₹ 3.33
9	Nature and extend of employee share based payment plans that existed during the period including the general terms and Conditions of each plan.	Each Option entitles the holder thereof to apply for and be allotted Ordinary Shares of the Company of Re.1 /- each upon payment of the exercise price. The exercise would commence from the date of vesting and will, expire on completion of the year from the respective date (s) of vesting of options. The options would be expressing by the employees by a written application accompanied by payment of the consideration amount to the company to exercise the option in such Manners, and on executed of such documents, as may be prescribed by the ESOS Compensation Committee from time to time.
10	Weight average exercise prices and weighted average fair value of Options whose exercise price either exceeds or is less than the market price of the stock.	Weighted average exercise price per Option : ₹ 41/- Weighted average faire value per Option : ₹ 72.50

#### Option movement during the year

11	Options outstanding at the beginning of the year	10,11,424
	Options granted during the year	NIL
	Options cancelled and lapsed during the year	1,74,725
	Options vested and exercisable during the year (net of option lapsed and exercised)	5,46,265
	Options exercised during the year	2,21,039
	Number of ordinary Shares of Re. 1/- each arising as a result of exercise of options during the year	2,21,039
	Options outstanding at the end of the year	1,58,825
	Options exercisable at the end of the year	48,600
	Money realised by exercise of the Options during the year (₹ in lakhs)	90,62,599

## Notes on Financial Statement

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

Sl No	Particulars	Employee Stock Option Scheme 2014		
12	Weighted average share price of shares arising upon exercise of options	The Options were exercised during the periods permitted under the Schemes, and weighted average share price of Shares arising upon exercise of options, based on the closing market price on NSE on the date of exercise of Options (i.e. the date of allotment of shares by the Stakeholders Relationship Committee) for the year ended 31st March, 2016 was ₹142.39		
13	Summary of Options outstanding, scheme – wise:			
	<b>Particulars</b>	<b>No. of Options Outstanding</b>	<b>Range of Exercise prices</b>	<b>Weighted Average remaining contractual life</b>
	Texmaco Employee Stock Option Scheme (introduced in 2014)	10,11,424	₹ 41/-	3 month
14	A description of the method used during the year to estimate the fair values of Options, the weighted average exercise prices and weighted average fair value of option granted. The significant assumptions used to ascertain the above.	The fair value of each Option is estimated using the Black Scholes Option Pricing model. Weighted average exercise price per Option : ₹41/- Weighted average fair value per Option : ₹ 97/- The fair value of each option is estimated using the Black Scholes Option Pricing model after applying the following key assumptions on a weighted average basis : (i) Risk – free Interest rate 8.01% (ii) Expected life 25 months (iii) Expected volatility 26.39% (iv) Expected dividends 10% (v) The Price of underlying shares in market at the time of option grant ₹ 97/-		
15	Methodology for determination of expected volatility	The volatility used in the Black Scholes Option Pricing model is the annualized standard deviation of the continuously compounded rates of return of the stock over a period of the time. The period considered for the working is commensurate with the expected life of the option and is based on the daily volatility of the company's stock price on NSE. The Company has incorporated the early exercise of Options by calculating expected life on past exercise behavior. There are no market conditions attached to the grant and vest.		

### Options Granted upto 31st March 2019

#### KMP and Senior Management Personnel

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

## Notes on Financial Statement

**Note 1.42 Earning Per Share – The Numerator and Denominator used to calculate basic/ diluted earning per share** (₹ in Lakhs)

Particulars		2018-19	2017-18
Net Profit for the period from ordinary activities attributable to equity shareholders (Excluding Preference Share Dividend) – used as numerator.	₹ in Lakhs	7,527.98	1,338.63
Weighted average number of Equity share outstanding used as denominator for Basic earning per share.	Number	21,99,89,414	21,98,28,443
Weighted Average Number of Equity share on account of Employee Stock Option Scheme	Number	-	1,98,868
Weighted Average Number of Equity share on account of merger of Bright Power Projects (India) Private Ltd.		47,85,300	47,85,300
Weighted Average Number of Equity share used on denominator for Diluted Earning Per Share	Number	22,47,74,714	22,48,12,611
(A) Basic Earning per share ( face value of Re 1/- each)	₹	3.42	0.60
(B) Diluted Earning per share ( face value of Re 1/- each)	₹	3.35	0.59

### Note 1.43 Interest in Joint Venture (JV)

**Particulars of the Company's interest in Jointly Controlled Entity is as below:** (₹ in Lakhs)

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

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

**The company's share in assets, liabilities, income and expense in the above jointly controlled entities as at and for the year ended March 31, 2019 is as follows:**

Name of Joint Venture	Company's share in				
	Assets	Liabilities	Income	Expenses	Profit/ (Loss)
TouaxTexmaco Railcar Leasing Pvt. Ltd.	8746.52 (5919.20)	4903.12 (2355.62)	876.92 (650.86)	594.49 (403.00)	224.83 (197.34)
Wabtec Texmaco Rail Pvt. Ltd.	1006.65 (577.53)	661.88 (507.51)	1894.52 (655.03)	1849.97 (711.11)	37.16 (-56.08)

Note: Figures in bracket are of previous year figure

## Notes on Financial Statement

### Note 1.44 Employee Benefits Obligation :

The Company accounts for Gratuity, Leave and Provident Fund Liability at actuarial valuation at the end of the year i.e. March 31. Accordingly these Liabilities have been computed by the actuary as at March 31, 2019.

#### Defined benefits Plans – As per Actuarial valuation as on March 31, 2019

(₹ in Lakhs)

Sl No.	Particulars	Funded Gratuity 2018-19	Funded Gratuity 2017-18	Unfunded Leave 2018-19	Unfunded Leave 2017-18
<b>A</b>	<b>Amount Recognised in Balance Sheet</b>				
	Present Value of defined benefit obligations	2,107.65	2,400.11	366.34	314.84
	Fair Value of Plan Assets	2,054.62	2,312.16	-	-
	Net asset / (liability) recognized in Balance Sheet	(53.03)	(87.95)	(366.34)	(314.84)
<b>B</b>	<b>Change in Present Value of Obligations</b>				
	Present Value of Obligation as at the beginning of the year	2,400.13	2,082.32	314.84	279.42
	Current Service Cost	181.86	136.32	76.02	60.83
	Interest (Income) / Cost	180.41	149.32	23.95	19.44
	Re- measurement ( or Actuarial) (Gain)/Loss arising from:-				
	change in demographic assumptions	-	-	-	11.23
	change in financial assumptions	14.93	(37.93)	2.67	(6.89)
	experience variance (i.e. Actual experience vs. assumptions)	154.73	(137.85)	(10.71)	(15.23)
	Past Service Cost	(299.60)	348.23	-	-
	Benefits Paid	(524.81)	(140.30)	(40.44)	(33.96)
	Present Value of Obligation as at the end of the year	2,107.65	2,400.12	366.34	314.84
<b>C</b>	<b>Changes in the Fair Value of Plan Assets</b>				
	Fair Value of Plan Assets as at the beginning of the year	2,312.16	2,180.50	-	-
	Investment Income	174.07	155.81	-	-
	Employer's Contribution	97.50	111.20	17.52	15.94
	Employee's Contribution	-	-	-	-
	Benefits paid	(523.98)	(140.30)	(17.52)	(15.94)
	Return on plan assets , excluding amount recognised in net interest expense	(5.13)	4.95	-	-
	Fair Value of Plan Assets at the end of the year	2,054.62	2,312.16	-	-
<b>D</b>	<b>Expenses Recognised in the Income Statement</b>				
	Current Service Cost	181.86	136.32	76.02	60.83
	Past Service Cost	(299.60)	348.23	-	-
	Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	6.35	(6.48)	23.95	19.44
	change in financial assumptions	-	-	2.97	(4.98)
	experience variance (i.e. Actual experience vs assumptions)	-	-	(12.08)	(8.96)
	Re-measurement ( or Actuarial) (gain)/loss arising because of change in effect of asset ceiling	-	-	1.07	3.05
	Expenses Recognised in the Income Statement	111.39	478.07	90.86	66.34
<b>E</b>	<b>Other Comprehensive Income</b>				
	Actuarial (gains) / losses arising from change in demographic assumptions	-	-	-	11.23
	change in financial assumptions	14.93	(37.93)	(0.30)	(1.91)
	experience variance (i.e. Actual experience vs assumptions)	154.73	(137.85)	1.38	(6.27)
	Return on plan assets, excluding amount recognised in net interest expense	5.13	(4.95)	-	-
	Components of defined benefit costs recognised in other comprehensive income	174.79	(180.73)	1.08	3.05
<b>F</b>	<b>Major categories of Plan Assets (as percentage of Total Plan Assets)</b>				
	Funds managed by Insurer	100%	100%	-	-
	<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>-</b>	<b>-</b>



## Notes on Financial Statement

### G) Assumptions

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

The significant actuarial assumptions were as follows:

Financial Assumptions	Gratuity		Leave	
	2019	2018	2019	2018
Discount rate (per annum)	7.30%	7.50%	7.30%	7.50%
Salary growth rate (per annum)	5.00%	5.00%	5.00%	5.00%

Demographic Assumptions	Gratuity		Leave	
	2019	2018	2019	2018
Mortality Rate (% of IALM 06-08)	100%	100%	100%	100%
Withdrawal rates, based on age: (per annum)				
Up to 30 years	3.00%	3.00%	3.00%	3.00%
31 - 44 years	2.00%	2.00%	2.00%	2.00%
Above 44 years	1.00%	1.00%	1.00%	1.00%

### H) Sensitivity

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

(₹ in Lakhs)

Particulars		Discount Rate	Salary Growth	Attrition Rate	Mortality Rate
		(- / + 1%)	Rate (- / + 1%)	(- / + 50% of attrition rates)	(- / + 10% of mortality rates)
<b>Gratuity</b>					
Increase/ (Decrease) in Liability	31.03.2019	106.76	(99.27)	(162.88)	(1.78)
Increase/ (Decrease) in Liability	31.03.2019	(95.36)	108.37	(138.54)	1.74
Increase/ (Decrease) in Liability	31.03.2018	(153.18)	(358.29)	(380.95)	(260.70)
Increase/ (Decrease) in Liability	31.03.2018	(353.10)	(149.44)	(355.55)	(256.44)
<b>Leave</b>					
Increase/ (Decrease) in Liability	31.03.2019	25.60	(23.52)	(56.45)	0.29
Increase/ (Decrease) in Liability	31.03.2019	(22.00)	26.97	(46.55)	(0.48)
Increase/ (Decrease) in Liability	31.03.2018	20.72	(19.23)	(48.34)	0.09
Increase/ (Decrease) in Liability	31.03.2018	(17.87)	21.97	(39.94)	(0.07)

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

Expected cash flows over the next (valued on undiscounted basis):	Gratuity		Leave	
	2019	2018	2019	2018
1 Year	518.68	787.83	87.98	71.95
2 to 5 years	1,049.32	1,056.02	124.01	87.21
6 to 10 years	705.27	620.15	139.21	100.44
More than 10 years	1,035.32	1,039.46	378.95	309.49

## Notes on Financial Statement

### I) Risk Exposure

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

### Note 1.45 Amount Remitted During the Year on Account of Dividend (As Certified by the Management)

(₹ in Lakhs)

Particulars	2018-19	2017-18
Number of Non-resident Shareholders	17	17
Number of Equity Shares held	14,840	14,840
Dividend remitted (₹ in Lakhs)	0.04	0.04
Year of Dividend paid	2017-18	2016-17

### Note 1.46 Value of Raw Materials and Stores Consumed (Including Components and Spare Parts) Services Etc.

(₹ in Lakhs)

Particulars	2018-19	%	2017-18	%
Imported	5,857.50	3.66%	2,900.22	3.14%
Indigenous	1,54,216.39	96.34%	89,546.66	96.86%
<b>Total</b>	<b>1,60,073.89</b>	<b>100.00</b>	<b>92,446.88</b>	<b>100.00</b>

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

(₹ in Lakhs)

Particulars	2018-19	2017-18
Raw Materials	376.07	1,249.77
Components, Spare Parts and Stores	7,099.71	1,671.07
Capital Goods	383.67	411.83
<b>Total</b>	<b>7,859.45</b>	<b>3,332.67</b>

### Note 1.48 Analysis of Raw Material Consumed

(₹ in Lakhs)

Particulars	2018-19	2017-18
M.S. & C.I. Scrap	4,841.15	3165.18
Plates & Sheets	90,638.56	16,286.99
Rounds, Bars & Flats	56.41	222.78
Structural	1,606.29	1,009.98
<b>Total</b>	<b>97,142.41</b>	<b>20,684.93</b>

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

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

## Notes on Financial Statement

### Note 1.51 Expenditure in Foreign Currency

(₹ in Lakhs)

Particulars	2018-19	2017-18
R & D Expenses	15.61	23.73
Travelling and Others	142.50	161.87
Fees & Subscription	6.30	-
General Charges (Charity & Donation, AAR Audit Fee)	5.29	7.94
<b>Total</b>	<b>169.70</b>	<b>193.54</b>

### Note 1.52 Income in Foreign Exchange

(₹ in Lakhs)

Particulars	2018-19	2017-18
Export of Goods (F.O.B.)	15,645.64	10,292.15

### Note 1.53 Details of Inventory of Work in Progress

(₹ in Lakhs)

Particulars	2018-19	2017-18
Work-in- Process		
- Heavy Engineering Division	9,721.98	6,441.40
- Steel Foundry Division	5,669.00	5,325.07
- Rail EPC	6,478.02	3,058.34
<b>Total</b>	<b>21,869.00</b>	<b>14,824.81</b>

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

(₹ in Lakhs)

Particulars	2018-19	2017-18
(a) - Un-hedged foreign currency exposure as at 31st March 19 – Payables. Euro: 25,08,212, USD: 40,56,276 & ZAR- 1,74,247 (Previous Year: Euro: 9,48,941& USD: 3,60,149)	4,845.22	998.25
(b) - Un-hedged foreign currency exposure as at 31st March 19 – Receivable. AUD:16,81,883, USD: 44,93,685, Euro: 24,75,704, JPY: 7,17,15,347 and NRS: 9,26,88,224 (Previous Year: AUD: 15,10,575, USD: 41,06,100 Euro: 31,59,259 and NRS: 3,06,77,193)	6,396.96	4,049.68

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

(₹ in Lakhs)

Particulars	2018-19	2017-18
<b>1 Profit/ Loss on sale of Property, Plant &amp; Equipments</b>		
Profit	149.33	3.07
Loss	3.00	0.55
<b>Net</b>	<b>146.33</b>	<b>2.52</b>
<b>2 Profit on sale of current investment</b>		
Mutual Funds & Others		
Profit	199.73	147.82
Loss	25.45	-
<b>Net</b>	<b>174.28</b>	<b>147.82</b>

## Notes on Financial Statement

### Note 1.56 Financial Reporting of Interests in Joint Ventures

Name of Joint venture	Description of Interest/ (Description of Job)	Country of Residence
Kalindee Kartik JV	Jointly controlled operations (civil work and signaling at Sini Jharkhand, SE Railway) – 80%	India
Kalindee Kapoor RailconJV	<ul style="list-style-type: none"> <li>i. Jointly controlled operations (civil work and signaling at Rani Keshwaganj, Rajasthan and Lucknow Pilibhit, Uttar Pradesh) – 71%</li> <li>ii. Jointly controlled operations (civil work and signaling at Lucknow Pilibhit, Uttar Pradesh) – 71%</li> <li>iii. Jointly controlled operations (civil work and signaling at Palanpur - Sarotra, Uttar Pradesh) – 70%</li> </ul>	
Kalindee IL&FS JV	Jointly controlled operations (civil work and signaling at Sholapur division of Central Railway in the state of Maharashtra, India) – 40%	India
Kalindee Rahee JV	Jointly controlled operations (civil work and signaling at Kolkata Metro division of KMRC in the state of Kolkata, India) – 70%	India
Kalindee Cobra JV	Jointly controlled operations (civil work and signaling at Bina Kota division of RVNL in the state of Rajasthan, India) – 78%	India
GMR-TPL-Kalindee JV	<ul style="list-style-type: none"> <li>i. Jointly controlled operations (civil work and signaling of RVNL projects in the state of Uttar Pradesh) – 29%</li> <li>ii. Jointly controlled operations (civil work and signaling of RVNL projects in the state of Telangana) – 35.48%</li> </ul>	India
Kalindee VNC JV	Jointly controlled operations (civil work and track work of Bangalore Metro & Delhi Metro in the state of Bangaluru and Delhi, India respectively) – 50%	India
Kalindee URC JV	Jointly controlled operations (civil work and signaling of RVNL Project in the state of Tamilnadu, India) – 50%	India
Tata projects – Kalindee JV	Jointly controlled operations (civil, signaling and electrification work of RVNL Project in the state of Assam, India) – 10%	India
JMC-GPT-Vijaywargi-Bright Power JV	Joint Operations (S & T OHE & General Electrical Works, Tamluk Basuliya, West Bengal) BPP-12.032%	India
JMC-Vijaywargi-Bright Power Joint Venture	Joint Operations (S & T OHE & General Electrical Works, Jaroli Basantpur, Orissa) BPP-16.58%	India
Bright-Vijaywargi	Joint Operations (25KV, 50 HZ Single phase traction,OHE,Scada,Gen. Ele. Works,Civil Works between Jakhal-Hissar BPP-82%, VIJAYWARGI -18%	India
Bright-Vijaywargi	Joint Operations (25KV, 50 HZ Single phase traction,OHE,Switching St-n, Traction Sub Station,Scada,Gen. Ele.Works,Civil Works between Rajpura-Dhuri-Lehera-Mohabbat BPP-82%, VIJAYWARGI -18%	India

## Notes on Financial Statement

### Note 1.57 Lease

#### Operating leases as lessee

(₹ in Lakhs)

Particulars	2018-19	2017-18
The Company has taken guest houses under operating leases.		
Non-cancellable operating lease rentals payable (minimum lease payments) under these leases are as follows		
- Within one year (₹)		68.75
- Later than one year and not later than five years (₹)	11.46	11.46
<b>Total</b>	<b>11.46</b>	<b>80.20</b>

### Note 1.58 Financial Risk Management Objectives and policies-

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

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

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

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

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

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

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

**C. Interest Risk** - Interest Risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rates. The Company's exposure to the risk of change in market interest rates related primarily to the company's short term borrowing (excluding commercial paper) with floating interest rates. For all long term borrowings with floating rates, the risk of variation in the interest rates is mitigated through interest rate swaps. The Company constantly monitors the credit markets and rebalances its financing strategies to achieve an optimal maturity profile and financing cost.

**D. Market Risk** - A risk that the fair value of future cash flows of a financial instrument may fluctuate because of changes in market prices is defined as Marketing Risk. Such changes in the value of financial instruments may result from changes in the foreign currency exchange rates, interest rates, credit, liquidity and other market changes.

**(i) Foreign Currency Risk** - A risk that the fair value or future value of the cash flows of a forex exposure will fluctuate because of changes in foreign exchange rates is defined as Foreign Currency Risk. The Company's exposure to the risk

## Notes on Financial Statement

of changes in foreign exchange rates relates primarily to the Company's export, import and foreign currency loan/ derivatives operating activities. The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange exposure. The management monitors the foreign exchange fluctuations on a continuous basis.

- (ii) **Foreign currency sensitivity** - The following table demonstrates the sensitivity to a reasonably possible change in USD and Euro exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies are not material.

Particulars	(₹ in Lakhs)	
	As at 31.03.2019	As at 31.03.2018
Foreign Currency (Payable) / Receivable (net) – EURO	(25.27)	1,781.96
Foreign Currency (Payable) / Receivable (net) - USD	303.04	2,434.87
<b>Impact</b>		
- EURO/INR- Increase by 10%	(2.53)	178.20
- EURO/INR- Decrease by 10%	2.53	(178.20)
USD/INR- Increase by 10%	30.30	243.49
USD/INR- Decrease by 10%	(30.30)	(243.49)

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

The Company generally invests in the equity shares of the Subsidiaries, Associates, Joint Ventures and some of the group companies as part of the Company's overall business strategy and policy. The Company manages the equity price risk through placing limits on individual and total equity investment in each of the subsidiaries and group companies based on the respective business plan of each of the companies. The Company's investment in quoted equity instruments (other than above) is not material. For sensitivity analysis of Company's investments in equity instruments, refer Note No. 1.60 ( Fair Value).

### Note 1.59 Capital Management

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

### Note 1.60 Fair Value

Carrying amounts and fair values Fair Value through Profit & Loss (FVTPL) of financial instruments, including their levels in the fair value hierarchy has been mentioned in Note No. B(vii) and has been mentioned in Note No 1.03 and Note No 1.10. All the investments which have been fair valued are classified under Level – 1.



## Notes on Financial Statement

### Note 1.61 Financial Instruments

#### A. According classification and fair values

(₹ In Lakhs)

31st March 2019	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets (Long Term)</b>								
- Investments	-	3,002.84	4,358.77	7,361.61	3,002.84	4,358.77	-	7,361.61
- Loans & Advances	-	-	156.56	156.56	-	-	156.56	156.56
- Bank Balances	-	-	607.45	607.45	-	-	607.45	607.45
- Others	-	-	71.52	71.52	-	-	71.52	71.52
<b>Financial Assets (Short Term)</b>								
- Investments	6,951.47	-	-	6,951.47	6,951.47	-	-	6,951.47
- Trade Receivable	-	-	82,005.13	82,005.13	-	-	82,005.13	82,005.13
- Cash and cash equivalents	-	-	2,098.95	2,098.95	-	-	2,098.95	2,098.95
- Bank Balances & Others	-	-	2,555.93	2,555.93	-	-	2,555.93	2,555.93
- Loans & Advances	-	-	5,154.02	5,154.02	-	-	5,154.02	5,154.02
<b>Total</b>	<b>6,951.47</b>	<b>3,002.84</b>	<b>97,008.33</b>	<b>1,06,962.64</b>	<b>9,954.31</b>	<b>4,358.77</b>	<b>92,649.56</b>	<b>1,06,962.64</b>
<b>Financial liabilities (Long Term)</b>								
- Borrowings	-	-	5,014.10	5,014.10	-	-	5,014.10	5,014.10
<b>Financial liabilities (Short Term)</b>								
- Borrowings	-	-	53,602.15	53,602.15	-	-	53,602.15	53,602.15
- Trade Payable	-	-	55,643.97	55,643.97	-	-	55,643.97	55,643.97
- Other Financial Liabilities	-	-	3,464.84	3,464.84	-	-	3,464.84	3,464.84
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1,17,725.06</b>	<b>1,17,725.06</b>	<b>-</b>	<b>-</b>	<b>1,17,725.06</b>	<b>1,17,725.06</b>

(₹ In Lakhs)

31st March 2018	Carrying Amount				Fair Value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets (Long Term)</b>								
- Investments	-	3,081.06	3,813.66	6,894.72	3,081.06	3,813.66	-	6,894.72
- Loans & Advances	-	-	188.96	188.96	-	-	188.96	188.96
- Bank Balances	-	-	7.72	7.72	-	-	7.72	7.72
- Others	-	-	71.46	71.46	-	-	71.46	71.46
<b>Financial Assets (Short Term)</b>								
- Investments	18,453.25	-	-	18,453.25	18,453.25	-	-	18,453.25
- Trade Receivable	-	-	67,969.57	67,969.57	-	-	67,969.57	67,969.57
- Cash and cash equivalents	-	-	1,610.29	1,610.29	-	-	1,610.29	1,610.29
- Bank Balances & Others	-	-	1,830.53	1,830.53	-	-	1,830.53	1,830.53
- Loans & Advances	-	-	3,528.30	3,528.30	-	-	3,528.30	3,528.30
<b>Total</b>	<b>18,453.25</b>	<b>3,081.06</b>	<b>79,020.49</b>	<b>1,00,554.80</b>	<b>21,534.31</b>	<b>3,813.66</b>	<b>75,206.83</b>	<b>1,00,554.80</b>
<b>Financial liabilities (Long Term)</b>								
- Borrowings	-	-	3,300.28	3,300.28	-	-	3,300.28	3,300.28
<b>Financial liabilities (Short Term)</b>								
- Borrowings	-	-	48,244.48	48,244.48	-	-	48,244.48	48,244.48
- Trade Payable	-	-	32,880.77	32,880.77	-	-	32,880.77	32,880.77
- Other Financial Liabilities	-	-	5,155.15	5,155.15	-	-	5,155.15	5,155.15
<b>Total</b>	<b>-</b>	<b>-</b>	<b>89,580.68</b>	<b>89,580.68</b>	<b>-</b>	<b>-</b>	<b>89,580.68</b>	<b>89,580.68</b>

\*The carrying value and fair value approximates.

## Notes on Financial Statement

### B. Measurement of fair values

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

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

### C. Valuation techniques

The following methods and assumptions were used to estimate the fair values

- 1) Fair value of the cash and short term deposits, current loans and advances and other current financial liabilities, short term borrowing from banks and other financial institutions and other similar items approximate their carrying value largely due to short term maturities of these instruments.
- 2) Long-term receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- 3) The fair value of unquoted instruments, loans from banks/financial institution and other financial liabilities is estimated by discounting future cash flows using rates currently available for debt of similar terms, credit risk and remaining maturities.

### Note 1.62 Tax Expense

(₹ in Lakhs)

Particulars	For the Year Ended	
	31.03.2019	31.03.2018
<b>a) Tax Expense</b>		
<b>Current Tax</b>		
- Current tax on profits for the year	1,794.45	1,181.96
- Adjustments for current tax of prior periods	126.20	105.87
- Total current tax expense	1,920.65	1,287.83
<b>Deferred Tax</b>		
- Decrease/(increase) in deferred tax assets	896.02	(585.36)
- (Decrease)/increase in deferred tax liabilities	270.56	912.15
- Total deferred tax expenses/(benefit)	1,166.58	326.79
<b>MAT Credit entitlement</b>	(1,794.45)	(398.00)
<b>Tax Expense</b>	<b>1,292.78</b>	<b>1,216.62</b>
<b>b) Reconciliation of tax expenses and the accounting profit multiplied by India's tax rate</b>		
<b>Profit before tax</b>	8,820.76	2,555.25
Tax at the Indian tax rate of 34.944% (previous year - 34.608%)	3,082.33	884.32
Tax effect of amounts which are not deductible (taxable) in calculating taxable income		
- Corporate social responsibility expenditure	18.40	11.57
- Disallowance of estimated expenditure to earn tax exempt income	10.83	12.12
- Others	120.21	136.36
<b>Tax effect of amounts which are deductible (non-taxable) in calculating taxable income</b>		
- Weighted deduction on R&D expenses	(8.74)	(14.88)
- Income from Investment	(191.84)	(197.96)
- Income from rented property	(18.64)	(3.05)
- Others	(584.26)	(548.18)
<b>Tax effect of other adjustment</b>		
- Income tax for earlier years	126.20	105.87
- MAT Credit/carry forward losses adjustment & Others	(1,261.71)	830.45
<b>Tax Expense</b>	<b>1,292.78</b>	<b>1,216.62</b>

## Notes on Financial Statement

### Note 1.63: Recent Indian Accounting Standards (Ind AS)

The Ministry of Corporate Affairs (MCA) has issued the Companies (Indian Accounting Standard) (Amendment) Rules, 2019 on 30th March, 2019 :

- notifying Ind AS 116, "Leases Taxes" and
- amending Ind AS 12, 'Income Taxes' and Ind AS 19 'Employee Benefits'

The same are applicable for financial statements pertaining to annual periods beginning on or after 1st April, 2019. The Company expects that there will be no material impact on the financial statements resulting from the implementation of these standards.

### Note 1.64: Information on Segment Working is given below-

(₹. in Lakhs)

Particulars	2018-19				2017-18			
	Heavy Engg. Division	Steel Foundry	Rail EPC	Total	Heavy Engg. Division	Steel Foundry	Rail EPC	Total
	1	2	3	4(1+2+3)	1	2	3	4(1+2+3)
<b>Revenue (Net of Excise Duty and cess)</b>								
Gross Sales	78,093.80	26,558.66	94,902.55	1,99,555.01	29,691.55	13,318.51	75,262.17	1,18,272.23
Internal- Segment Sales	(1,892.21)	(12,809.00)	-	(14,701.21)	(2,302.74)	(3,037.15)	-	(5,339.89)
Other operating Revenue	441.98	320.89	199.71	962.58	637.50	205.58	144.94	988.02
<b>Total</b>	<b>76,643.57</b>	<b>14,070.55</b>	<b>95,102.26</b>	<b>1,85,816.38</b>	<b>28,026.31</b>	<b>10,486.94</b>	<b>75,407.11</b>	<b>1,13,920.36</b>
<b>Result</b>								
Segment Result	2,012.80	2,949.31	8,259.54	13,221.65	(2,816.95)	583.66	6,259.98	4,026.69
Other (Net of unallocated Expenses)				498.36				2,172.64
<b>Operating Profit/ loss</b>				<b>13,720.01</b>				<b>6,199.33</b>
Interest Expenses				(5,865.23)				(4,838.97)
Interest Income				965.98				1,194.89
<b>Total profit/(Loss) before tax</b>				<b>8,820.76</b>				<b>2,555.25</b>
Provision for current tax				-				(783.96)
Provision for deferred tax				(1,166.58)				(326.79)
Income tax for Earliear year				(126.20)				(105.87)
<b>Profit/(loss) from ordinary activities</b>				<b>7,527.98</b>				<b>1,338.63</b>
Extra ordinary items				-				-
<b>Net profit/(loss)</b>				<b>7,527.98</b>				<b>1,338.63</b>
<b>Other information</b>								
Segment Assets	92,344.32	30,873.17	1,28,878.91	2,52,096.40	74,787.75	23,952.54	1,00,974.19	1,99,714.48
Unallocated Corporate Assets				14,313.08				25,347.97
<b>Total Assets</b>				<b>2,66,409.48</b>				<b>2,25,062.45</b>
Segment liabilities	51279.37	10452.53	90652.32	152384.22	42,138.01	7,341.89	68,329.27	1,17,809.17
<b>Total liabilities</b>				<b>1,52,384.22</b>				<b>1,17,809.17</b>
Capital expenditure				5,386.84				4,291.74
<b>Depreciation</b>				<b>2,895.96</b>				<b>2,481.59</b>
Non Cash expenses other than Depreciation				728.36				28.15

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

## Notes on Financial Statement

### Note 1.65 Disclosures as per Ind AS 115 “Revenue from contract with customer”

(₹ in Lakhs)

Class of goods	Sales		Opening Stock	Closing Stock
	2018-19	2017-18		
Wagons	<b>60,043.00</b>	16,556.29	<b>1,515.91</b>	<b>113.32</b>
		16,556.29	-	1,515.91
Rail EPC	<b>94,902.55</b>	75,407.11	-	-
		75,407.11	-	-
Structurals	<b>4,432.09</b>	2,788.26	<b>714.26</b>	<b>1,499.64</b>
		2,788.26	-	714.26
Bridges	<b>1,751.55</b>	1,728.53	<b>59.06</b>	<b>76.72</b>
		1,728.53	23.00	59.06
Locomotive and its Components	<b>8,789.26</b>	4,735.48	-	-
		4,735.48	-	-
Site Fabrication and Erection	<b>1,075.05</b>	1,994.70	-	-
		1,994.70	-	-
Steel Castings & Ingots (Including Draft Gear 4000 Sets)	<b>26,549.66</b>	13,524.09	-	-
		13,524.09	-	-
Power Tiller/Reaper	-	-	<b>7.41</b>	<b>7.41</b>
		-	7.41	7.41
Ring Frames, Doublers and Worsted Ring	-	-	<b>0.61</b>	<b>0.61</b>
Frames	-	-	0.61	0.61
Speed Frames	<b>0.39</b>	-	<b>0.39</b>	<b>0.39</b>
		-	0.39	0.39
Other Sales	<b>2,011.85</b>	1,537.77	-	-
		1,537.77	-	-
Add: Other Operating Revenue / Income	<b>962.58</b>	988.02	-	-
		988.02	-	-
<b>Gross Sales total</b>	<b>2,00,517.59</b>	1,19,260.25	<b>2,297.64</b>	<b>1,698.09</b>
		1,19,260.25	31.41	2,297.64
Less: Inter Segment	<b>14,701.21</b>	5,339.89	-	-
		5,339.89	-	-
<b>Total Operating Revenue / Income From Operations</b>	<b>1,85,816.38</b>	1,13,920.36	<b>2,297.64</b>	<b>1,698.09</b>
		1,13,920.36	31.41	2,297.64

### Note 1.66

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

### Note 1.67

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

In terms of our Report of even date attached herewith.

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

Chartered Accountants

Firm Registration No: 301088E

**D. N. Roy**

Partner

Membership No.300389

B2/1, Gillander House

8, Netaji Subhas Road

Kolkata- 700 001

Dated: 13th May, 2019

**Ravi Varma**

Company Secretary

**Directors**

**S. K. Poddar**

**A. C. Chakrabortti**

**Sandeep Fuller**

**D. H. Kela**

**A. K. Vijay**

**G. C. Agarwal**

## Notes on Financial Statement

### Statement containing salient features of the financial statement of subsidiary as at 31st March, 2019

Part "A": Subsidiaries		(₹ in Lakhs)		
SL NO	Name of Subsidiary Company	Belur Engineering Private Limited	Texmaco Transtrak Private Limited	Texmaco Defence Private Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	No	No	No
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	NA	NA	NA
3	Share Capital	10.00	1.00	10.00
4	Reserves & Surplus	0.52	(4.42)	(1.30)
5	Total Assets	3,009.82	205.96	267.23
6	Total Liabilities	2,999.29	209.38	258.53
7	Investments	151.52	-	-
8	Turnover	330.56	-	-
9	Profit/Loss before Taxation	1.34	(3.47)	(1.30)
10	Provision for Taxation	-	0.30	-
11	Profit/Loss after Taxation	1.34	(3.77)	(1.30)
12	Proposed Dividend	NIL	NIL	NIL
13	% of shareholding	100%	51%	51%

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

Part "B": Associates and Joint Ventures		(₹ in Lakhs)	
Name of Subsidiary Company	Touax Leasing Private Limited 31st. March' 2019 (Audited)	Texmaco Railcar Private Limited 31st. March' 2019 (Audited)	Wabtec Texmaco Rail Private Limited 31st. March' 2019 (Audited)
1. Latest audited Balance Sheet Date			
2. Shares of Associate/ Joint Ventures held by the company on the year end Numbers		1,26,49,999	32,81,700
Amount of Investment in Joint Venture		1,264.99	328.17
Extent of Holding (in %)		50%	40%
3. Description of how there is significant Influence		Holding more than 20%	Holding more than 20%
4. Reason why the Joint Venture is not Consolidated		N.A.	N.A.
5. Net worth attributable to Shareholding as per latest audited Balance Sheet		3,843.40	344.77
6. Profit / Loss for the year		449.65	92.91
i. Considered in Consolidation		224.83	37.16
i. Not Considered in Consolidation		N.A.	N.A.

- Names of associates or joint ventures which are yet to commence operations. NIL
- Names of associates or joint ventures which have been liquidated or sold during the year NIL

In terms of our Report of even date attached herewith.

Kolkata- 700 001  
Dated: 13th May, 2019

**Ravi Varma**  
Company Secretary

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

**Consolidated**

# **Financial Statements**



## Independent Auditor’s Report

To  
**The Members of**  
**TEXMACO RAIL & ENGINEERING LIMITED**

### Report on the Audit of the Consolidated Ind AS Financial Statements

#### Opinion

1. We have audited the accompanying consolidated Ind AS financial statements of **TEXMACO RAIL & ENGINEERING LIMITED** (hereinafter referred to as “the Holding Company”), its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”) and its joint ventures comprising of the Consolidated Balance Sheet as at 31st March, 2019, the Consolidated Statement of Profit and Loss including other comprehensive Income, the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, including a summary of significant accounting policies and other explanatory information (herein after referred to as “Consolidated Ind AS Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries and joint ventures referred to in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 (“the Act”) in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of their consolidated state of affairs of the Group as at March 31, 2019, of consolidated profit

(including Other Comprehensive Income), consolidated changes in equity and its consolidated cash flows for the year ended on that date.

#### Basis for Opinion

2. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Companies Act, 2013. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Key Audit Matters

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

Sr. No	Key Audit Matter	Auditor’s Response
1	<p><b>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in view of adoption of Ind AS 115 “Revenue from Contracts with Customers” (new revenue accounting standard)</b></p> <p>The application of the new revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, new revenue accounting standard contains disclosures which involves collection of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>We assessed the Group’s process to identify the impact of adoption of the new revenue accounting standard.</p> <p>Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows:</p> <ul style="list-style-type: none"> <li>• Evaluated the design of internal controls relating to implementation of the new revenue accounting standard.</li> <li>• Selected a sample of continuing and new contracts and performed the following procedures:                             <ol style="list-style-type: none"> <li>1. Read, analysed and identified the distinct performance obligations in these contracts.</li> <li>2. Compared these performance obligations with that identified and recorded by the Group.</li> </ol> </li> </ul>

Sr. No	Key Audit Matter	Auditor's Response
2.	<p><b>Recoverability of Indirect tax receivables</b></p> <p>As at March 31, 2019, non-current assets in respect of input credits and indirect taxes recoverable amounting to ₹ 212 crores which are pending adjudication/ adjustment.</p>	<p>3. Considered the terms of the contracts to determine the transaction price including any variable consideration to verify the transaction price used to compute revenue and to test the basis of estimation of the variable consideration.</p> <p>4. Samples in respect of revenue recorded for material contracts were tested using a combination of customer acceptances, subsequent invoicing and historical trend of collections and disputes.</p> <ul style="list-style-type: none"> <li>• In respect of samples relating to fixed price contracts, progress towards satisfaction of performance obligation used to compute recorded revenue was verified with actual and estimated efforts.</li> <li>• Performed analytical procedures for reasonableness of revenues disclosed.</li> </ul> <p><b><u>Principal Audit Procedures</u></b></p> <p>With the assistance of internal tax specialists who have knowledge of relevant tax regulations, we assessed management's processes and tested internal controls implemented for the identification, recognition and measurement of tax positions. As part of our audit procedures for uncertain tax positions, we evaluated whether management's assessment of the tax effect of significant business transactions and events in current fiscal year, which could result in uncertain tax provisions or impact the measurement of existing uncertain tax positions comply with the applicable tax laws.</p>
3.	<p><b>Contingent Liabilities</b></p> <p>The Group has several on-going legal matters relating to statutory taxes which require management judgement to be applied in order to determine the likely outcome.</p>	<p><b><u>Principal Audit Procedures</u></b></p> <p>In assessing the potential exposures to the Group, we have completed a range of procedures including:</p> <ul style="list-style-type: none"> <li>– assessing the design and implementation of controls in relation to the monitoring of known exposures;</li> <li>– reading Board and other meeting minutes to identify areas subject to Group's consideration;</li> <li>– meeting with the Group's internal legal advisors in understanding on-going and potential legal matters impacting the Group;</li> <li>– reviewing third party correspondence and reports; and</li> <li>– reviewing the proposed accounting and disclosure of actual and potential legal liabilities, drawing on third party assessment of open matters.</li> </ul>

### Other Information

4. The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board Report, Business Responsibility Report, Corporate Governance and Shareholders' Information but does not include the consolidated Ind AS financial statements and our auditor's report thereon.
5. Our opinion on the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
6. In connection with our audit of the consolidated Ind AS 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 Ind AS financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.
7. 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.

### Management's Responsibility for the Consolidated Ind AS Financial Statements

8. The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with Rules issued thereunder. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and of its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting

records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

9. In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group including its joint ventures are responsible for assessing the ability of the Group and 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
10. The respective Board of Directors of the companies included in the Group and of its Joint ventures are responsible for overseeing the financial reporting process of the Group and of its joint ventures.

### Auditor's Responsibility for the Audit of the Consolidated Ind AS Financial Statements

11. Our objectives are to obtain reasonable assurance about whether the consolidated Ind AS 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 Ind AS financial statements.
12. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Group and its joint ventures which are companies incorporated in India have adequate internal financial controls system in place and the operating effectiveness of such controls.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
  - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures to express an opinion on the consolidated Ind AS 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 Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.
13. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
  14. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
  15. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matters or when we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.
  16. Materiality is the magnitude of misstatements in the consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.
- Other Matters**
- 17 (a) We did not audit the financial statements of one unit included in the standalone financial statements of the companies included in the Group whose financial statements reflect total assets of ₹ 1,01,528.87 lakhs as at 31st March, 2019 and total revenues of ₹ 69,193.99 lakhs, total net profit after tax of ₹ 2,411.55 lakhs, total comprehensive income of ₹ 2,488.39 lakhs and cash flows (net) of ₹ (553.03 lakhs) for the year ended on that date, as considered in the respective standalone financial statements of the entities included in the Group. The financial statements of this unit has been audited by the branch auditor whose report has been furnished to us, and our opinion in so far as it relates to the amounts and disclosures included in respect of this unit, is based solely on the report of such branch auditor.

- (b) We did not audit the financial statements of one subsidiary included in the consolidated financial results, whose financial statements reflect total assets of ₹ 3,009.82 lakhs as at March 31, 2019, total revenues of ₹ 358.64 lakhs, total net profit after tax of ₹ 1.34 lakhs and total comprehensive income of ₹ 1.34 lakhs and cash flows (net) of ₹ (2.02 lakhs) for the year ended on that date as considered in the financial results. The consolidated financial result also includes the Group's share of net profit of ₹ 261.99 lakhs and total comprehensive income of ₹ 259.57 lakhs for the year ended March 31, 2019 as considered in the consolidated financial results in respect of two joint ventures, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on these consolidated financial results, in so far as it relates to the amount and disclosures included in respect of these subsidiary and joint ventures is based solely on the reports of other auditor.
- (c) The consolidated financial results include the unaudited financial information of one subsidiary which is located outside India. The financial information has been prepared in accordance with accounting principles generally accepted in their respective countries and has not been audited by us. This financial information not being material is unaudited and has been furnished to us by the Management. The Company's Management has converted the financial statements of the subsidiary located outside India from accounting principles generally accepted in their respective country to accounting principles generally accepted in India and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unaudited financial information.

Our Opinion on the Consolidated Ind AS financial statements above, and our report on other legal and Regulatory Requirements below is not modified in respect of above matters.

#### Report on Other Legal and Regulatory Requirements

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

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge

and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

- (b) In our opinion proper books of accounts as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant Rules issued thereunder. .
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies and joint venture companies, none of the directors of the Group's companies and its joint venture companies incorporated in India is disqualified as on 31st March, 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 and the operating effectiveness of such controls, refer to our separate report in "Annexure A", which is based on the auditor's report of the parent, subsidiary companies and joint ventures, which are companies incorporated in India and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended: In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

(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 Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures – Refer Note 1.36 to the consolidated financial statements.
- ii. The Group and its joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts.

- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies and joint venture companies incorporated in India.

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

Place : Kolkata  
Date : 13th May, 2019

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



## ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT

### To The Members of TEXMACO RAIL & ENGINEERING LIMITED

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

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

1. We have audited the internal financial controls over financial reporting of TEXMACO RAIL & ENGINEERING LIMITED. (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures, which are companies incorporated in India as of 31st March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiaries and joint ventures which are companies incorporated in India based on our audit. We conducted our audit in accordance with the "Guidance Note" and the Standard on Auditing, issued by ICAI and

deemed to be prescribed under section 143(10) of the Act, to the extent applicable. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

### Meaning of Internal Financial Control over Financial Reporting

6. A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statement for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that
  - 1) pertain to the maintenance of the records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
  - 2) provide reasonable assurance that the transactions are recorded as necessary to permit preparation of financial statement in accordance with generally accepted accounting principles, and that receipts and

expenditure of the company are being made only in accordance with authorization of management and directors of company; and

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

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

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

### **Opinion**

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

financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2019, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Control Over Financial Reporting, issued by ICAI.

### **Other Matters**

9. Our aforesaid reports under section 143(3)(i) of the Act on the adequacy and operating effectiveness of the Internal Financial Controls over financial reporting in so far as it relates to the Kalindee unit is based on the corresponding report of the branch auditor.
10. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to one subsidiary company and two joint venture companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

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

Place : Kolkata  
Date : 13th May, 2019

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

## Consolidated Balance Sheet as at 31st march, 2019

(₹ in Lakhs)

Particulars	Note No.	As at 31.03. 2019	As at 31 .03. 2018	As at 01.04.2017
<b>ASSETS :</b>				
<b>Non-Current Assets</b>				
(a) Property, Plant & Equipment	1.01	39,107.86	36,983.99	36,607.53
(b) Capital work-in-progress	1.01	1,376.43	544.36	163.84
(c) Investment Property	1.02	-	-	87.50
(d) Other Intangible Assets	1.01	145.48	245.28	276.43
<b>(e) Financial Assets</b>				
(i) Investments	1.03	7,191.02	6,714.66	5,180.68
(ii) Loans	1.04	156.56	188.96	401.82
(iii) Bank Balance	1.05	607.45	7.72	418.54
(iv) Others	1.06	71.52	71.46	105.33
(f) Deferred Tax Assets (Net)	1.07	4,289.23	3,661.42	3,592.52
(g) Other Non current Assets	1.08	539.97	1,534.43	1,035.94
		<b>53,485.52</b>	<b>49,952.28</b>	<b>47,870.13</b>
<b>Current Assets</b>				
(a) Inventories	1.09	45,005.92	29,074.92	23,155.53
<b>(b) Financial Assets</b>				
(i) Investments	1.10	7,103.05	18,623.11	33,776.07
(ii) Trade Receivables	1.11	82,005.13	67,969.57	54,842.59
(iii) Cash & cash equivalents	1.12	2,157.46	1,621.60	1,294.79
(iv) Bank balances other than (iii) above	1.13	2,555.93	1,830.53	3,833.77
(v) Loans	1.14	541.80	495.39	683.93
(c) Current Tax Assets (Net)	1.15	703.43	239.92	122.23
(d) Other Current Assets	1.16	71,547.78	55,062.96	31,849.99
		<b>2,11,620.50</b>	<b>1,74,918.00</b>	<b>1,49,558.90</b>
		<b>2,65,106.02</b>	<b>2,24,870.28</b>	<b>1,97,429.03</b>
<b>TOTAL ASSETS</b>				
<b>EQUITY AND LIABILITIES:</b>				
<b>1) Equity</b>				
(a) Equity Share capital	1.17	2,248.35	2,246.13	2,242.00
(b) Other Equity	1.18	1,11,619.61	1,04,836.46	1,03,381.61
		<b>1,13,867.96</b>	<b>1,07,082.59</b>	<b>1,05,623.61</b>
Non-Controlling Interest		2.59	0.17	-
<b>2) Non-Current Liabilities :</b>				
<b>(a) Financial Liabilities</b>				
(i) Borrowings	1.19	5,014.10	3,300.28	301.28
(b) Provisions	1.20	648.79	604.60	548.09
(c) Other non current liabilities	1.21	-	-	1.85
		<b>5,662.89</b>	<b>3,904.88</b>	<b>851.22</b>
<b>3) Current Liabilities</b>				
<b>(a) Financial Liabilities</b>				
(i) Borrowings	1.22	52,402.15	48,244.48	39,406.97
<b>(ii) Trade Payables</b>				
(A) Total outstanding dues of micro enterprises and small enterprises	1.23	-	66.22	39.60
(B) Total outstanding dues of creditors other than micro enterprises and small enterprises		55,649.43	32,815.90	29,731.49
(iii) Other financial liabilities	1.24	3,498.33	5,155.57	4,500.39
(b) Other current liabilities	1.25	32,780.69	26,564.45	16,274.11
(c) Provisions	1.26	1,241.98	1,036.02	1,001.64
		<b>1,45,572.58</b>	<b>1,13,882.64</b>	<b>90,954.20</b>
		<b>2,65,106.02</b>	<b>2,24,870.28</b>	<b>1,97,429.03</b>
<b>TOTAL EQUITY AND LIABILITIES</b>				
Summary of significant accounting Policies & Notes	B			-

Notes referred to above form an integral part of the Financial Statements  
In terms of our Report of even date attached herewith.

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

Chartered Accountants

Firm Registration No: 301088E

**D. N. Roy**

Partner

Membership No.300389

B2/1, Gillander House

8, Netaji Subhas Road

Kolkata- 700 001

Dated: 13th May, 2019

**Ravi Varma**

Company Secretary

**Directors**

**S. K. Poddar**

**A. C. Chakrabortti**

**Sandeep Fuller**

**D. H. Kela**

**A. K. Vijay**

**G. C. Agarwal**

## Consolidated Statement of Profit and Loss for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Note No.	Year Ended 31 .03. 2019	Year Ended 31 .03. 2018
I Revenue from Operations	1.27	1,85,816.38	1,13,920.36
II Other Income	1.28	1,544.08	4,753.97
<b>III Total Income (I +II)</b>		<b>1,87,360.46</b>	<b>1,18,674.33</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	1.29	1,36,153.60	81,109.93
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	1.30	(6,444.64)	(5,393.40)
Excise Duty		-	400.66
Employee benefit expense	1.31	11,325.39	9,742.77
Finance costs	1.32	7,048.27	6,087.51
Depreciation and amortization expenses	1.33	2,908.91	2,494.03
Other expenses	1.34	27,796.58	21,676.60
<b>Total expenses (IV)</b>		<b>1,78,788.11</b>	<b>1,16,118.10</b>
<b>V Profit(loss) before tax (III-IV)</b>		<b>8,572.35</b>	<b>2,556.23</b>
<b>VI Tax Expenses</b>			
1)Current Tax		1,794.71	1,182.24
2)MAT Credit Entitlement		(1,794.71)	(398.28)
3)Deferred Tax		1,166.88	326.79
4)Income Tax Paid Related to Earlier Years		126.20	105.87
		<b>1,293.08</b>	<b>1,216.62</b>
<b>VII Profit (Loss) for the period from continuing operations (V-VI)</b>		<b>7,279.27</b>	<b>1,339.61</b>
<b>VIII Profit/(loss) for the period from JV/Associates</b>		<b>262.00</b>	<b>(74.96)</b>
<b>IX Profit/(loss) for the period</b>		<b>7,541.27</b>	<b>1,264.65</b>
<b>X Other comprehensive income</b>	1.35		
(i) Items that will not be reclassified to profit or loss		(101.73)	1,218.30
(ii) Items that will be reclassified to profit or loss		102.05	(52.57)
		0.32	1,165.73
<b>XI Total Comprehensive Income for the period</b>		<b>7,541.59</b>	<b>2,430.38</b>
<b>XII Profit/(loss) for the period Attributable to:</b>			
Owners of the Parent		7,541.27	1,264.65
Non-Controlling Interest		7,543.75 (2.48)	1,264.82 (0.17)
<b>XIII Other Comprehensive Income Attributable to:</b>			
Owners of the Parent		0.32	1,165.73
Non-Controlling Interest		-	-
<b>XIV Total Comprehensive Income Attributable to:</b>			
Owners of the Parent		7,541.59	2,430.38
Non-Controlling Interest		7,544.07 (2.48)	2,430.55 (0.17)
<b>XV Earnings per equity share (Face Value of ₹ 1/- each)</b>			
1) Basic		3.43	0.56
2) Diluted		3.35	0.56
Summary of significant accounting Policies & Notes	B		

Notes referred to above form an integral part of the Statement of Profit & Loss  
In terms of our Report of even date attached herewith.

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

Chartered Accountants

Firm Registration No: 301088E

**D. N. Roy**

Partner

Membership No.300389

B2/1, Gillander House

8, Netaji Subhas Road

Kolkata- 700 001

Dated: 13th May, 2019

**Ravi Varma**  
Company Secretary

**Directors**

**S. K. Poddar**

**A. C. Chakrabortti**

**Sandeep Fuller**

**D. H. Kela**

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**G. C. Agarwal**

## Consolidated Cash Flow Statement for the year ended 31st March, 2019

(₹ in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>A) Cash Flows from Operating Activities:</b>		
Net Profit before Taxation & Exceptional Items	8,572.35	2,556.23
Adjustments for:		
Depreciation	2,908.91	2,494.03
Interest Paid	7,048.27	6,087.51
Bad Debt Written off	703.17	20.24
Employee Compensation Expenses under ESOP	(179.06)	168.78
Provision and Excess Liabilities Written Back	(1.40)	(2.99)
Interest Received	(385.24)	(873.47)
Income from Investments	(29.54)	(25.06)
Profit on Sale of Investments-Current(Net)	(176.69)	(149.14)
Gain on Fair Value of bonds/Mutual Fund	(410.87)	(1,476.40)
Loss/(Profit) on Sale Of Property, Plant and Equipment(Net)	(146.33)	(2.52)
	<b>9,331.22</b>	<b>6,240.97</b>
	<b>17,903.57</b>	<b>8,797.21</b>
<b>Operating Profit before Working Capital Changes &amp; Exceptional Items</b>		
(Increase)/Decrease in Trade & Other Receivables	(26,960.24)	(31,992.73)
(Increase)/Decrease in Inventories	(15,931.00)	(5,919.40)
Increase/(Decrease) in Trade Payables & Other Liabilities	27,821.89	12,988.35
	<b>(15,069.35)</b>	<b>(24,923.78)</b>
<b>Cash Generated from Operations</b>	2,834.22	(16,126.57)
Direct Taxes Paid	(2,384.37)	(1,403.20)
	<b>449.85</b>	<b>(17,529.77)</b>
<b>B) Cash Flows from Investing Activities</b>		
Sale/(Purchase) of Property, Plant & Equipments	(6,152.50)	(2,939.74)
(Purchase)/Sale of Investments (Net)	11,560.64	16,417.65
Bank Deposits(Includes having original maturity more than three months)	(1,325.13)	2,414.06
Interest Received	602.39	203.97
Dividend Received	41.44	25.06
	<b>4,726.84</b>	<b>16,121.00</b>
<b>C) Cash Flows from Financing Activities</b>		
Receipt/(Payment) of Long Term Borrowings	1,713.82	3,011.07
Receipt/(Payment) of Short Term Borrowings	1,155.61	5,804.60
Increase in Share Capital	2.22	4.13
Increase in Securities Premium	88.42	165.38
Interest Paid	(7,040.84)	(6,538.76)
Dividend Paid	(550.12)	(546.51)
Dividend Tax Paid	(111.99)	(111.76)
	<b>(4,742.88)</b>	<b>1,788.15</b>
<b>D) Changes in Foreign Currency Translation arising from Foreign Operations</b>	102.05	(52.57)
Net Decrease in Cash and Cash Equivalents	535.86	326.81
Cash and Cash Equivalents at the beginning of the period	1,621.60	1,294.79
Cash and Cash Equivalents at the end of the period	2,157.46	1,621.60
Note:		
(1) Details of Cash and Equivalents as on		
Current Accounts	2,105.67	1,585.34
Cash on hand	51.79	36.26
	<b>2,157.46</b>	<b>1,621.60</b>

The above Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 (Statement of Cash Flow) Notes referred to above form an integral part of the Consolidated Financial Statements

In terms of our Report of even date attached herewith.

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

Chartered Accountants

Firm Registration No: 301088E

**D. N. Roy**

Partner

Membership No.300389

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Dated: 13th May, 2019

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## Statement of Changes In Equity

for the year ended 31st March, 2019

### a. Equity share capital

(₹ in Lakhs)

Particulars	Issued, Sub- scribed Paid up Capital	Share Capital Suspense	Total
<b>Balance as at 01.04.2017</b>	2,194.15	47.85	2,242.00
Add: Changes in Equity Share Capital during the year	4.13	-	4.13
<b>Balance as at 31.03.2018</b>	2,198.28	47.85	2,246.13
Add: Changes in Equity Share Capital during the year	2.22	-	2.22
<b>Balance as at 31.03.2019</b>	<b>2,200.50</b>	<b>47.85</b>	<b>2,248.35</b>

### b. Other equity

(₹ in Lakhs)

Particulars	Reserves and Surplus					Other Comprehensive Income		Total
	Capital reserve	Securities premium account	General Reserve	Share Option Outstanding Account	Retained earnings	Equity instruments/ retained benefits/in- come in Associates and Joint Ventures through other comprehensive income	Exchange differences on translating the financial statements of a foreign operation	
<b>Balance as at 01.04.2017</b>	3,951.22	39,671.06	46,620.92	1,194.64	11,431.61	406.08	106.08	1,03,381.61
Income for the year	-	-	-	-	1,264.82	-	-	1,264.82
Other Comprehensive Income for the year	-	-	-	-	-	1,260.71	(52.57)	1,208.14
Dividend and Tax on Dividend	-	-	-	-	(660.77)	-	-	(660.77)
Transfer to/from retained earnings	-	-	100.00	-	-	-	-	100.00
Transfer to General Reserve	-	-	-	-	(100.00)	-	-	(100.00)
Any other change (ESOP allotment)	-	165.38	-	168.78	-	-	-	334.16
Adjustment for share pur- chase agreement	-	-	-	-	(691.50)	-	-	(691.50)
<b>Balance as at 31.03.2018</b>	3,951.22	39,836.44	46,720.92	1,363.42	11,244.16	1,666.79	53.51	1,04,836.46
Income for the year	-	-	-	-	7,543.75	-	-	7,543.75
Other Comprehensive Income for the year	-	-	-	-	-	(109.87)	102.05	(7.82)
Dividend and Tax on Dividend	-	-	-	-	(662.14)	-	-	(662.14)
Transfer to/from retained earnings	-	-	500.00	-	(146.26)	146.26	-	500.00
Transfer to General Reserve	-	-	-	-	(500.00)	-	-	(500.00)
Any other change (ESOP allotment)	-	88.42	-	(179.06)	-	-	-	(90.64)
<b>Balance as at 31.03.2019</b>	3,951.22	39,924.86	47,220.92	1,184.36	17,479.51	1,703.18	155.56	1,11,619.61

In terms of our Report of even date attached herewith.

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

Chartered Accountants

Firm Registration No: 301088E

**D. N. Roy**

Partner

Membership No.300389

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Dated: 13th May, 2019

**Ravi Varma**  
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**S. K. Poddar**

**A. C. Chakrabortti**

**Sandeep Fuller**

**D. H. Kela**

**A. K. Vijay**

**G. C. Agarwal**



## Notes on Consolidated Financial Statement

### A. CORPORATE INFORMATION

Texmaco Rail & Engineering Limited, ("the Holding Company") incorporated on 25th June 1998 has its Registered Office at Belgharia, Kolkata 700056. The Company is listed on the National Stock Exchange of India Limited, Bombay Stock Exchange Limited and The Calcutta Stock Exchange Limited. The Holding Company and its subsidiaries are engaged in the manufacturing, selling and providing service for Rail and Rail related products. The Company manufactures a diverse range of products. The Company has further strengthened its position as a Total Rail Solution Provider Company.

### B. SIGNIFICANT ACCOUNTING POLICIES

#### (i) Statement of Compliance

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

#### (ii) Basis of Accounting

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

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

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

#### (iii) Use of Estimates

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

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

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

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

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

#### Valuation of deferred tax assets

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

#### (iv) Property, plant and equipment

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

## Notes on Consolidated Financial Statement

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

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

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

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

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

### **Capital work-in-progress**

Capital work-in-progress / Intangible assets under development are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing cost.

### **(v) Derivative Financial Instrument**

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

## Notes on Consolidated Financial Statement

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized to statement Profit or Loss immediately.

### (vi) Financial Instrument

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

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

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

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

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

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

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

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

#### d) Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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

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

#### f) Impairment

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

#### g) Offsetting Financial Instruments

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

### (vii) Measurement of Fair Values

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

## Notes on Consolidated Financial Statement

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

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

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

### (viii) Revenue Recognition

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

#### a. Revenue from Operations

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

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership not effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the Company;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- Rent Income/Lease Rentals

#### b. Revenue from construction contracts

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

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

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

## Notes on Consolidated Financial Statement

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

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

### c. Other Income

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

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

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

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

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

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

### (ix) Employee Benefits

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

#### a. Short term benefits:

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

#### b. Defined contribution retirement benefits :

Payments to defined contribution retirement benefits are recognised as an expense when employees have rendered services entitling them to the contributions. Defined contribution plans are those plans where the Company pays fixed contributions to funds/schemes managed by independent trusts or authority. Contributions are paid in return for services rendered by the employees during the year. The Company has no legal or constructive obligation to pay further contributions if the fund/scheme does not hold sufficient assets to pay/extend employee benefits. The Company provides Provident Fund facility to all employees. The contributions are expensed as they are incurred in line with the treatment of wages and salaries. The Company's Provident Fund is exempted under section 17 of Employees' Provident Fund and Miscellaneous Provision Act, 1952. Conditions for exemption stipulate that the Company shall make good deficiency, if any, in the interest rate declared by the trust vis s-vis interest rate declared by the Employees' Provident Fund Organisation.

## Notes on Consolidated Financial Statement

### c. Defined benefit retirement benefits:

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

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

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

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

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

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

### d. Voluntary Retirement Scheme Benefits

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

#### (x) Employee Stock Option Scheme

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

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

GST Credit availed on Raw materials, Stores and Capital Goods are reduced from the cost of the Respective Goods.

#### (xii) Research and Development

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

#### (xiii) Valuation of Inventories

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

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



## Notes on Consolidated Financial Statement

### (xiv) Lease

#### a. Where the Company is the lessee

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

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

#### b. Where the Company is the lessor

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

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

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

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

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

#### a. Provisions & Warranties

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

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

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

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

## Notes on Consolidated Financial Statement

### b. Onerous contracts

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

### c. Contingent liabilities

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

### d. Contingent Assets

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

### (xvii) Cash & Cash Equivalents

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

### (xviii) Borrowing Cost

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

### (xix) Segment Reporting

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

### (xx) Taxation

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

## Notes on Consolidated Financial Statement

### a. Current income taxes

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

### b. Deferred income taxes

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

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

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

### (xxi) Government Grant

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

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

### (xxii) Earning Per Share

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

### (xxiii) Cash Flow Statement

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

## Notes on Consolidated Financial Statement

### (xxiv) Accounting for Interests in Joint Venture

Interests in joint ventures are accounted as follows:

Type of joint venture	Accounting treatment
Jointly controlled operations	Company's share of revenues, common expenses, assets and liabilities are included in revenues, expenses, assets and liabilities respectively on line by line basis.
Jointly controlled assets	Share of assets, according to nature of the assets, and share of the liabilities are shown as part of gross block and liabilities respectively. Share of expenses incurred on maintenance of the assets is accounted as expense. Monetary benefits, if any, from use of the assets are reflected as income.
Jointly controlled entities	(a) Integrated joint ventures: <ul style="list-style-type: none"> <li>(i) Company's share in profits or losses of integrated joint ventures is accounted on determination of the profits or losses by the joint ventures.</li> <li>(ii) Investments in integrated joint ventures are carried at cost net of Company's share recognised in profits or losses.</li> </ul> (b) Incorporated jointly controlled entities: <ul style="list-style-type: none"> <li>(i) Income on investments in incorporated jointly controlled entities is recognised when the right to receive the same is established.</li> <li>(ii) Investment in such joint ventures is carried at cost after providing for any diminution in value of investment which is other than temporary in nature.</li> </ul>

## Notes on Consolidated Financial Statement

### Note 1.01 Property, Plant and Equipment

(₹ in Lakhs)

Description of Assets	Gross Block				Depreciation				Net Block
	As at 01.04.2018	Additions during the Year	Sales/ Adjustments	As at 31.03.2019	As at 01.04.2018	During the year	Sales/ Adjustments	As at 31.03.2019	As at 31.03.2019
<b>TANGIBLE ASSETS</b>									
Land	3,958.46	-	-	3,958.46	79.61	50.27	-	129.88	3,828.58
Buildings	13,146.22	870.82	30.92	13,986.12	1,026.28	440.00	14.58	1,451.70	12,534.42
Roads	116.43	61.20	-	177.63	57.29	20.48	-	77.77	99.86
Railway Sidings	215.17	2.54	-	217.71	28.84	9.69	-	38.53	179.18
Plant & Machinery	22,404.73	3,462.67	16.03	25,851.37	3,558.33	1,861.65	14.95	5,405.03	20,446.34
Electrical Machinery	705.82	14.16	3.67	716.31	191.96	54.64	2.66	243.94	472.37
Office Equipments	602.50	293.88	1.35	895.03	238.79	153.94	3.16	389.57	505.46
Furniture & Fittings	611.52	82.42	8.12	685.82	209.05	77.91	8.07	278.89	406.93
Vehicles	786.64	155.52	51.66	890.50	173.35	124.42	41.99	255.78	634.72
<b>Total</b>	<b>42,547.49</b>	<b>4,943.21</b>	<b>111.75</b>	<b>47,378.95</b>	<b>5,563.50</b>	<b>2,793.00</b>	<b>85.41</b>	<b>8,271.09</b>	<b>39,107.86</b>
Capital Work in Progress (CWIP)	544.36	1,360.96	528.89	1,376.43	-	-	-	-	1,376.43
<b>INTANGIBLE ASSETS</b>									
Software	454.51	19.10	2.99	470.62	209.23	115.91	-	325.14	145.48
<b>Total</b>	<b>454.51</b>	<b>19.10</b>	<b>2.99</b>	<b>470.62</b>	<b>209.23</b>	<b>115.91</b>	<b>-</b>	<b>325.14</b>	<b>145.48</b>
<b>Grand Total</b>	<b>43,546.36</b>	<b>6,323.27</b>	<b>643.63</b>	<b>49,226.00</b>	<b>5,772.73</b>	<b>2,908.91</b>	<b>85.41</b>	<b>8,596.23</b>	<b>40,629.77</b>

### Previous Year

(₹ in Lakhs)

Description of Assets	Gross Block				Depreciation				Net Block
	As at 01.04.2017	Additions during the Year	Sales/ Adjustments	As at 31.03.2018	As at 01.04.2017	During the year	Sales/ Adjustments	As at 31.03.2018	As at 31.03.2018
<b>TANGIBLE ASSETS</b>									
Land	3,820.43	138.03	-	3,958.46	29.36	50.25	-	79.61	3,878.85
Buildings	12,770.14	376.08	-	13,146.22	652.97	373.31	-	1,026.28	12,119.94
Roads	111.64	4.79	-	116.43	40.90	16.39	-	57.29	59.14
Railway Sidings	215.17	-	-	215.17	19.28	9.56	-	28.84	186.33
Plant & Machinery	20,654.95	3,047.18	1,297.40	22,404.73	2,130.62	1,597.57	169.86	3,558.33	18,846.40
Electrical Machinery	702.47	3.35	-	705.82	135.26	56.70	-	191.96	513.86
Office Equipments	453.15	152.30	2.95	602.50	137.99	100.80	-	238.79	363.71
Furniture & Fittings	554.94	56.58	-	611.52	111.55	97.50	-	209.05	402.47
Vehicles	672.88	153.33	39.57	786.64	87.34	121.35	35.34	173.35	613.29
<b>Total</b>	<b>39,955.77</b>	<b>3,931.64</b>	<b>1,339.92</b>	<b>42,547.49</b>	<b>3,345.27</b>	<b>2,423.43</b>	<b>205.20</b>	<b>5,563.50</b>	<b>36,983.99</b>
Capital Work in Progress (CWIP)	163.84	1,932.89	1,552.37	544.36	-	-	-	-	544.36
<b>INTANGIBLE ASSETS</b>									
Software	412.14	42.37	-	454.51	138.63	70.60	-	209.23	245.28
<b>Total</b>	<b>412.14</b>	<b>42.37</b>	<b>-</b>	<b>454.51</b>	<b>138.63</b>	<b>70.60</b>	<b>-</b>	<b>209.23</b>	<b>245.28</b>
<b>Grand Total</b>	<b>40,531.75</b>	<b>5,906.90</b>	<b>2,892.29</b>	<b>43,546.36</b>	<b>3,483.90</b>	<b>2,494.03</b>	<b>205.20</b>	<b>5,772.73</b>	<b>37,773.63</b>

## Notes on Consolidated Financial Statement

### Note 1.02 Investment Property

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>Investment Property</b>			
As per last account	-	87.50	87.50
Add: Addition during the year	-	-	-
<b>Total</b>	<b>-</b>	<b>87.50</b>	<b>87.50</b>
Less: Adjustment during the year	-	87.50	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>87.50</b>

### Note 1.03 Non-Current Investments

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>A. Investment in Equity Instruments (Quoted)</b>			
Texmaco Infrastructure & Holdings Ltd. 23,49,809 (2018: 23,49,809, 2017: 23,49,809) Shares of Re 1 each	1,332.34	1,434.55	955.20
Chambal Fertilisers & Chemicals Ltd. 10,00,000 (2018: 10,00,000, 2017: 10,00,000) Shares of ₹ 10 each	1,670.50	1,646.50	867.50
<b>B. Investments in Equity Instruments of Joint Ventures (Unquoted) (At Cost)</b>			
Touax Texmaco Railcar Leasing Pvt Ltd. 1,26,49,999 (2018: 1,26,49,999, 2017: 1,26,49,999) Shares of ₹ 10 each	1,093.41	1,113.59	1,132.47
Wabtec Texmaco Rail Private Ltd. 32,81,700 (2018: 8,81,700, 2017: 8,81,700) Shares of ₹ 10 each	344.77	70.02	125.51
<b>C. Investments in CCD of Joint Ventures (Unquoted) (At Cost)</b>			
Touax Texmaco Railcar Leasing Pvt Ltd. 27,50,000 (2018: 24,50,000, 2017: 21,00,000) CCD of ₹ 100 each	2,750.00	2,450.00	2,100.00
<b>Total</b>	<b>7,191.02</b>	<b>6,714.66</b>	<b>5,180.68</b>

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(i) Aggregate amount of quoted Investments	3002.84	3081.05	1,822.70
(ii) Market value of quoted Investments	3002.84	3081.05	1,822.70
(iii) Aggregate amount of unquoted Investments	4,188.18	3,633.61	3,357.98



## Notes on Consolidated Financial Statement

### Note 1.04 Loans (Non-currents)

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>Unsecured-Considered Good</b>			
(a) Security Deposits	152.29	185.16	395.47
(b) Other loans and advances	3.17	3.47	3.85
(c) Deferred Interest Expenses (Loan given to Employees)	1.10	0.33	2.50
<b>Total</b>	<b>156.56</b>	<b>188.96</b>	<b>401.82</b>

### Note 1.05 Bank Balance

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Margin Money	607.45	7.72	418.54

### Note 1.06 Other Non- Current Financial Assets

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Term Deposit of more Than Twelve Months Maturity	45.31	47.48	47.06
Interest Accured on Deposits & Others	26.21	23.98	58.27
<b>Total</b>	<b>71.52</b>	<b>71.46</b>	<b>105.33</b>

### Note 1.07 Movement in gross/net Deferred Income Tax Assets and Liabilities:

(₹ in Lakhs)

Particulars	Carrying value as at 01.04.2018	Changes through profit and loss	Changes through OCI	Carrying value as at 31.03.2019
<b>Deferred income tax assets</b>				
Property, plant and equipment	408.54	28.49	-	437.03
Investment	457.17	(287.25)	-	169.92
Brought forward losses/unabsorbed depreciation	1,484.14	(995.88)	-	488.26
Provisions & others	3,654.38	(606.35)	-	3,048.03
MAT Credit	1,483.73	2,720.47	-	4,204.20
Compensated absences	112.59	15.42	-	128.01
Gratuity	76.36	23.78	-	100.14
<b>Total deferred income tax assets</b>	<b>7,676.91</b>	<b>898.68</b>	<b>-</b>	<b>8,575.59</b>
<b>Deferred income tax liabilities</b>				
Others	(4,015.49)	(270.87)	-	(4,286.36)
Total deferred income tax liabilities	(4,015.49)	(270.87)	-	(4,286.36)
<b>Net deferred tax assets</b>	<b>3,661.42</b>	<b>627.81</b>	<b>-</b>	<b>4,289.23</b>

## Notes on Consolidated Financial Statement

### Note 1.07 Movement in gross/net deferred income tax assets and liabilities: (Contd.)

(₹ in Lakhs)

Particulars	Carrying value as at 01.04.2017	Changes through profit and loss	Changes through OCI	Carrying value as at 31.03.2018
<b>Deferred income tax assets</b>				
Property, plant and equipment	387.42	21.12	-	408.54
Investment	139.01	318.16	-	457.17
Brought forward losses/unabsorbed depreciation	79.36	1,404.78	-	1,484.14
Provisions & others	4,031.22	(376.84)	-	3,654.38
MAT Credit	1,085.44	398.29	-	1,483.73
Compensated absences	97.50	15.09	-	112.59
Gratuity	81.64	(5.28)	-	76.36
<b>Total deferred income tax assets</b>	<b>5,901.59</b>	<b>1,775.32</b>	<b>-</b>	<b>7,676.91</b>
<b>Deferred income tax liabilities</b>				
Property, plant and equipment	(2,309.07)	(1,706.42)	-	(4,015.49)
Total deferred income tax liabilities	(2,309.07)	(1,706.42)	-	(4,015.49)
<b>Net deferred tax assets</b>	<b>3,592.52</b>	<b>68.90</b>	<b>-</b>	<b>3,661.42</b>

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

### Note 1.08 Other Non-Current Asset

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(a) Capital Advances	393.26	171.11	155.64
(b) Security Deposit	1.61	224.30	1.32
(c) Prepaid Expenses	145.10	114.96	99.93
(d) Claim and Other Receivables (Statutory Dues)	-	1,024.06	779.05
<b>Total</b>	<b>539.97</b>	<b>1,534.43</b>	<b>1,035.94</b>

### Note 1.09 Inventories

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(a) Raw Material	17,975.78	9,332.27	8,679.19
(b) Work in Progress	21,869.00	14,824.81	11,697.64
(c) Finished Goods	1,698.09	2,297.64	31.41
(d) Stores and Spares	1,537.59	1,497.62	1,086.69
(e) Goods in transit(Purchase)	1,925.46	1,122.58	1,660.60
<b>Total</b>	<b>45,005.92</b>	<b>29,074.92</b>	<b>23,155.53</b>

## Notes on Consolidated Financial Statement

### Note 1.10 Current Investments

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>CURRENT INVESTMENTS (At Fair Value)</b>			
<b>Fully paid-up</b>			
<b>A. Investments in Equity Instruments (Quoted)</b>			
Tata Teleservices (Maharashtra) Ltd. 22,666 (2018: 22,666, 2017: 22,666) Units of ₹ 10 each	0.69	1.26	1.62
Elh Ltd. 10,000 (2018: 10,000, 2017: 10,000) Shares of ₹ 2 each	20.58	15.91	12.05
SREI Infrastructure Finance Ltd. 1,800 (2018: 1,800, 2017: 1,800) Shares of ₹ 10 each	0.54	1.32	1.49
Century Textiles & Industries Ltd. 500 (2018: 500, 2017: 500) Shares of ₹ 10 each	4.67	5.71	5.27
NHPC Ltd. 1,01,471 (2018: 1,01,471, 2017: 1,01,471) Shares of ₹ 10 each	25.06	28.11	32.67
<b>Sub-total-(A)</b>	<b>51.54</b>	<b>52.31</b>	<b>53.10</b>
<b>B. Investments in Bonds (Unquoted) (At Fair Value)</b>			
In 6.70% IRFC (Tax Free) 540 (2018: 540, 2017: 540) Units of ₹ 1,00,000 each	558.12	540.00	540.00
In 8.10% IRFC (Tax Free) 21,751 (2018: 21,751, 2017: 21,751) Units of ₹ 1,000 each	252.31	254.49	253.40
In 8.30% GOI Nil (2018: 5,00,000, 2017: 5,00,000) Units of ₹ 100 each	-	500.00	500.00
In 8.30% NHAI (Tax Free) Nil (2018: 49,448, 2017: 49,448) Units of ₹ 1,000 each	-	582.83	589.42
In 8.20% HUDCO (Tax Free) 50,000 (2018: 50,000, 2017: 50,000) Units of ₹ 1,000 each	569.99	571.00	572.50
In NABARD Nil (2018: Nil, 2017: 8,750) Units of ₹ 8500 each	-	-	1,526.87
<b>Sub-total-(B)</b>	<b>1,380.42</b>	<b>2,448.32</b>	<b>3,982.19</b>
<b>C. Investments in Mutual Funds (Unquoted) at Fair Value</b>			
Axis Treasury Advantage Fund Growth 645 (2018: 645, 2017: 645) Units of ₹ 1000 each	13.45	12.48	11.71
Axis Short Term Fund-Growth Nil (2018: 35,428, 2017: Nil) Units of ₹ 10 each	-	6.68	-
Axis Treasury Advantage Fund-Growth 7260 (2018: 8,427, 2017: Nil) Units of ₹ 1000 each	151.58	163.18	-
Birla Sun Life Income Plus Growth Regular Plan Nil (2018: Nil, 2017: 21,15,639) Units of ₹ 10 each	-	-	1,550.50
Birla Sun Life Treasury Optimiser Fund Growth Nil (2018: Nil, 2017: 2,88,403) Units of ₹ 100 each	-	-	600.42
Birla Sun Life Short Term Opportunities Fund Growth Nil (2018: Nil, 2017: 21,90,494) Units of ₹ 10 each	-	-	594.36
Birla Sun Life Dynamic Bond Fund Retail Growth -Regular plan Nil (2018: Nil, 2017: 42,04,472) Units of ₹ 10 each	-	-	1,220.72
Franklin India Corporate Bond Opportunities Growth Nil (2018: Nil, 2017: 35,54,721) Units of ₹ 10 each	-	-	593.79
Franklin India Short Term Income Fund Growth Nil (2018: 17,424, 2017: 17,424) Units of ₹ 1000 each	-	639.49	589.98
HDFC FMP 369 Days March 2016 (3) Series 29 Regular Growth	-	-	1,013.09

## Notes on Consolidated Financial Statement

### Note 1.10 Current Investments (Contd.)

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Nil (2018: Nil, 2017: 79,00,000) Units of ₹ 10 each HDFC Short Term Plan Growth	-	1,309.83	1,232.83
Nil (2018: 38,03,887, 2017: 38,03,887) Units of ₹ 10 each HDFC Corporate Debt Opportunity Fund -Growth	-	-	604.01
Nil (2018: Nil, 2017: 44,54,978) Units of ₹ 10 each HDFC Gilt Fund LTP -Growth	-	-	594.93
Nil (2018: Nil, 2017: 17,63,333) Units of ₹ 10 each IDFC Super Saver Income Fund Institutional Plan Growth Regular Plan	-	-	111.07
Nil (2018: Nil, 2017: 2,74,659) Units of ₹ 10 each IDFC SSIF Medium Term Plan Growth	-	-	589.94
Nil (2018: Nil, 2017: 21,27,659) Units of ₹ 10 each IDFC Low Duration Fund Regular Plan Growth	200.54	-	-
7,56,810 (2018: Nil, 2017: Nil) Units of ₹ 10 each ICICI Prudential Short Term Plan Growth	-	142.86	860.82
Nil (2018: 3,94,700, 2017: 25,22,761) Units of ₹ 10 each ICICI Prudential Regular Saving Fund Growth	-	1,521.58	2,439.69
Nil (2018: 81,96,176, 2017: 1,40,45,832) Units of ₹ 10 each ICICI Prudential Saving Fund -Regular Plan -Growth	-	-	1,591.46
Nil (2018: Nil, 2017: 6,50,785) Units of ₹ 100 each ICICI Prudential Fixed Maturity Plan Series 83 1108 Days Plan H	1,624.46	-	-
1,50,00,000 (2018: Nil, 2017: Nil) Units of ₹ 100 each Kotak Income Opportunity Fund- Growth	-	-	113.10
Nil (2018: Nil, 2017: 6,30,202) Units of ₹ 10 each Kotak Medium Term Fund Growth	-	-	1,240.71
Nil (2018: Nil, 2017: 91,64,818) Units of ₹ 10 each Reliance Short Term Fund -Growth	-	623.94	588.86
Nil (2018: 19,10,833, 2017: 19,10,833) Units of ₹ 10 each Reliance Corporate Bond fund	-	4,393.54	2,378.60
Nil (2018: 3,13,69,461, 2017: 1,80,66,505) Units of ₹ 10 each Reliance Strategic Debit Fund - Growth Plan - Growth Option	140.79	-	-
9,57,068 (2018: Nil, 2017: Nil) Units of ₹ 10 each Reliance Income Fund- Growth Plan - Bonus Option	-	-	1,335.06
Nil (2018: Nil, 2017: 87,28,086) Units of ₹ 10 each Reliance Dynamic Bond Fund Direct Growth Plan	-	-	862.29
Nil (2018: Nil, 2017: 37,49,367) Units of ₹ 10 each Reliance Dynamic Bond Fund Growth Plan -Growth Option	-	-	1,338.78
Nil (2018: Nil, 2017: 59,87,327) Units of ₹ 10 each Reliance Credit Risk Fund Growth Plan -Growth Option	1,467.74	1,377.60	-
56,93,711 (2018: 56,93,711, 2017: Nil) Units of ₹ 10 each Reliance Regular Saving Fund Debt Plan- Growth Plan Growth Option	-	4,599.53	4,307.05
Nil (2018: 1,90,10,042, 2017: 1,90,10,042) Units of ₹ 10 each Reliance Liquid Fund Growth Plan Growth	126.17	-	-
2780 (2018: Nil, 2017: Nil) Units of ₹ 100 each SBI Magnum Income Fund Regular Plan - Growth	-	1,331.77	1,555.06
Nil (2018: 31,38,399, 2017: 38,52,150) Units of ₹ 10 each SBI Magnum Gilt Fund -LTP Growth	-	-	610.90
Nil (2018: Nil, 2017: 16,55,673) Units of ₹ 10 each	-	-	-

## Notes on Consolidated Financial Statement

### Note 1.10 Current Investments (Contd.)

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
SBI Ultra Short Term Debt Fund Regular Plan Growth Nil (2018: Nil, 2017: 10,326) Units of ₹1000 each	-	-	216.90
SBI Premier Liquid Fund-Regular Plan-Growth Nil (2018: Nil, 2017: 15,717) Units of ₹1000 each	-	-	400.11
SBI Magnum Ultra SDF Direct Fund - Growth 11,997 (2018: Nil, 2017: Nil) Units of ₹ 10 each	500.20	-	-
SBI Liquid Fund Regular Growth 616 (2018: Nil, 2017: Nil) Units of ₹ 10 each	17.95	-	-
SBI Debt Fund Series C-16 1100 Days 1,32,24,964 (2018: Nil, 2017: Nil) Units of ₹ 10 each	1,428.21	-	-
UTI Short Term Income Fund Growth Nil (2018: Nil, 2017: 29,79,383) Units of ₹ 10 each	-	-	594.04
<b>Sub-total-(C)</b>	<b>5,671.09</b>	<b>16,122.48</b>	<b>29,740.78</b>
<b>TOTAL</b>	<b>7,103.05</b>	<b>18,623.11</b>	<b>33,776.07</b>
(i) Aggregate amount of quoted Investments	51.54	52.31	53.10
(ii) Market value of quoted Investments	51.54	52.31	53.10
(iii) Aggregate amount of unquoted Investments	7,051.51	18,570.80	33,722.97

### Note 1.11 Trade Receivables

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>Secured , considered good</b>	-	-	-
Unsecured , considered good	82,005.13	67,969.57	54,842.59
Unsecured,Credit Impaired	8,092.51	9,218.94	9,766.50
	<b>90,097.64</b>	<b>77,188.51</b>	<b>64,609.09</b>
<b>(b) Allowance for bad and doubtful debts</b>	<b>(8,092.51)</b>	<b>(9,218.94)</b>	<b>(9,766.50)</b>
<b>Total</b>	<b>82,005.13</b>	<b>67,969.57</b>	<b>54,842.59</b>

Notes:

- (i) The above includes ₹ 20,533.01 Lakhs as retention money (2018: ₹ 16,325.83 Lakhs, 2017: ₹ 13,146.55 Lakhs) which are recoverable on completion of the Project as per the relevant contract.
- (ii) Trade Receivable are secured against first charge on working capital facility.
- (iii) The Company provides allowance in trade receivables based on historic credit loss experience, current economic conditions and events and future observable data and information. The expected credit loss allowance is computed based on the ageing of the receivables.

### Note 1.12 Cash and cash equivalents

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(a) Balances with banks - In current accounts	2,105.67	1,585.34	1,261.02
(b) Cheques/ Pay order in hand	-	-	1.90
(c) Cash on hand	51.79	36.26	31.87
<b>Total</b>	<b>2,157.46</b>	<b>1,621.60</b>	<b>1,294.79</b>

Cash and cash equivalents include Cash on hand, Cheques/ Draft in hand &amp; Cash at bank.

## Notes on Consolidated Financial Statement

### Note 1.13 Bank Balances Other than above

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Unpaid Dividend Account	26.61	26.58	24.08
Term Deposit of upto Twelve Months Maturity	12.71	11.88	3234.61
Margin Money	2,516.61	1792.07	575.08
<b>Total</b>	<b>2,555.93</b>	<b>1,830.53</b>	<b>3,833.77</b>

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

### Note 1.14 Loans (Current)

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>I. Unsecured Considered Good</b>			
(a) Security Deposits to others	87.55	53.33	29.11
(b) Other loans			
(c) Interest accrued on Loans	352.61	344.37	544.76
(d) Advance to Employee	97.86	95.54	109.53
(e) Deferred Interest Expenses (Loan given to Employees)	0.40	2.15	0.53
	<b>538.42</b>	<b>495.39</b>	<b>683.93</b>
<b>II. Unsecured, Credit Impaired</b>			
(a) Loan to Body Corporates	278.38	275.00	275.00
Less: Provision for Advances	(275.00)	(275.00)	(275.00)
	3.38	-	-
<b>Total</b>	<b>541.80</b>	<b>495.39</b>	<b>683.93</b>

### Note 1.15 Current Tax Assets (Net)

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Advance Payment of Income Tax (net of provision)	703.43	239.92	122.23
Interest Accrued on Fixed deposits	-	-	-
<b>Total</b>	<b>703.43</b>	<b>239.92</b>	<b>122.23</b>

### Note 1.16 Other Current Assets

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(a) Security Deposits	-	-	6.82
(b) Advances to related parties			
- Advance to Subsidiaries	-	-	2.40
(c) Advance to Parties	4,773.01	4,592.14	3,605.77
(d) Other Advances	1,809.64	3,586.00	2,031.32
(e) Prepaid Expenses	866.90	574.65	609.02
(f) Balances with Government Dept	21,233.78	14,571.78	8,121.93
(g) Contractually reimbursable expenses	1,754.94	-	-
(h) Unbilled Debtors	41,109.04	31,674.83	17,245.37
(i) Deferred Rent Expenses (Security Deposits Rent Given)	0.47	0.01	0.07
(j) Preliminary Expenses	-	-	0.04
(k) Receivables against sale of non-current assets	-	40.97	-
(l) Interest Accrued on Fixed deposits	-	22.58	148.35
(m) Capital Advance	-	-	78.90
<b>Total</b>	<b>71,547.78</b>	<b>55,062.96</b>	<b>31,849.99</b>



## Notes on Consolidated Financial Statement

### Note 1.17 Equity Share capital

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>Authorised Share Capital</b>			
1,97,00,000 Equity shares at par value of Re. 1/- each (As at 31st March 2018: 95,00,000, as at 31st March 2017: 95,00,000 equity share of Re 1/- each)	19,700.00	9,500.00	9,500.00
	<b>19,700.00</b>	<b>9,500.00</b>	<b>9,500.00</b>
<b>Issued, Subscribed and paid up capital</b>			
22,00,49,482 Equity Share of Re 1/- each (As at 31st March 2018 : 21,98,28,443 equity share & as at 31st March 2017: 21,94,14,993 equity shares of Re.1/- each)	2,200.50	2,198.28	2,194.15
<b>Share Capital Suspense Accounts</b> (47,85,300 Share to be issued to shareholders of Bright Power Project (Pvt) Limited, as per scheme of merger approved by NCLT dated:29th March 2019 w.e.f. 1st April 2017)"	47.85	47.85	47.85
<b>Total</b>	<b>2,248.35</b>	<b>2,246.13</b>	<b>2,242.00</b>

#### Notes:

- The Company has only one class of shares referred to as equity shares having a par value of Re.1/-.Each holder of equity shares is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts.However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.
- Issued, Subscribed and Paid Up Capital includes 12,71,83,090 equity shares allotted on the basis of 1 equity shares in TexRail for Re. 1/- each credited as fully paid-up for every 1 equity shares held by each member of Texmaco Infrastructure & Holdings Limited (formerly Texmaco Limited) on record date without payment being received in cash on account of demerger of its Heavy Engineering Division & Steel Foundry Division to Texmaco Rail & Engineering Limited.
- During the Year the Company has allotted 2,21,039 Equity Shares to its employees under Employee Stock Option Scheme.
- Reconciliation of number of Issued, Subscribed and Paid-up Capital

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
	No of Shares	No of Shares	No of Shares
Number of Shares at the beginning of the year	21,98,28,443	21,94,14,993	21,94,14,993
Add: Allotment as per the scheme of merger	-	-	-
Add: Allotment under ESOP	2,21,039	4,13,450	-
Number of Shares at the end of the year	22,00,49,482	21,98,28,443	21,94,14,993

- After the reporting date, dividend of 0.35 paisa (2018: 0.25 Paisa) per equity share were proposed by the Board of Directors subject to the approval of the shareholders at the Annual General Meeting, the dividend has not been recognised as Liabilities. Dividends would attract Dividend Distribution Tax when declared or paid.

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

Name of Shareholders	As at 31.03.2019		As at 31.03.2018		As at 01.04.2017	
	% of holding	No of Shares	% of holding	No of Shares	% of holding	No of Shares
Texmaco Infrastructure & Holdings Ltd.	24.81	5,46,00,000	24.84	5,46,00,000	24.88	5,46,00,000
Zuari Investments Ltd	13.16	2,89,63,000	13.18	2,89,63,000	13.20	2,89,63,000

## Notes on Consolidated Financial Statement

### Note 1.18 Other Equity

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>(i) Other Reserves</b>			
<b>Share Options Outstanding Account</b>			
Balance as per last Account	1,363.42	1,194.64	804.31
Add: On issue of ESOP	(179.06)	168.78	390.33
	<b>1,184.36</b>	<b>1,363.42</b>	<b>1,194.64</b>
<b>(ii) Capital Reserve</b>			
Balance as per last Account	3,951.22	3,951.22	10,406.25
Less: Adjustment of Goodwill in Business Combination	-	-	(6,455.03)
	<b>3,951.22</b>	<b>3,951.22</b>	<b>3,951.22</b>
<b>(iii) Securities Premium</b>			
Balance as per last Account	39,836.44	39,671.06	29,280.47
Add: On issue of ESOP	88.42	165.38	87.55
Add: On Business Combination	-	-	10,303.04
	<b>39,924.86</b>	<b>39,836.44</b>	<b>39,671.06</b>
<b>(iv) General reserve</b>			
Balance as at the beginning of the year	46,720.92	46,620.92	46,106.76
Add : Transferred from Retained Earning	500.00	100.00	500.00
Add : On Business Combination	-	-	14.16
	<b>47,220.92</b>	<b>46,720.92</b>	<b>46,620.92</b>
<b>(v) Reserves representing unrealised gains/losses</b>			
(a) Equity Instruments through Other Comprehensive Income	1,784.52	526.15	(25.48)
Addition during the year	(78.20)	1,258.37	551.63
	<b>1,706.32</b>	<b>1,784.52</b>	<b>526.15</b>
(b) Remeasurements of the net defined benefit Plans	(116.97)	(118.73)	(84.47)
Addition during the year	(31.67)	1.76	(34.26)
Less : Transferred to Retained Earning	146.26	-	-
	<b>(2.38)</b>	<b>(116.97)</b>	<b>(118.73)</b>
(c) Share of other Comprehensive Income in Associates & Joint Ventures, to the extent not to be classified into profit or loss			
Balance at the beginning of the year	(0.76)	(1.34)	-
Addition during the year	-	0.58	(1.34)
	<b>(0.76)</b>	<b>(0.76)</b>	<b>(1.34)</b>
<b>(vi) Exchange differences on translating the financial statements of a foreign operation</b>			
Balance as at the beginning of the year	53.51	106.08	115.42
Addition during the year	102.05	(52.57)	(9.34)
	<b>155.56</b>	<b>53.51</b>	<b>106.08</b>
<b>(vii) Retained Earnings</b>			
Surplus at the beginning of the year	11,244.16	11,431.61	8,705.23
Add: Pre-acquisition Profit	-	-	(2.29)
Add : Profit for the year	7,543.75	1,264.82	2,629.07
Add : Transferred from Remeasurements of the net defined benefit Plans	(146.26)	-	-
Less : Transferred to General Reserve	(500.00)	(100.00)	(500.00)
Less : Proposed Dividend on Equity Shares	(550.15)	(549.01)	(525.71)
Less : Tax on dividend	(111.99)	(111.76)	(107.02)
Less : Adjst. as per Share Purchase Agreement	-	(691.50)	-
Add : On Business Combination	-	-	1,232.33
	<b>17,479.51</b>	<b>11,244.16</b>	<b>11,431.61</b>
<b>Total</b>	<b>1,11,619.61</b>	<b>1,04,836.46</b>	<b>1,03,381.61</b>

## Notes on Consolidated Financial Statement

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

### Note 1.19 Borrowings (Non- Current)

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>Secured</b>			
<b>From banks</b>			
Term Loan/Foreign Currency Term Loan (TL/FCTL)	4,975.66	3,206.55	223.37
Car Loan	36.16	88.94	77.91
<b>Unsecured</b>			
From other parties	2.28	4.79	-
<b>Total</b>	<b>5,014.10</b>	<b>3,300.28</b>	<b>301.28</b>

Term Loan from Banks are secure against the Property, Plant and Equipments created from such Loan, remaining Term Loan from Banks are repayable in 14 quarterly installments.

### Note 1.20 Provisions (Non-current)

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Provision for employee benefits (Leave)	220.15	231.18	192.57
Provision for employee benefits (Gratuity)	244.65	184.43	166.53
<b>Others</b>			
For Warranty and others	183.99	188.99	188.99
<b>Total</b>	<b>648.79</b>	<b>604.60</b>	<b>548.09</b>

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

### Note 1.21 Other Non Current Liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Security Deposits	-	-	1.75
Deferred Rent Income-Security Deposit Rent	-	-	0.10
<b>Total</b>	<b>-</b>	<b>-</b>	<b>1.85</b>

## Notes on Consolidated Financial Statement

### Note 1.22 Borrowings (Current)

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>(a) Loans repayable on demand</b>			
<b>(i) From Banks (Secured)</b>			
- Cash Credit	42,452.15	43,094.48	29,898.60
- Commercial Paper	-	-	3,000.00
<b>(ii) From Banks (Unsecured)</b>	7,000.00	3,000.00	3,500.00
<b>(iii) From Other Parties</b>			
(b) - Loans from related parties	1,950.00	1,800.00	1,000.00
(c) - Inter-Corporate Deposits	1,000.00	350.00	2,008.37
<b>Total</b>	<b>52,402.15</b>	<b>48,244.48</b>	<b>39,406.97</b>

- (i) Cash Credit facilities are secured by hypothecation of 1st charge on stocks, book debts and other current assets.
- (ii) First charge on the entire fixed assets (both present and future of Rail EPC Division).
- (iii) Post Demerger of Heavy Engineering and Steel Foundry businesses of Texmaco Infrastructure & Holdings Limited (Tex Infra), the first charge created on immovable property and Corporate Guarantee of Tex Infra Continues.

### Note 1.23 Trade payables

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
Dues to Micro and Small Enterprises	-	66.22	39.60
Others	55,649.43	32,815.90	29,731.49
	<b>55,649.43</b>	<b>32,882.12</b>	<b>29,771.09</b>

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

Disclosure required under the Micro, Small and Medium Enterprises Development Act, 2006 (the Act) are given as follows:

(a) Principal amount due	-	66.22	345.19
Unpaid matured deposits and interest accrued thereon	-	-	-
(b) Interest paid during the period beyond the appointed day	-	-	-
(c) Amount of interest due and payable for the period of delay in making payment without adding the interest specified under the Act	-	-	-
(d) Amount of interest accrued and remaining unpaid at the end of the period	-	-	-
(e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Act	-	-	-

There are no material dues owed by the Company to Micro and Small Enterprises, which are outstanding for more than 45 days during the year and as at 31st March 2018 and 31st March 2017. This information as required under the Micro, Small and Medium Enterprises Development Act 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company and has been relied upon by the Auditors.

## Notes on Consolidated Financial Statement

### Note 1.24 Other Financial Liabilities

(₹ in Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
<b>(a) Current maturities of long-term debt</b>			
Rupees/Foreign Currency Term Loan	90.95	574.41	551.57
Car Loan	-	59.63	10.46
<b>(b) Interest accrued</b>			
Interest accrued but not due on borrowings	42.46	35.03	166.66
<b>(c) Unclaimed/Unpaid dividends</b>	26.61	26.58	24.08
<b>(d) Others</b>			
Liabilities for Expenses	1,272.97	875.08	2,271.17
Amount Due to Employee	971.80	648.36	767.11
Others Misc. Payable	132.89	1,664.24	40.52
Misc. Security Deposit	-	-	604.90
Creditors for Capital Advance	960.65	1,272.24	63.92
<b>Total</b>	<b>3,498.33</b>	<b>5,155.57</b>	<b>4,500.39</b>

- (i) Term Loan from Bank is secured against Property, Plant and Equipments created from such loan. The balance term loan is repayable in 4 quarterly installments.
- (ii) There is no amount due and outstanding to be credited to the Investor Education and Protection Fund against unpaid dividend as at 31st March, 2019.

### Note 1.25 Other Current Liabilities

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(a) Revenue received in advance	295.46	302.39	-
(b) Advances from Customers	29,122.53	24,342.25	14,505.67
(c) TDS and other taxes payable	430.14	609.38	1,091.02
(d) PF, ESI amount Payable	126.06	118.20	93.71
(e) Security Deposits	1,562.05	1,191.32	578.54
(f) Interest Payable	21.90	-	5.17
(g) Other Liabilities	1,222.55	0.91	-
<b>Total</b>	<b>32,780.69</b>	<b>26,564.45</b>	<b>16,274.11</b>

### Note 1.26 Provisions (Current)

(₹ in Lakhs)

Particulars	As at 31.03.2019	As at 31.03.2018	As at 01.04.2017
(a) Provision for employee benefits (for Gratuity)	41.91	36.23	89.18
(b) Provision for employee benefits (for leave)	146.19	94.15	69.41
(c) Provision for Contract Loss Provision	109.90	96.65	47.53
(d) Provision for Expenses	943.98	808.99	32.57
(e) Provision for Others	-	-	762.95
<b>Total</b>	<b>1,241.98</b>	<b>1,036.02</b>	<b>1,001.64</b>

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

## Notes on Consolidated Financial Statement

### Note 1.27 Revenue from operations

(₹ in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
(a) Sale of products	1,04,105.94	42,853.67
(b) Sale of services	95,449.07	75,418.56
(c) Other operating revenues	962.58	988.02
Gross Revenue from operations	2,00,517.59	1,19,260.25
Less: Inter Segment Revenue	(14,701.21)	(5,339.89)
<b>Net Revenue from operations</b>	<b>1,85,816.38</b>	<b>1,13,920.36</b>

### Note 1.28 Other Income

(₹ in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>(a) Interest Income</b>		
From Bank	140.61	185.82
From Others	244.63	687.65
<b>(b) Dividend Income</b>		
Income from Non-Current Investments	29.54	25.06
<b>(c) Other non-operating income</b>		
Net gain on Sale of Current Investments	176.69	149.14
Compensation against Old Refugee Settlement Area	-	1,900.00
Miscellaneous Receipts and Income	123.35	200.57
Sundry Credit Balance Adjusted	81.65	94.25
Profit on sale of Fixed Assets (Net)	146.33	2.52
Rent Received	179.21	29.57
Provision & Excess Liabilities Written Back	1.40	2.99
Insurance Claim Received	9.80	
Gain on fair valuation of Bonds/Mutual	410.87	1,476.40
<b>Total</b>	<b>1,544.08</b>	<b>4,753.97</b>

### Note 1.29 Cost of Materials Consumed

(₹ in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Opening Stock of Raw Materials	5,049.43	3,564.90
Add: Raw materials Purchased and Departmental Transfers etc.	1,00,334.42	22,169.46
	<b>1,05,383.85</b>	<b>25,734.36</b>
Less: Closing Stock of Raw Materials	8,241.44	5,049.43
	<b>97,142.41</b>	<b>20,684.93</b>
Consumption of Components	53,712.40	65,764.89
Less: Inter Segment Revenue	(14,701.21)	(5,339.89)
<b>Total</b>	<b>1,36,153.60</b>	<b>81,109.93</b>



## Notes on Consolidated Financial Statement

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

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Opening Stock		
Finished Goods	2,297.64	31.41
Work-in-Progress	14,824.81	11,697.64
	<b>17,122.45</b>	<b>11,729.05</b>
Less : Closing Stock		
Finished Goods	1,698.09	2,297.64
Work-in-Progress	21,869.00	14,824.81
	<b>23,567.09</b>	<b>17,122.45</b>
<b>(Increase) / Decrease in Stock</b>	<b>(6,444.64)</b>	<b>(5,393.40)</b>

### Note 1.31 Employee Benefit Expenses (₹ in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
a) Salaries ,Wages and Bonus	10,008.34	8,306.94
b) Contribution to provident and other funds		
i) Provident Fund and Pension Fund	675.28	529.64
ii) Superannuation Fund	52.37	157.05
iii) Gratuity	73.08	47.79
c) Share based payments to employees	(179.06)	168.78
d) Staff Welfare Expenses	688.73	507.09
e) VRS Expenses	6.65	25.48
<b>Total</b>	<b>11,325.39</b>	<b>9,742.77</b>

### Note 1.32 Finance Costs (₹ in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
(a) Interest		
i) Banks	5,825.75	4,703.38
ii) Others	23.30	137.14
(b) Other borrowing costs	1,199.22	1,246.99
<b>Total</b>	<b>7,048.27</b>	<b>6,087.51</b>

### Note 1.33 Depreciation and Amortization Expense (₹ in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Depreciation on Tangible Assets	2,793.00	2,423.43
Depreciation on Intangible Assets	115.91	70.60
<b>Total</b>	<b>2,908.91</b>	<b>2,494.03</b>

## Notes on Consolidated Financial Statement

### Note 1.34 Other Expenses

(₹ in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Consumption of stores and spares part	9,219.07	5,997.06
Power and Fuel	6,204.92	4,512.00
Rent	398.49	314.48
Repairs to buildings	623.02	531.82
Repairs to machinery	404.72	351.75
Repairs to others	95.77	87.24
Insurance	445.16	269.54
Rates and Taxes excluding taxes on Income	382.60	1,518.51
Freight, Packing and Transport	2,015.36	1,187.70
Erection Expenses	3,886.04	3,770.96
Drawings and Designs	4.05	8.61
Royalty & Knowhow	48.60	256.77
Research & Development	119.88	104.70
Selling Agents Commission	169.09	29.66
Selling Expenses	258.35	234.62
Director's Sitting Fees	15.50	21.18
Director's Commission	14.14	14.00
<b>Payments to the Auditor</b>		
As Auditor	22.37	24.08
- For Tax Audit	4.95	4.51
- For Quarterly Review	2.55	3.42
- For Fees for Other Services (incl for issuing various certificates)	6.30	6.71
- As Cost Auditor	1.64	1.40
- For Reimbursement of out of pocket expenses	3.63	2.40
Donation	1.91	0.89
CSR Expenses	52.66	33.44
Miscellaneous Expenses	3,088.35	2,369.81
Sundry Debit Balance Adjusted	25.19	7.91
Bad Debt written off	1,829.60	20.24
Allowance for bad & doubtful debts	(1,126.43)	703.17
Net (gain)/loss on foreign currency transaction	(420.90)	(8.81)
<b>Total</b>	<b>27,796.58</b>	<b>21,676.60</b>

#### Note on CSR Expense:

- (i) Gross amount required to be spent by the Company during the year: ₹ 31.96 Lakhs  
(ii) Amount spent in cash during the year on:

Particulars	In Cash	Total
a) Construction/acquisition of any asset	20.00	20.00
b) On purposes other than (i) above	32.66	32.66
<b>Total</b>	<b>52.66</b>	<b>52.66</b>

### Note 1.35 Other Comprehensive Income

(₹ in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>(A) Items that will not be reclassified to profit or loss</b>		
(i) Remeasurements of the defined benefit plans	(23.53)	(39.49)
(ii) Equity Instruments through Other Comprehensive Income;	(78.20)	1,258.37
(iii) Share of Other Comprehensive Income in Associates and Joint Ventures, to the extent not to be classified into profit or loss	-	(0.58)
	<b>(101.73)</b>	<b>1,218.30</b>
<b>(B) Items that will be reclassified to profit or loss</b>		
(i) Exchange differences in translating the financial statements of a foreign operation	102.05	(52.57)
<b>Total</b>	<b>102.05</b>	<b>(52.57)</b>

## Notes on Consolidated Financial Statement

### Note 1.36 Commitments and Contingent Liabilities

(₹ in Lakhs)

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
<b>(A) Commitments</b>		
Estimated amount of contracts remaining to be executed on Capital Account and not provided for (Net of advance)	1,462.00	1,477.00
<b>(B) Contingent Liabilities (not provided for) in respect of :</b>		
(a) Guarantees given by Banks in the normal course of Business	1,34,418.20	1,10,975.72
(b) Letters of Credit opened by Banks in the normal course of Business	25,405.12	12,481.40
(c) Bonds issued to Custom Department	92.20	92.20
(d) Claims under dispute (Excise, Service Tax, Income Tax and others)	18,929.19	18,274.40
(e) Claims not acknowledged as debts (Amount unascertainable)	-	-
(f) Income Tax assessment under appeal (Amount unascertainable)	-	-

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

(₹ in Lakhs)

Particulars	Opening Provision as on 1.4.2018	Utilized during the year	Reversed during the year	Provision during the year	Closing pro- vision as on 31.03.2019
(a) Site warranty period maintenance	187.99	--	4.00	--	183.99
(b) Others	808.99	--	15.01	150.00	943.98
Total	996.98	--	19.01	150.00	1,127.97
Previous Year	947.97	5.11	--	54.12	996.98

In accordance with the requirement of Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets" issued by the Companies (Accounting Standard) Rules 2006, the company has provided liability for other expenses amounting to ₹ 150 lakhs (Previous Year ₹ 54.12 lakh).

**Site warranty period maintenance:** - The Company gives warranties and maintenance on certain products and services, undertaking to repair, replace and maintain the items for satisfactory working during the warranty period. Provision as at March 31, 2019 represents the amount of the expected cost of meeting such obligations of rectification/ replacement/maintenance. The timing of the outflow is expected to be within a period of two years.

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

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

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

## Notes on Consolidated Financial Statement

### Note 1.40 Related Party Disclosure

**(a) Name of the Related Parties and Relationship**

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

Relationship	Parties where control Exist	Parties where control Exist
	2018-19	2017-18
A. Key Management Personnel	Mr. S. K. Poddar Executive Chairman Mr. Sandeep Fuller Managing Director w.e.f: 15th May,2018 Mr. A.K. Vijay Executive Director (Finance) & CFO Mr. D. H. Kela Executive Director & CEO (SF) Mr. G. C.Agrawal ED & CEO (HED) w.e.f 15th May,2018 Mr. Ravi Varma (Company Secretary)	Mr. S. K. Poddar Executive Chairman Mr. Sandeep Fuller Executive Director & CEO (HED) Mr. A.K. Vijay Executive Director (Finance) & CFO Mr. D. H. Kela Executive Director & CEO (SF) Mr. G. C.Agrawal CEO (HED) w.e.f: 5th Mar,2018 Mr. Ravi Varma (Company Secretary)
B. Relative of Key Management Personnel	Ms. Jyotsna Poddar (Wife of Mr. S.K.Poddar) Mr. Akshay Poddar (Son of Mr. S.K.Poddar) Ms. Puja Poddar (Daughter in Law of Mr. S.K.Poddar) Ms. Shradha Agarwal (Daughter of Mr. S.K.Poddar)	Ms. Jyotsna Poddar (Wife of Mr. S.K.Poddar) Mr. Akshay Poddar (Son of Mr. S.K.Poddar) Ms. Puja Poddar (Daughter in Law of Mr. S.K.Poddar) Ms. Shradha Agarwal (Daughter of Mr. S.K.Poddar)
C. Joint Venture	Touax Texmaco Railcar Leasing Pvt. Ltd. (50.00% of Capital held by Company) Wabtec Texmaco Rail Pvt. Ltd. (40.00% of Capital held by Company) Kalindee Cobra JV Kalindee Kapoor Railcon JV Kalindee Karthik JV Kalindee VNC JV Kalindee IF&LS JV GMR TPL KRNL JV Kalindee Rahee JV Kalindee URC JV Tata Projects - Kalindee JV Kalindee ASIS JV JMC-GPT-Vijaywargi-Bright Power JV JMC-Vijaywargi-Bright Power JV Bright-Vijaywargi JV	Touax Texmaco Railcar Leasing Pvt. Ltd. (50.00% of Capital held by Company) Wabtec Texmaco Rail Pvt. Ltd. (40.00% of Capital held by Company) Kalindee Cobra JV Kalindee Kapoor Railcon JV Kalindee Karthik JV Kalindee VNC JV Kalindee IF&LS JV GMR TPL KRNL JV Kalindee Rahee JV Kalindee URC JV Tata Projects - Kalindee JV - JMC-GPT-Vijaywargi-Bright Power JV JMC-Vijaywargi-Bright Power JV Bright-Vijaywargi JV
E. Group Company where transaction exists.	Zuari Investments Ltd Duke Commerce Ltd. Adventz Securities Enterprises Ltd. Zuari Global Ltd. New Eros Tradecom Ltd. Master Exchange & Finance Ltd. Adventz Investments Co. Pvt. Ltd..	Zuari Investments Ltd Duke Commerce Ltd. Adventz Securities Enterprises Ltd. Zuari Global Ltd. New Eros Tradecom Ltd. Master Exchange & Finance Ltd. Adventz Investments Co. Pvt. Ltd.

## Notes on Consolidated Financial Statement

### Note 1.40 Related Party Disclosure (Contd..)

Relationship	Parties where control Exist	
	2018-19	2017-18
E. Group Company where transaction exists.	Adventz Finance Pvt. Ltd. Eureka Traders Pvt. Ltd. Abhishek Holdings Pvt. Ltd. Greenland Trading Pvt. Ltd. Indrakshi Trading Company Pvt. Ltd. Zuari Management Services Ltd. High Quality Steels Ltd. Lionel India Ltd. Texmaco Infrastructure & Holdings Ltd. Indian Furniture Pvt. Ltd. Paradeep Phosphate Ltd. Lionel Edwards Ltd.	Adventz Finance Pvt. Ltd. Eureka Traders Pvt. Ltd. Abhishek Holdings Pvt. Ltd. Greenland Trading Pvt. Ltd. Indrakshi Trading Company Pvt. Ltd. Zuari Management Services Ltd. High Quality Steels Ltd. Lionel India Ltd. Texmaco Infrastructure & Holdings Ltd. Indian Furniture Pvt. Ltd. Paradeep Phosphate Ltd. -

### (b) Related Party Transactions

(₹ in Lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint venture	Key Magt Personnel	Grand Total	Balance outstanding As at 31/03/2019
<b>Remuneration Paid</b>							
- Mr. S. K. Poddar	--	--	--	--	385.99	385.99	--
	(--)	(--)	(--)	(--)	(362.22)	(362.22)	(--)
- Mr. Sandeep Fuller*	--	--	--	--	121.85	121.85	--
	(--)	(--)	(--)	(--)	(111.83)	(111.83)	(--)
- Mr. A.K. Vijay*	--	--	--	--	76.94	76.94	--
	(--)	(--)	(--)	(--)	(69.98)	(69.98)	(--)
- Mr. D. H. Kela*	--	--	--	--	137.03	137.03	--
	(--)	(--)	(--)	(--)	(123.13)	(123.13)	(--)
- Mr. G. C. Agrawal (w.e.f: 15th May, 2018)	--	--	--	--	59.50	59.50	--
	(--)	(--)	(--)	(--)	(3.66)	(3.66)	(--)
- Mr. Ravi Varma	--	--	--	--	17.19	17.19	--
	(--)	(--)	(--)	(--)	(13.48)	(13.48)	(--)
*Includes perquisites on equity share allotted in pursuant to Employee Stock Option Scheme.							
<b>Transactions with Relative of Key Management Personnel</b>							
- Mr. Akshay Poddar (Sitting Fees & Commission)	3.50	--	--	--	--	3.50	--
	(4.20)	(--)	(--)	(--)	(--)	(4.20)	(--)
<b>Investment</b>							
- Touax Texmaco Railcar Leasing Pvt. Ltd.	--	--	--	300.00	--	300.00	4,014.99
	(--)	(--)	(--)	(350.00)	(--)	(350.00)	(3,714.99)
- Texmaco Infrastructure & Holdings Ltd.	--	--	--	--	--	--	1,332.34
	(--)	(--)	(--)	(--)	(--)	(--)	(1,434.56)
- Wabtec Texmaco Rail Pvt. Ltd	--	--	--	240.00	--	240.00	328.17
	(--)	(--)	(--)	(--)	(--)	(--)	(88.16)
<b>Loans &amp; Advances Paid</b>							
- Wabtec Texmaco Rail Pvt. Ltd	--	--	--	5.31	--	5.31	--
	(--)	(--)	(--)	(--)	(--)	(--)	(--)
- Bright-Vijaywargi-JV	--	--	--	149.13	--	149.13	126.66
	(--)	(--)	(--)	(470.54)	(--)	(470.54)	(6.14)
<b>Loans &amp; Advances Received</b>							
- Adventz Finance Pvt. Ltd.	--	--	--	--	--	--	1,100.00
	(--)	(--)	(--)	(--)	(--)	(--)	(1,100.00)
- Adventz Securities Enterprises Ltd.	150.00	--	--	--	--	150.00	850.00
	(--)	(--)	(--)	(--)	(--)	(--)	(700.00)

## Notes on Consolidated Financial Statement

### Note 1.40 Related Party Disclosure (Contd.)

#### (b) Related Party Transactions (Contd.)

(₹ in Lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint venture	Key Magt Personnel	Grand Total	Balance outstanding As at 31/03/2019
<b>Dividend Paid</b>							
- Mr. Saroj Poddar	--	--	--	--	8.62	8.62	--
	(-)	(-)	(-)	(-)	(8.62)	(8.62)	(-)
- Ms Jyotsna Poddar	0.18	--	--	--	--	0.18	--
	(0.18)	(-)	(-)	(-)	(-)	(0.18)	(-)
- Ms. Puja Poddar	0.07	--	--	--	--	0.07	--
	(0.07)	(-)	(-)	(-)	(-)	(0.07)	(-)
- Mr. Akshay Poddar	0.04	--	--	--	--	0.04	--
	(0.04)	(-)	(-)	(-)	(-)	(0.04)	(-)
- Ms Shradha Agarwal	0.03	--	--	--	--	0.03	--
	(0.03)	(-)	(-)	(-)	(-)	(0.03)	(-)
- Abhishek Holdings Pvt. Ltd.	--	--	--	--	--	--	--
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
- Adventz Securities Enterprises Ltd.	9.52	--	--	--	--	9.52	--
	(9.52)	(-)	(-)	(-)	(-)	(9.52)	(-)
- Adventz Finance Pvt. Ltd. (Formerly Adventz investments & Holdings Pvt. Ltd)	20.94	--	--	--	--	20.94	--
	(20.94)	(-)	(-)	(-)	(-)	(20.94)	(-)
- Adventz Investments Co. Pvt. Ltd.	7.59	--	--	--	--	7.59	--
	(7.59)	(-)	(-)	(-)	(-)	(7.59)	(-)
- Duke Commerce Ltd.	18.79	--	--	--	--	18.79	--
	(18.79)	(-)	(-)	(-)	(-)	(18.79)	(-)
- Eureka Traders Pvt. Ltd.	--	--	--	--	--	--	--
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
- Greenland Trading Pvt. Ltd.	0.09	--	--	--	--	0.09	--
	(0.09)	(-)	(-)	(-)	(-)	(0.09)	(-)
- Master Exchange & Finance Ltd.	0.04	--	--	--	--	0.04	--
	(0.04)	(-)	(-)	(-)	(-)	(0.04)	(-)
- New Eros Tradecom Ltd.	1.85	--	--	--	--	1.85	--
	(1.85)	(-)	(-)	(-)	(-)	(1.85)	(-)
- Indrakshi Trading Company Pvt. Ltd.	0.08	--	--	--	--	0.08	--
	(0.08)	(-)	(-)	(-)	(-)	(0.08)	(-)
- Texmaco Infrastructure & Holdings Ltd.	136.50	--	--	--	--	136.50	--
	(136.50)	(-)	(-)	(-)	(-)	(136.50)	(-)
- Zuari Investments Ltd.	72.41	--	--	--	--	72.41	--
	(72.41)	(-)	(-)	(-)	(-)	(72.41)	(-)
- Zuari Global Ltd.	10.09	--	--	--	--	10.09	--
	(10.09)	(-)	(-)	(-)	(-)	(10.09)	(-)
- Mr. Ravi Varma	--	--	--	--	0.01	0.01	--
	(-)	(-)	(-)	(-)	(-)	(-)	(-)
- Mr. D. H. Kela	--	--	--	--	0.03	0.03	--
	(-)	(-)	(-)	(-)	(0.03)	(0.03)	(-)
- Mr. Sandeep Fuller	--	--	--	--	0.08	0.08	--
	(-)	(-)	(-)	(-)	(0.03)	(0.03)	(-)
- Mr. A.K. Vijay	--	--	--	--	0.08	0.08	--
	(-)	(-)	(-)	(-)	(0.04)	(0.04)	(-)
<b>Dividend Received</b>							
- Texmaco Infrastructure & Holdings Ltd.	4.70	--	--	--	--	4.70	--
	(4.70)	(-)	(-)	(-)	(-)	(4.70)	(-)
<b>Others</b>							
- Adventz Finance Pvt. Ltd. (Rent Paid)	18.57	--	--	--	--	18.57	--
	(16.77)	(-)	(-)	(-)	(-)	(16.77)	(-)
- Adventz Finance Pvt. Ltd. (Interest Paid)	148.50	--	--	--	--	148.50	90.81
	(67.50)	(-)	(-)	(-)	(-)	(67.50)	(14.97)



## Notes on Consolidated Financial Statement

### Note 1.40 Related Party Disclosure (Contd..)

#### (b) Related Party Transactions (Contd.)

(₹ in Lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint venture	Key Magt Personnel	Grand Total	Balance outstanding As at 31/03/2019
- Adventz Securities Enterprises Ltd. (Interest Paid)	94.83 (27.00)	-- (--)	-- (--)	-- (--)	-- (--)	94.83 (27.00)	71.75 (12.11)
- High Quality Steels Ltd. (Services Received)	630.61 (550.10)	-- (--)	-- (--)	-- (--)	-- (--)	630.61 (550.10)	57.74 (61.44)
- Lionel India Ltd. (Services Received)	241.10 (283.78)	-- (--)	-- (--)	-- (--)	-- (--)	241.10 (283.78)	60.88 (33.78)
- Lionel Edward Ltd. (Services Received)	5.79 (--)	-- (--)	-- (--)	-- (--)	-- (--)	5.79 (--)	0.58 (--)
- Indian Furniture Private Ltd. (Purchase of Goods)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	2.34 (2.34)
- Zuari Management Services Ltd. (Services Received)	235.30 (--)	-- (--)	-- (--)	-- (--)	-- (--)	235.30 (--)	54.64 (--)
- Texmaco Infrastructure & Holdings Ltd. (Rent Received)	0.85 (0.85)	-- (--)	-- (--)	-- (--)	-- (--)	0.85 (0.85)	-- (--)
- Texmaco Infrastructure & Holdings Ltd. (Rent Paid)	68.74 (70.38)	-- (--)	-- (--)	-- (--)	-- (--)	68.74 (70.38)	40.35 (56.11)
- Wabtec Texmaco Rail Pvt. Ltd. (Sale of Goods)	-- (--)	-- (--)	-- (--)	225.47 (10.35)	-- (--)	225.47 (10.35)	47.28 (10.35)
- Wabtec Texmaco Rail Pvt. Ltd. (Purchase of Goods)	-- (--)	-- (--)	-- (--)	1,468.61 (4.52)	-- (--)	1,468.61 (4.52)	198.45 (6.13)
- Wabtec Texmaco Rail Pvt. Ltd. (Rent & Electricity Received)	-- (--)	-- (--)	-- (--)	253.12 (--)	-- (--)	253.12 (--)	27.08 (--)
- Wabtec Texmaco Rail Pvt. Ltd. (Advance Against Purchase)	-- (--)	-- (--)	-- (--)	-- (78.03)	-- (--)	-- (78.03)	-- (78.03)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Sale of Goods)	-- (--)	-- (--)	-- (--)	4,762.70 (2,068.83)	-- (--)	4,762.70 (2,068.83)	113.17 (111.47)
- Zuari Investments Ltd. (Depository Services)	-- (0.58)	-- (--)	-- (--)	-- (--)	-- (--)	-- (0.58)	-- (--)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Rent Received)	-- (--)	-- (--)	-- (--)	0.05 (0.05)	-- (--)	0.05 (0.05)	-- (--)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Deposit Against Order)	-- (--)	-- (--)	-- (--)	2,204.37 (1,525.38)	-- (--)	2,204.37 (1,525.38)	2,204.37 (1,049.13)
- Paradeep Phosphate Ltd (Rent Received)	8.86 (6.74)	-- (--)	-- (--)	-- (--)	-- (--)	8.86 (6.74)	0.82 (--)
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Interest receivable against CCD given)	-- (--)	-- (--)	-- (--)	276.98 (216.21)	-- (--)	276.98 (216.21)	495.01 (278.35)
- JMC-Vijaywargi-Bright Power JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	144.89 (772.32)	-- (--)	144.89 (772.32)	264.39 (446.24)
- Bright-Vijaywargi JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	3,853.34 (2,552.63)	-- (--)	3,853.34 (2,552.63)	1,075.12 (1,851.37)
- JMC-GPT-Vijaywargi-Bright Power JV (Sale of Goods & Services)	-- (--)	-- (--)	-- (--)	-- (56.32)	-- (--)	-- (56.32)	120.52 (120.52)
- JMC-Vijaywargi-Bright Power JV (Amount paid on behalf of JV)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	1.15 (0.73)
- JMC-GPT-Vijaywargi-Bright Power JV (Amount paid on behalf of JV)	-- (--)	-- (--)	-- (--)	0.30 (--)	-- (--)	0.30 (--)	2.45 (2.15)
- Kalindee Cobra JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	2,846.77 (2,668.01)	-- (--)	2,846.77 (2,668.01)	1,966.64 (1,703.27)
- Kalindee Cobra JV (Amount paid by the company on behalf of others)	-- (--)	-- (--)	-- (--)	15.15 (24.75)	-- (--)	15.15 (24.75)	-- (--)
- Kalindee IL & FS JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	2,295.11 (2,164.52)	-- (--)	2,295.11 (2,164.52)	2,569.29 (2,523.34)

## Notes on Consolidated Financial Statement

### Note 1.40 Related Party Disclosure (Contd.)

#### (b) Related Party Transactions (Contd.)

(₹ in Lakhs)

Transactions	Other Related Party	Subsidiary	Associate	Joint venture	Key Magt Personnel	Grand Total	Balance outstanding As at 31/03/2019
- Kalindee Kapoor Railcon JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	7,812.73 (8,435.01)	-- (--)	7,812.73 (8,435.01)	5,700.33 (6,195.09)
- Kalindee Kapoor Railcon JV (Amount paid on behalf of the company)	-- (--)	-- (--)	-- (--)	-- (18.56)	-- (--)	-- (18.56)	-- (--)
- Kalindee Kapoor Railcon JV (Amount paid by the company on behalf of others)	-- (--)	-- (--)	-- (--)	0.05 (10.16)	-- (--)	0.05 (10.16)	-- (--)
- Kalindee Karthik JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	-- (-13.64)	-- (--)	-- (-13.64)	406.24 (414.97)
- Kalindee Rahee JV (Amount paid by the company on behalf of others)	-- (--)	-- (--)	-- (--)	655.72 (1,283.39)	-- (--)	655.72 (1,283.39)	1,845.25 (1,944.60)
- Kalindee URC JV (Sale of Goods)	-- (--)	-- (--)	-- (--)	816.84 (3,702.65)	-- (--)	816.84 (3,702.65)	1173.95 (1,972.87)
- Kalindee URC JV (Amount paid by the company on behalf of others)	-- (--)	-- (--)	-- (--)	0.25 (0.31)	-- (--)	0.25 (0.31)	-- (--)
- Kalindee VNC JV (Amount paid on behalf of the company)	-- (--)	-- (--)	-- (--)	-- (76.81)	-- (--)	-- (76.81)	-- (--)
- Kalindee VNC JV (Amount paid by the company on behalf of others)	-- (--)	-- (--)	-- (--)	426.18 (435.02)	-- (--)	426.18 (435.02)	1791.12 (1371.61)
- GMR TPL Kalindee (Sale of Goods)	-- (--)	-- (--)	-- (--)	3,321.01 (3,977.47)	-- (--)	3,321.01 (3,977.47)	2,956.11 (2,772.06)
- Tata Projects- Kalindee (Sale of Goods)	-- (--)	-- (--)	-- (--)	802.71 (890.84)	-- (--)	802.71 (890.84)	325.08 (--)
- Tata Projects- Kalindee (Advance Receipt taken)	-- (--)	-- (--)	-- (--)	-- (53.04)	-- (--)	-- (53.04)	-- (53.04)
<b>Corporate Guarantee Given</b>							
- Touax Texmaco Railcar Leasing Pvt. Ltd. (Against Sale of Wagons)	-- (--)	-- (--)	-- (--)	-585.37 (233.96)	-- (--)	-585.37 (233.96)	941.80 (1527.17)
<b>Corporate Guarantee Received</b>							
- Texmaco Infrastructure & Holdings Ltd. (Against Cash Credit facility)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	5,000.00 (5,000.00)

Note: Figures in brackets are for previous financial year.

### Note 1.41 Earning Per Share – The Numerator and Denominator used to calculate basic/ diluted earning per share

(₹ in Lakhs)

Particulars		2018-19	2017-18
Net Profit for the period from ordinary activities attributable to equity shareholders (Excluding Preference Share Dividend) – used as numerator.	₹ in Lakhs	7,543.75	1,264.82
Weighted average number of Equity share outstanding used as denominator for Basic earning per share.	Number	21,99,89,414	21,98,28,443
Weighted Average Number of Equity share on account of Employee Stock Option Scheme	Number	-	1,98,868
Weighted Average Number of Equity share on account of Merger of Bright Power Projects (India) Private Ltd.		47,85,300	47,85,300
Weighted Average Number of Equity share used on denominator for Diluted Earning Per Share	Number	22,47,74,714	22,48,12,611
(A) Basic Earning per share ( face value of Re 1/- each)	₹	3.43	0.56
(B) Diluted Earning per share ( face value of Re 1/- each)	₹	3.35	0.56

## Notes on Consolidated Financial Statement

### Note 1.42 Principles of Consolidation

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

Name of the Company	Country of Incorporation	% Shareholding
Belur Engineering Pvt. Ltd.	India	100%
Texmaco Transtrak Pvt. Ltd.	India	51%
Texmaco Defence System Pvt. Ltd.	India	51%
Texmaco SA (PTY) Ltd.	India	100%

- b) These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provision of the Act.

All assets and liabilities have been classified as current or non – current as per the Company's normal operating cycle and other criteria set out in the Schedule III (Division II) to the Companies Act, 2013. Based on the nature of products and the time between the acquisition of assets for processing and realisation in cash and cash equivalents, the company has ascertained its operating cycle as 12 month for the purpose of current or non-current classification of assets and liabilities.

#### c) Accounting policies applicable in consolidated financial statements

- i) The Company combines the financial statements of the parent and its subsidiaries line adding together like items of assets, liabilities, equity, income and expenses. Inter-company transaction, balance and unrealised gains on transactions between group companies are eliminated.
- ii) Non-controlling interests in the results and equity of subsidiaries are shown separately in the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and Balance Sheet respectively.
- iii) Investments in Associates are accounted for using the equity method of accounting, after initially being recognized at cost. Under the equity method of accounting, the investments are adjusted thereafter to recognize the Company's share of the post – acquisition profit or losses of the investee in profit and loss, and the company's share of other comprehensive income of the investee in other comprehensive income.
- iv) Deferred tax liabilities are not recognised for temporary differences between the carrying amount and tax bases of investments in subsidiaries where the Company is able to control the timing of reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

### Note 1.43 Fair Value

Carrying amounts and fair values Fair Value through Profit & Loss (FVTPL) of financial instruments, including their levels in the fair value hierarchy has been mentioned in Note No. B(vii) and has been mentioned in Note No 1.03 and Note No 1.10. All the investments which have been fair valued are classified under Level – 1.

## Notes on Consolidated Financial Statement

### Note 1.44 Financial Instruments

#### A. Accounting classification and fair values

(₹ In Lakhs)

31st March 2019	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets (Long Term)</b>								
- Investments	-	3,002.84	4,188.18	7,191.02	3,002.84	4,188.18	-	7,191.02
- Loans & Advances	-	-	156.56	156.56	-	-	156.56	156.56
- Bank Balances	-	-	607.45	607.45	-	-	607.45	607.45
- Others	-	-	71.52	71.52	-	-	71.52	71.52
<b>Financial Assets (Short Term)</b>								
- Investments	7,103.05	-	-	7,103.05	7,103.05	-	-	7,103.05
- Trade Receivable	-	-	82,005.13	82,005.13	-	-	82,005.13	82,005.13
- Cash and cash equivalents	-	-	2,157.46	2,157.46	-	-	2,157.46	2,157.46
- Bank Balances & Others	-	-	2,555.93	2,555.93	-	-	2,555.93	2,555.93
- Loans & Advances	-	-	541.80	541.80	-	-	541.80	541.80
<b>Total</b>	<b>7,103.05</b>	<b>3,002.84</b>	<b>92,284.03</b>	<b>102,389.92</b>	<b>10,105.89</b>	<b>4,188.18</b>	<b>88,095.85</b>	<b>102,389.92</b>
<b>Financial liabilities (Long Term)</b>								
- Borrowings	-	-	5,014.10	5,014.10	-	-	5,014.10	5,014.10
<b>Financial liabilities (Short Term)</b>								
- Borrowings	-	-	52,402.15	52,402.15	-	-	52,402.15	52,402.15
- Trade Payable	-	-	55,649.44	55,649.44	-	-	55,649.44	55,649.44
- Other Financial Liabilities	-	-	3,498.33	3,498.33	-	-	3,498.33	3,498.33
<b>Total</b>	<b>-</b>	<b>-</b>	<b>116,564.02</b>	<b>116,564.02</b>	<b>-</b>	<b>-</b>	<b>116,564.02</b>	<b>116,564.02</b>

(₹ In Lakhs)

31st March 2018	Carrying amount				Fair value			
	FVTPL	FVTOCI	Amortised Cost*	Total	Level 1	Level 2	Level 3	Total
<b>Financial Assets (Long Term)</b>								
- Investments	-	3,081.05	3,633.61	6,714.66	3,081.05	3,633.61	-	6,714.66
- Loans & Advances	-	-	188.96	188.96	-	-	188.96	188.96
- Bank Balances	-	-	7.72	7.72	-	-	7.72	7.72
- Others	-	-	71.46	71.46	-	-	71.46	71.46
<b>Financial Assets (Short Term)</b>								
- Investments	18,623.12	-	-	18,623.12	18,623.12	-	-	18,623.12
- Trade Receivable	-	-	67,969.57	67,969.57	-	-	67,969.57	67,969.57
- Cash and cash equivalents	-	-	1,621.60	1,621.60	-	-	1,621.60	1,621.60
- Bank Balances & Others	-	-	1,830.53	1,830.53	-	-	1,830.53	1,830.53
- Loans & Advances	-	-	495.39	495.39	-	-	495.39	495.39
<b>Total</b>	<b>18,623.12</b>	<b>3,081.05</b>	<b>75,818.84</b>	<b>97,523.00</b>	<b>21,704.16</b>	<b>3,633.61</b>	<b>72,185.23</b>	<b>97,523.00</b>
<b>Financial liabilities (Long Term)</b>								
- Borrowings	-	-	3,300.28	3,300.28	-	-	3,300.28	3,300.28
<b>Financial liabilities (Short Term)</b>								
- Borrowings	-	-	48,244.48	48,244.48	-	-	48,244.48	48,244.48
- Trade Payable	-	-	32,882.12	32,882.12	-	-	32,882.12	32,882.12
- Other Financial Liabilities	-	-	5,155.57	5,155.57	-	-	5,155.57	5,155.57
<b>Total</b>	<b>-</b>	<b>-</b>	<b>89,582.45</b>	<b>89,582.45</b>	<b>-</b>	<b>-</b>	<b>89,582.45</b>	<b>89,582.45</b>

The carrying value and the fair value approximates

## Notes on Consolidated Financial Statement

### Note 1.44 Financial Instruments (ontd.)

#### A. Accounting classification and fair values (Contd.)

#### B. Measurement of fair values

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

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

#### C. Valuation techniques

The following methods and assumptions were used to estimate the fair values

- 1) Fair value of the cash and short term deposits, current loans and advances and other current financial liabilities, short term borrowing from banks and other financial institutions and other similar items approximate their carrying value largely due to short term maturities of these instruments.
- 2) Long-term receivables/borrowings are evaluated by the Company based on parameters such as interest rates, specific country risk factors, individual credit worthiness of the customer and the risk characteristics of the financed project. Based on this evaluation, allowances are taken into account for the expected credit losses of these receivables.
- 3) The fair value of unquoted instruments, loans from banks/financial institution and other financial liabilities is estimated by discounting future cash flows using rates currently available for debt of similar terms, credit risk and remaining maturities.

## Notes on Consolidated Financial Statement

Note 1.45: Information on Segment Working is given below:

(₹. in Lakhs)

Particulars	2018-19				2017-18			
	Heavy Engg. Division	Steel Foundry	Rail EPC	Total	Heavy Engg. Division	Steel Foundry	Rail EPC	Total
	1	2	3	4(1+2+3)	1	2	3	4(1+2+3)
<b>Revenue (Net of Excise Duty and Cess)</b>								
Gross Sales	78,093.80	26,558.66	94,902.55	1,99,555.01	29,691.55	13,318.51	75,262.17	1,18,272.23
Internal-Segment Sales	(1,892.21)	(12,809.00)	-	(14,701.21)	(2,302.74)	(3,037.15)	-	(5,339.89)
Other Operating Revenue	441.98	320.89	199.71	962.58	637.50	205.58	144.94	988.02
<b>Total Revenue</b>	<b>76,643.57</b>	<b>14,070.55</b>	<b>95,102.26</b>	<b>1,85,816.38</b>	<b>28,026.31</b>	<b>10,486.94</b>	<b>75,407.11</b>	<b>1,13,920.36</b>
<b>Result</b>								
Segment Result	2,328.95	2,949.31	8,259.54	13,537.80	(2,493.00)	583.66	6,259.98	4,350.64
Others (Net of Unallocated Expenses)				498.36				2,172.64
<b>Operating Profit/(Loss)</b>				<b>14,036.16</b>				<b>6,523.28</b>
Interest Expense				(5,849.05)				(4,840.52)
Interest Income				385.24				873.47
<b>Total Profit/(Loss) before Tax</b>				<b>8,572.35</b>				<b>2,556.23</b>
Provision for Current Tax				-				(783.96)
Provision for Deferred Tax				(1,166.88)				(326.79)
Income Tax for Earlier Year				(126.20)				(105.87)
<b>Profit/(Loss) from ordinary activities</b>				<b>7,279.27</b>				<b>1,339.61</b>
Extra ordinary items				-				-
<b>Net Profit/(Loss)</b>				<b>7,279.27</b>				<b>1,339.61</b>
<b>Other Information</b>								
Segment Assets	91,040.86	30,873.17	1,28,878.91	2,50,792.94	74,595.58	23,952.54	1,00,974.19	1,99,522.31
Unallocated Corporate assets				14,313.08				25,347.97
<b>Total assets</b>				<b>2,65,106.02</b>				<b>2,24,870.28</b>
Segment liabilities	50,130.62	10,452.53	90,652.32	1,51,235.47	42,116.36	7,341.89	68,329.27	1,17,787.52
Unallocated corporate liabilities				-				-
<b>Total Liabilities</b>				<b>1,51,235.47</b>				<b>1,17,787.52</b>
<b>Capital expenditure</b>				5,794.38				4,354.53
<b>Depreciation</b>				<b>2,908.91</b>				<b>2,494.03</b>
<b>Non-cash expenses other than depreciation</b>				728.36				28.15

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



## Notes on Consolidated Financial Statement

### Note 1.46 Tax Expense

(₹ In Lakhs)

Particulars	For the year ended	
	31st March 2019	31st March 2018
<b>a) Tax Expense</b>		
<b>Current Tax</b>		
- Current tax on profits for the year	1,794.71	1,182.24
- Adjustments for current tax of prior periods	126.20	105.87
- Total current tax expense	1,920.91	1,288.11
<b>Deferred Tax</b>		
- Decrease/(increase) in deferred tax assets	896.32	(585.36)
- (Decrease)/increase in deferred tax liabilities	270.56	912.15
- Total deferred tax expenses/(benefit)	1,166.88	326.79
<b>MAT credit entitlement</b>	(1,794.71)	(398.28)
<b>Tax Expense</b>	<b>1,293.08</b>	<b>1,216.62</b>
<b>b) Reconciliation of tax expenses and the accounting profit multiplied by Indis'a tax rate</b>		
<b>Profit before tax</b>	8,572.35	2,556.23
Tax at the Indian tax rate of 34.944% (previous year - 34.608%)	2,995.52	884.66
<b>Tax effect of amounts which are not deductible (taxable) in calculating taxable income</b>		
- Corporate social responsibility expenditure	18.40	11.57
- Disallowance of estimated expenditure to earn tax exempt income	10.83	12.12
- Others	120.21	136.36
<b>Tax effect of amounts which are deductible (non-taxable) in calculating taxable income</b>		
- Income from dividend	-	-
- Weighted deduction on R&D expenses	(8.74)	(14.88)
- Income from Investment	(191.84)	(197.96)
- Income from fair valuation of mutual funds	-	-
- Income from rented property	(18.64)	(3.05)
- Others	(584.26)	(548.19)
<b>Tax effect of other adjustment</b>		
- Income tax for earlier years	126.20	105.87
- MAT Credit/carry forward losses adjustment & Others	(1,174.60)	830.12
<b>Tax Expense</b>	<b>1,293.08</b>	<b>1,216.62</b>

### Note 1.47: Information for Consolidated Financial Statements pursuant to Schedule III of the Companies Act, 2013

(₹. in Lakhs)

Name of the entity	Net Assets, i.e., total assets minus total liabilities		Share in Profit or (Loss)		Share in other comprehensive income (OCI)		Share in total comprehensive income	
	As % of consolidated Net Assets	Amount (Rs. in lakhs)	As % of consolidated profit or loss	Amount (Rs. in lakhs)	As % of consolidated OCI	Amount (Rs. in lakhs)	As % of total comprehensive income	Amount (Rs. in lakhs)
<b>Parent</b>								
Texmaco Rail & Engineering Ltd.	100.14%	1,14,025.26	99.82%	7,527.98	856.25%	2.74	99.86%	7,530.72
<b>Indian Subsidiaries</b>								
Belur Engineering Pvt. Ltd.	0.01%	10.52	0.02%	1.34	0.00%	-	0.02%	1.34
Texmaco Transtrack Pvt. Ltd.	0.00%	(3.41)	(0.05%)	(3.76)	0.00%	-	(0.05%)	(3.76)
Texmaco Defence Pvt. Ltd.	0.01%	8.70	(0.02%)	(1.30)	0.00%	-	(0.02%)	(1.30)
<b>Non Controlling Interest in all subsidiaries</b>	-	2.59	(0.03%)	(2.48)	-	-	(0.03%)	(2.48)
<b>Joint Ventures</b>								
Touax Texmaco Railcar Leasing Pvt. Ltd.	-	-	2.98%	224.83	-	-	2.98%	224.83
Wabtech Texmaco Rail Pvt. Ltd.	-	-	0.49%	37.17	-	-	0.49%	37.17
Consolidation Adjustment and Elimination	(0.15%)	(173.11)	(3.22%)	(242.51)	(756.25%)	(2.42)	(3.25%)	(244.93)
<b>Total</b>	<b>100.00%</b>	<b>1,13,870.55</b>	<b>100.00%</b>	<b>7,541.27</b>	<b>100.00%</b>	<b>0.32</b>	<b>100.00%</b>	<b>7,541.59</b>

## Notes on Consolidated Financial Statement

### Note 1.48 Other Disclosures

Other notes and disclosures to be inserted in the consolidated financial statements are similar to those of standalone financial statements of Texamco Rail & Engineering Ltd.; and hence have not been repeated here.

The relevant note references in the standalone financial statements are given below:

Particulars	Note Reference of stand-alone financial statements
Employees Stock Option Scheme	Note 1.41
Employee Benefits	Note 1.44
Value of Raw Materials and Stores Consumed (Including Components and Spare Parts) Services Etc.	Note 1.46
Value of Imports on C.I.F. Basis	Note 1.47
Analysis of Raw Material Consumed	Note 1.48
Expenditure in Foreign Currency	Note 1.51
Income in Foreign Exchange	Note 1.52
Details of Inventory of Work in Progress	Note 1.53
As a part of company's risk management policy, the financial risks mainly relating to changes in the exchange rates are hedged by using a combination of forward contracts, besides the natural hedges.	Note 1.54
Financial Reporting of Interests in Joint Ventures	Note 1.56
Lease	Note 1.57
Financial Risk Management Objectives and policies	Note 1.58
Capital Management	Note 1.59

There are no changes arising out of inclusion of the subsidiaries/associate amounts in the above disclosures

**Note 1.49** Previous year figure have been regrouped/ rearranged/ restated/ recast wherever necessary to confirm this year classification.

**Note 1.50** Figures below ₹ 500/- have been omitted for rounding off, ₹ 500/- and above have been rounded off to the next ₹ 1000/-.

In terms of our Report of even date attached herewith.

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

Chartered Accountants

Firm Registration No: 301088E

**D. N. Roy**

Partner

Membership No.300389

B2/1, Gillander House

8, Netaji Subhas Road

Kolkata- 700 001

Dated: 13th May, 2019

**Ravi Varma**

Company Secretary

**Directors**

**S. K. Poddar**

**A. C. Chakrabortti**

**Sandeep Fuller**

**D. H. Kela**

**A. K. Vijay**

**G. C. Agarwal**

# Moments of Pride . . .



*EEPC India (ER) 34th Regional 'Star Performer' Award being presented by the Hon'ble Governor of West Bengal, **Mr. K.N. Tripathi** to Texmaco Corporate Advisor, Mr. Ramesh Maheshwari, and Executive Director, Steel Foundry, Mr. D.H. Kela at a ceremony at Taj Bengal, Kolkata. Also attended by U.S. Consul General Ms. Patti Hoffman.*

**TEXMACO RAIL & ENGINEERING LTD.**  
**The Total Rail Solution Provider**  
Belgharia, Kolkata 700 056



# TEXMACO RAIL & ENGINEERING LIMITED

CIN: L29261WB1998PLC087404

Registered Office: Belgharia, Kolkata - 700 056

Phone: (033) 2569 1500, Fax: (033) 2541 2448

Email: [texrail\\_cs@texmaco.in](mailto:texrail_cs@texmaco.in), Website: [www.texmaco.in](http://www.texmaco.in)

## NOTICE TO THE SHAREHOLDERS

Notice is hereby given that the 21<sup>st</sup> Annual General Meeting of **TEXMACO RAIL & ENGINEERING LIMITED** will be held on **Monday, 9<sup>th</sup> September 2019 at 2:00 P.M. at K. K. Birla Kala Kendra, Texmaco Estate, Belgharia, Kolkata – 700 056**, to transact the following businesses:

### ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statement including the Audited Consolidated Financial Statement of the Company, the Reports of the Board of Directors and the Auditors Report thereon for the Financial Year ended 31<sup>st</sup> March 2019.
2. To declare Dividend on Equity Shares for the Financial Year ended 31<sup>st</sup> March 2019.
3. To appoint a Director in place of Mr. Damodar Hazarimal Kela (DIN: 01050842), who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Mr. Ashok Kumar Vijay (DIN: 01103278), who retires by rotation and being eligible offers himself for re-appointment.

### SPECIAL BUSINESS

#### Item No. 5

**To consider and if thought fit, to pass the following Resolution as an Ordinary Resolution: -**

“RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), M/s DGM & Associates, Cost Accountants, (Firm Registration Number 000038), be and is hereby appointed as the Cost Auditor of the Company by the Board of Directors, to conduct the Audit of the Cost Records of the Company for the Financial Year ending 31<sup>st</sup> March, 2020, be paid ₹ 1,75,000/- plus out of pocket expenses and applicable taxes.”

#### Item No. 6

**To consider and if thought fit, to pass the following Resolution as a Special Resolution: -**

“RESOLVED that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions

of the Companies Act, 2013 and the Rules framed 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, Mr. Indrajit Mookerjee (DIN: 01419627), be and is hereby appointed to the Board of Directors as an Independent Director of the Company for a term of 5 (Five) consecutive years with effect from 9<sup>th</sup> September 2019 to 8<sup>th</sup> September 2024.”

#### Item No. 7

**To consider and if thought fit, to pass the following Resolution as a Special Resolution: -**

“RESOLVED that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules framed 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, Mr. Amal Chandra Chakrabortti (DIN: 00015622), be and is hereby re-appointed to the Board of Directors as an Independent Director of the Company for a term of 3 (Three) consecutive years with effect from 4<sup>th</sup> September 2019 to 3<sup>rd</sup> September 2022.”

#### Item No. 8

**To consider and if thought fit, to pass the following Resolution as a Special Resolution: -**

“RESOLVED that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 and the Rules framed 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, Mr. Devarayapuram Ramasamy Kaarthikeyan (DIN: 00327907) be and is hereby re-appointed to the Board of Directors as an Independent Director of the Company for a term of 5 (Five) consecutive years with effect from 4<sup>th</sup> September 2019 to 3<sup>rd</sup> September 2024.”

#### Item No. 9

**To consider and if thought fit, to pass the following Resolution as a Special Resolution:-**

“RESOLVED that pursuant to the provisions of Sections 149, 150 and 152 read with Schedule IV and other applicable provisions

of the Companies Act, 2013 and the Rules framed 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, Mr. Sunil Mitra (DIN: 00113473) be and is hereby re-appointed to the Board of Directors as an Independent Director of the Company for a term of 5 (Five) consecutive years with effect from 4th September 2019 to 3rd September 2024.”

#### **Item No. 10**

**To consider and if thought fit, to pass the following Resolution as a Special Resolution: -**

“RESOLVED that pursuant to the provisions of Sections 197, 198, read with Schedule V and other applicable provisions of the Companies Act, 2013(Act) and the Rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded to the remuneration paid in excess of the limits prescribed under the provisions of the Act read with Schedule V of the Act, to the Executive Directors, being the remuneration agreed to be paid to them in normal course as stated in the explanatory statement attached hereto.”

#### **Item No. 11**

**To consider and if thought fit, to pass, the following resolution as a Special Resolution:-**

“RESOLVED that in supersession of resolution passed by the Board of Directors at its meeting held on 27<sup>th</sup> October 2014 and pursuant to the provisions of Sections 179 and 180 and such other applicable provisions, if any of the Companies Act, 2013 (Act) read with Companies (Meetings of Board and its Powers) Rules, 2014 (including any statutory modifications or re-enactments thereof) and pursuant to the provisions of Articles of Association of the Company, the approval of the members of the Company be and is hereby accorded to the Board of Directors and/or any Committee of Directors thereof, to borrow any sum or sums of money, in one or more tranches, from, including without limitation, any Bank and/or other Financial Institution and/or foreign lender and/or any body corporate/ entity/entities and/ or authority/authorities, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, bonds, commercial papers, short term loans or any other instruments etc. and/or through credit from official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, with or without security such that the monies to be borrowed together with the monies already borrowed by the Company apart from the temporary loans obtained from the Company's bankers in ordinary course of business may, at any time, exceed the aggregate of the paid-up share capital of the Company, its free reserves and securities premium, subject to such aggregate borrowings not exceeding the amount of ₹ 2000 Crores.”

“FURTHER RESOLVED that the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and to delegate all or any of the above powers to a Committee constituted by the Board and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

“FURTHER RESOLVED that the Board of Directors of the Company be and are hereby authorized to finalise with Banks/ Financial Institutions, the documents for creating pledge, mortgage, hypothecate and/or charge all or any part of the moveable or immoveable properties of the Company and the whole or part of the undertaking of the Company of every nature and kind whatsoever and/or creating a floating charge in all or any moveable or immoveable properties of the Company and the whole of the undertaking of the Company to or in favour of banks, financial institutions, investors and any other lenders or debenture trustees to secure the amount borrowed by the Company or any third party from time to time and to do all such acts, deeds, matters and things as may be necessary, proper and expedient or incidental for giving effect to this resolution.”

“FURTHER RESOLVED that Messrs. S. K. Poddar, Sandeep Fuller, D. H. Kela, G. C. Agrawal and A. K. Vijay, Directors of the Company and Company Secretary be and are hereby severally authorised to sign / digitally certify all the requisite forms/ returns and other relevant documents as provided in the Act and file / e-file the same with the Ministry of Corporate Affairs/ Registrar of Companies or other statutory bodies / authority(ies) as applicable.”

#### **Item No. 12**

**To consider and if thought fit, to pass the following Resolution as a Special Resolution: -**

“RESOLVED that pursuant to the provisions of the Companies Act, 2013 including Sections 23, 42, 62, 71 and 179 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (the Companies Act) and the rules and regulations made thereunder (including any amendments, statutory modification(s) and/ or re-enactment thereof for the time being in force) (Companies Act) and in accordance with the provisions of the Memorandum and Articles of Association of the Company and subject to and in accordance with any other applicable laws or regulations, including without limitation, listing agreement entered into with the stock exchanges where the equity shares of the Company are listed (Stock Exchanges), the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (SEBI ICDR Regulations) (including any amendment thereto or re-enactment thereof, for the time being in force), provisions of SEBI (Issue and Listing of Debt Securities) Regulations, 2008, as amended,



provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (SEBI Listing Regulations), the Issue of Foreign Currency Convertible Bonds and Ordinary Shares through (Depository Receipt Mechanism) Scheme, 1993, as amended (FCCB Scheme), the Foreign Exchange Management Act, 1999 (FEMA), as amended, Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2017, as amended, Foreign Exchange Management (Transfer or Issue of any Foreign Security) Regulations, 2004, as amended and in accordance with the rules, regulations, guidelines, notifications, circulars and clarifications issued thereon, from time to time, by Securities and Exchange Board of India, Reserve Bank of India (RBI) (including RBI's circulars, notifications and directions on External Commercial Borrowings), the Stock Exchanges, the Government of India, the Ministry of Corporate Affairs or any other relevant authority from time to time (Governmental Authorities), to the extent applicable, and subject to such other approvals, consents, permissions and sanctions as may be required from such Governmental Authorities or any other regulatory/ statutory authorities, in India or abroad from time to time, to the extent applicable and subject to such conditions and modifications as may be prescribed, stipulated or imposed by such Governmental Authorities while granting such approvals, consents, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the 'Board' which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constituted to exercise its powers including the powers conferred by this resolution), the consent of the Members of the Company be and is hereby accorded to create, offer, issue and allot, such number of equity shares of the Company with a face value of ₹ 1/- (Rupee One) each (Equity Shares) and/or Equity Shares through convertible bonds (whether denominated in Indian rupees or foreign currency) and/or other securities convertible into Equity Shares at the option of the Company and/or the holder(s) of such securities and/or convertible securities linked to Equity Shares, or the issue of non-convertible debentures and/or Foreign Currency Convertible Bonds (FCCBs) and/or Non-Convertible Debentures (NCDs) and/or Partly Convertible Debentures (PCDs), Optionally Convertible Debentures (OCDs) and/or any other permitted fully and/or partly-paid securities/ instruments/ warrants, convertible into or exchangeable for Equity Shares at the option of the Company and/or holder(s) of the security(ies) and/ or securities linked to Equity Shares, in registered or bearer form, secured or unsecured, unlisted or listed on a recognized stock exchange in India or abroad, whether rupee denominated or denominated in foreign currency (all of which are hereinafter collectively referred to as Securities) or any combination of Securities, in one or more tranches, in India or in course of international offering(s) in one or more foreign markets, by way of one or more public and/ or private offerings or any combination thereof, through issue of requisite offer document to any eligible person, whether residents and/or non-residents, and/or to such investors who are eligible to acquire such Securities in accordance with all applicable laws, rules, regulations, guidelines and approvals and whether

they be holders of the Equity Shares of the Company or not (collectively called the Investors) as may be decided by the Board in its absolute discretion and permitted under applicable laws and regulations in consultation with the lead managers, arrangers, advisors or other intermediaries, for an aggregate amount not exceeding ₹ 300 crores (Rupees three hundred crores only) or its equivalent thereof, in one or more currencies, if any, inclusive of such premium as may be fixed on the Securities by offering the Securities, at such price or prices or premium to market price or prices permitted under applicable laws in such manner and on such terms and conditions including security, rate of interest, etc. as may be deemed appropriate by the Board at its absolute discretion including the discretion to determine the categories of Investors to whom the offer, issue and allotment shall be made to the exclusion of other categories of Investors at the time of such offer, issue and allotment considering the prevailing market conditions and other relevant factors and wherever necessary in consultation with book running lead manager(s) and/or arrangers and/or underwriter(s) and/or other advisor(s) or intermediary (ies) appointed and / or to be appointed by the Company (the Issue) and without requiring any further approval or consent from the members."

"FURTHER RESOLVED that in case of any offering of Securities, including without limitation any FCCBs other securities convertible into equity shares, the Board (including a Committee of the Board) be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion, redemption or cancellation of any such Securities referred to above in accordance with the terms of issue/offering in respect of such Securities and such equity shares shall rank pari-passu with the existing equity shares of the Company in all respects including entitlement to dividend, except as may be provided otherwise under the terms of issue/offering and in the offer document and/or offer letter and/or offering circular and /or listing particulars."

"FURTHER RESOLVED that in addition to all applicable Indian laws, the Securities issued pursuant to this resolution shall also be governed by all applicable laws of any foreign jurisdiction where such Securities are or are proposed to be marketed or listed, or that may in any other manner apply in this relation."

"FURTHER RESOLVED that in the event the Securities are proposed to be issued as FCCBs, the relevant date for the purpose of pricing the Securities shall be determined in accordance with the FCCB Scheme as the case may be (including any amendments thereto or re-enactment thereof, for the time being in force) or as may be permitted under applicable law."

"FURTHER RESOLVED that the Board / Committee of Directors be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted, including issue and allotment of Equity Shares upon conversion of any Securities referred to above or as may be necessary in accordance with the terms of the Issue and all such Equity Shares

shall rank pari passu inter-se and with the then existing Equity Shares of the Company in all respects, including entitlement to dividend, which shall be subject to relevant provisions of the Memorandum of Association and Articles of Association of the Company and the applicable laws and regulations including any rules and regulations of any Stock Exchanges.”

“FURTHER RESOLVED that without prejudice to the generality of the above, the Securities may have such features and attributes or any terms or combination of terms in accordance with domestic and international practices to provide for the tradability and free transferability thereof as per applicable law including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, prepayment and any other debt service payments whatsoever including terms for issue of additional Equity Shares or variation of the conversion price of the Securities during the duration of the Securities and the Board be and is hereby authorised in its absolute discretion, in such manner as it may deem fit, to dispose of such of the Securities that are not subscribed in accordance with applicable law.”

“FURTHER RESOLVED that the Board / Committee of Directors be and is hereby authorized to engage, appoint lead manager(s), arranger(s), underwriter(s), guarantor(s), depositories, custodian(s), registrar(s), stabilizing agent(s), trustee(s), banker(s), lawyer(s), advisor(s) and all such professionals or intermediaries or agencies as may be involved or concerned in such offerings of Securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memorandum, arrangement(s), placement agreement(s)/ underwriting agreement(s) / deposit agreement(s) / trust deed(s) / subscription agreement/ payment and conversion agency agreement/ any other agreements or documents, etc., with such agencies and also to seek the listing of such Securities on the Stock Exchange(s)/ International Stock Exchanges and the Equity Shares to be issued on conversion of the Securities as set forth in the aforesaid resolution, if any, on the Stock Exchange(s), authorizing any director(s) or any officer(s) of the Company to sign for and on behalf of the Company, the offer document(s), agreement(s), arrangement(s), application(s), authority letter(s), or any other related paper(s) / document(s) and give any undertaking(s), affidavit(s), certificate(s), declaration(s) as the Board may in its absolute discretion deem fit including the authority to amend or modify the aforesaid document(s).”

“FURTHER RESOLVED that for the purpose of giving effect to any offer, issue or allotment of Securities or instruments representing

the same, as described above, the Board, the committee of directors, where required in consultation with the advisors as mentioned above, be and is hereby authorised on behalf of the Company, to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary or desirable for such purpose, including but not limited to finalize, approve and issue any document(s), including finalization and approval of the preliminary as well as final offer document(s), determining the form and manner of the Issue including the selection of Investors to whom the Securities are to be offered, issued and allotted, number of Securities to be allotted, issue price, face value, discounts permitted under applicable law (now or hereafter), premium amount on issue/conversion of the Securities, if any, rate of interest, period of conversion or redemption, listing on one or more stock exchanges in India and/or abroad and any other terms and conditions of the issue, including any amendments or modifications to the terms of the Securities and any agreement or document (including without limitation, any amendment or modification, after the issuance of the Securities), the execution of various transaction documents, creation of mortgage/ charge in accordance with the provisions of the Companies Act and any other applicable laws or regulations in respect of any Securities, either on a pari-passu basis or otherwise, fixing of record date or book closure and related or incidental matters as the Board in its absolute discretion deems fit and to settle all questions, difficulties or doubts that may arise in relation to the issue, offer or allotment of the Securities, accept any modifications in the proposal and matters related thereto and with power on behalf of the Company to settle all questions, difficulties or doubts that may arise in regard to such issue(s) or allotment(s) as it may, in its absolute discretion, deem fit without being required to seek further consent or approval of the members or otherwise to the end and intent that the members shall be deemed to have given their approval thereto expressly by the authority of this Resolution.”

“FURTHER RESOLVED that for the purpose aforesaid, any Director and / or Company Secretary, or the committee of directors, be and is hereby authorised to make all filings including as regards the requisite listing application/ prospectus/ offer document/registration statement, or any draft(s) thereof, or any amendments or supplements thereof, and of any other relevant documents with the Stock Exchanges (in India or abroad), the RBI, the SEBI, the Registrar of Companies and such other authorities or institutions in India and/or abroad for this purpose and to do all such acts, deeds and things as may be necessary or incidental to give effect to the resolutions above wherever necessary.”

Belgharia  
Kolkata - 700 056  
Dated: 8<sup>th</sup> August 2019

**By the order of the Board**  
**A. K. Vijay**  
*Executive Director*

## NOTES:

- i. **A Member entitled to attend and vote at the Annual General Meeting (AGM) may appoint a Proxy to attend and vote on a poll on his / her behalf, and the Proxy need not be a Member of the Company.**

**The instrument appointing Proxy, in order to be effective, must be duly signed, stamped, completed in all respects and must be deposited at the Registered Office of the Company located at Belgharia, Kolkata - 700 056, not less than FORTY-EIGHT HOURS before the commencement of the AGM i.e. by 2:00 P.M. on Saturday, 7<sup>th</sup> September 2019.**

**The Proxy Form submitted on behalf of Limited Companies, Societies, etc., must be supported by appropriate Resolution(s) / Authority as may be applicable. A Person can act as proxy on behalf of Members not exceeding 50 (Fifty) and holding in the aggregate not more than 10% of the total Paid-up Share Capital of the Company carrying voting rights. In case a proxy is proposed to be appointed by a Member holding more than 10% of the total Paid-up Share Capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other Member.**

**Proxy shall carry his / her identity proof (any one of PAN Card, Voter ID Card, Aadhaar Card, Driving License, Passport, etc.) at the venue of the AGM.**

- ii. **The Register of Members of the Company will remain closed from Saturday, 24<sup>th</sup> August 2019 to Monday, 9<sup>th</sup> September 2019 (both days inclusive).**
- iii. The Explanatory Statement, setting out the material facts relating to the businesses at Item nos. 5 to 12 of the Notice as set out above, is annexed hereto.
- iv. In terms of Section 152 of the Companies Act, 2013, Mr. Damodar Hazarimal Kela (DIN: 01050842) and Mr. Ashok Kumar Vijay (DIN: 01103278), who retire by rotation and being eligible, offers themselves for re-appointment at the ensuing AGM.

The Board of Directors recommends their re-appointment. Additional information in respect of their re-appointment, pursuant to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards forms a part of this Notice.

- v. The Audited Financial Statement including the Audited Consolidated Financial Statement of the Company, the Reports of the Board of Directors and the Auditors Report thereon and all other documents of the Company annexed

or attached there to are available for inspection by the Members at the Registered & Corporate Office of the Company between 11:00 A.M. and 1:00 P.M. on all working days from the date hereof up to the date of AGM.

- vi. To support the 'Green Initiative', Members who have not registered their e-mail IDs so far are requested to register their e-mail IDs, so that they can receive the Annual Report and all other communication from the Company through electronic mode.
- vii. In line with the SEBI Circular and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 emphasizing electronic fund transfer, Members are requested to provide their Bank details to the Company / Registrar & Share Transfer Agent (RTA) in order to avail the electronic payment facility.

### viii. **Voting through electronic means:**

1. In terms of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Resolutions proposed at this AGM will be transacted through remote e-voting (facility to cast vote from a place other than the venue of the AGM) and also by way of e-voting (Insta Poll) at the AGM, for which purpose the Company has engaged the services of Karvy Fintech Private Limited (Karvy). The Board of Directors of the Company has appointed Ms. Geeta Roy Chowdhury as the Scrutinizer for this purpose.

The instructions for remote e-voting are as under:

- a) Open your web browser during the remote e-voting period and navigate to <https://evoting.karvy.com>
- b) Enter the login credentials [i.e. user ID and password mentioned in the Attendance Slip of the Notice of this AGM or as mentioned in the e-mail sent to those Shareholders, who have registered their e-mail IDs]. Your Folio No. / DP ID Client ID will be your user ID.
- c) Put user ID and password as initial password / PIN noted in step a) above. Click Login.
- d) You will reach the 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 any contact details like mobile, e-mail IDs, etc., on first

- login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- e) You need to login again with the new credentials.
  - f) On successful login, the system will prompt you to select the 'EVENT' i.e., Texmaco Rail & Engineering Limited.
  - g) On the voting page, you will see Resolution Description and against the same the option 'FOR / AGAINST' for voting. Enter the number of Equity Shares (which represents number of votes) as on the cut-off date under 'FOR / AGAINST' or alternatively, you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR / AGAINST' taken together should not exceed the total shareholding. You may also choose the option 'ABSTAIN'.
  - h) Cast your vote by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'OK', else to change your vote, click on 'CANCEL' and accordingly modify your vote.
  - i) Once you 'CONFIRM', you will not be allowed to modify your vote. During the voting period, Shareholders can Login any number of times till they have voted on the Resolutions.
  - j) Institutional Shareholders (i.e. other than Individuals, HUF, NRI, etc.) are required to send scanned copy (PDF / JPG Format) of the relevant Board Resolution, Authority letter, etc., together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail at [geetaroychowdhury@gmail.com](mailto:geetaroychowdhury@gmail.com) with a copy marked to [evoting@karvy.com](mailto:evoting@karvy.com).
  - k) Any person who becomes a Member of the Company after the dispatch of the Notice and holds Equity Shares as on the cut-off date i.e., **Monday, 2<sup>nd</sup> September 2019** may approach the Company / Karvy for issuance of the User ID and Password for exercising their right to vote by electronic means by the following procedure:
    - a. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the Member may send SMS: MYEPWD <space> E-voting Event number + Folio No. or DP ID Client ID to 9212993399.  
  
Example for NSDL: MYEPWD<SPACE>IN12345612345678  
Example for CDSL: MYEPWD<SPACE>1402345612345678  
Example for Physical: Event No. XXXX MYEPWD<SPACE>XXXX1234567
    - b. If the e-mail ID or mobile number of the Member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.karvy.com>, the Member may click 'FORGOT PASSWORD' and enter Folio No. or DP ID Client ID and PAN to generate a password.
    - c. Member may call Karvy's toll free number 1800-3454-001.
    - d. Member may send an e-mail request to [evoting@karvy.com](mailto:evoting@karvy.com).
2. Voting rights will be reckoned on the paid-up value of Equity Shares registered in the name of the Members as on **Monday, 2<sup>nd</sup> September 2019 (cut-off date)**. Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date will be entitled to cast their votes by remote e-voting or e-voting at the AGM.
  3. The remote e-voting period commences at **9:00 A.M. on Thursday, 5<sup>th</sup> September 2019 and ends at 5:00 P.M. on Sunday, 8<sup>th</sup> September 2019**. During this period, Shareholders of the Company holding Equity Shares either in physical form or in dematerialized form, as on the cut-off date i.e. **Monday, 2<sup>nd</sup> September 2019** may cast their vote electronically.  
  
The e-voting module shall be blocked for voting thereafter. Once, the vote on a Resolution is cast by the Shareholder, such Shareholder shall not be allowed to change it subsequently.
  4. The Members who have already casted their vote through remote e-voting cannot vote again at the e-voting at the AGM venue. However, such Member shall be entitled to attend the AGM.

5. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting User Manual for Shareholders available at the download section of <http://e-voting.karvy.com> or contact Karvy at Tel No. 1800- 3454-001 (toll free) or any grievances may please be sent to the e-mail ID: [evoting@karvy.com](mailto:evoting@karvy.com) or may be addressed to the Company Secretary at the e-mail ID [evoting\\_textrail@texmaco.in](mailto:evoting_textrail@texmaco.in)
6. The Results of the e-voting will be declared on or after the date of the AGM i.e. **Monday, 9<sup>th</sup> September 2019**. The declared Results, along with the Scrutiniser's Report will be available on the Company's website [www.texmaco.in](http://www.texmaco.in) and on the website of Karvy; such Results will also be forwarded to the Stock Exchange(s) where the Equity Shares of the Company are listed.
7. Shareholders who are not the Members of the Company as on the Record Date shall treat this Notice for information purpose only.

## Explanatory Statement

### SPECIAL BUSINESS

#### Item No. 5

The Board on the recommendation of the Audit Committee, at its Meeting held on 13<sup>th</sup> May 2019 has approved the appointment and remuneration of M/s DGM & Associates, Cost Accountants, (Firm Registration Number 000038) as the Cost Auditor to conduct the Audit of the Cost Records of the Company for the Financial Year ending 31<sup>st</sup> March 2020 at a remuneration of ₹1,75,000 plus out-of-pocket expenses and applicable taxes as incurred from time to time. In accordance with the provisions of Section 148 of the Companies Act, 2013 and the Rules framed thereunder, the remuneration payable to the Cost Auditor is required to be ratified by the Members of the Company.

A certificate issued by the aforementioned firm regarding their eligibility for appointment as Cost Auditor is available for inspection at the Registered & Corporate Office of the Company between 11:00 A.M. and 1:00 P.M. on all working days from the date hereof upto the date of the AGM.

None of the Directors or Key Managerial Personnel including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed Resolution except upto their Shareholding interest, if any, in the Company.

The Board of Directors of the Company recommends the passing of the proposed resolution as an Ordinary Resolution.

#### Item No. 6

The Board, on the recommendation of the Nomination and Remuneration Committee, at its Meeting held on 8<sup>th</sup> August 2019, has approved the appointment of Mr. Indrajit Mookerjee as an Independent Director to the Board of Directors of the Company for a term of 5 (Five) consecutive years w.e.f. 9<sup>th</sup> September 2019.

As per the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations), no listed entity shall appoint a person or continue the directorship of any person as non-executive director who has attained the age of 75 (seventy-five) years unless a Special Resolution is passed to that effect. Further, Mr. Mookerjee would attain the age of 75 (seventy-five) during his tenure of directorship and hence, the appointment is recommended to be approved by the Shareholders by a Special Resolution.

Mr. Mookerjee, aged 73 years, is an IITian from Kharagpur, having 20 years of experience of working in abroad and a total experience of 46 years. He is a Director of Lorch Welding Products Private Limited and he is also associated with the Tollygunge Club Limited. Mr. Mookerjee is also an active social worker.

The Company has received a declaration from Mr. Mookerjee that he is not disqualified to act as a Director under Section 164 of the Companies Act, 2013 (Act) and that he meets the criteria of Independence as prescribed under Section 149 of the Companies Act, 2013 and the Listing Regulations.

As per the opinion of the Board, he fulfils the criteria specified in the Act, and Rules made thereunder and the applicable Regulation(s) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the appointment as an Independent Director.

The Board of Directors is of the opinion that his vast knowledge and varied experience will be of great value to the Company.

The Company has in terms of Section 160(1) of the Companies Act, 2013 received a valid notice from a Member of the Company, proposing the candidature of Mr. Mookerjee for the office of the Independent Director.

Except Mr. Mookerjee and his relatives, no other Director or Key Managerial Personnel including their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed Resolution except to their Shareholding interest, if any, in the Company.

The Board of Directors of the Company recommends the passing of the proposed resolution as a Special Resolution.



**Item No. 7**

The present term of Mr. Amal Chandra Chakrabortti (DIN: 00015622) expires on 3rd September 2019. In view of his vast knowledge and valuable contribution made during his tenure, the Board of Directors based on the recommendation of the Nomination and Remuneration Committee, at its Meeting held on 8th August 2019 has approved the re-appointment as an Independent Director w.e.f. 4th September 2019 for another term of 3 (Three) consecutive years.

The Company has received a declaration from Mr. Chakrabortti that he is not disqualified to act as a Director under Section 164 of the Companies Act, 2013 (Act) and that he meets the criteria of Independence as prescribed under Section 149 of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations).

As per the opinion of the Board, he fulfils the criteria specified in the Act, and Rules made thereunder and the applicable Regulation(s) of the Listing Regulations for the re-appointment as an Independent Director.

Mr. Amal Chandra Chakrabortti, aged 88 years, a qualified Chartered Accountant, was a Managing Partner of S. R. Batliboi & Co. and Ernst & Young. He had also held the position of President of the Institute of Chartered Accountants of India and was a Member of the Governing Committee of the International Federation of Accountants, New York. He is presently associated with a number of Companies as a Director.

The Company has in terms of Section 160(1) of the Act, received a valid notice from a Member of the Company, proposing the candidature of Mr. Chakrabortti for the office of the Independent Director.

Except Mr. Chakrabortti and his relatives, no other Director or Key Managerial Personnel including their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed Resolution except to their Shareholding interest, if any, in the Company.

The Board of Directors of the Company recommends the passing of the proposed resolution as a Special Resolution.

**Item No. 8**

The present term of Mr. Devarayapuram Ramasamy Kaarthikeyan (DIN: 00327907) expires on 3<sup>rd</sup> September 2019. In view of his vast knowledge and valuable contribution made during his

tenure, the Board of Directors based on the recommendation of the Nomination and Remuneration Committee, at its Meeting held on 8<sup>th</sup> August 2019 has approved the re-appointment of Mr. Kaarthikeyan as an Independent Director for another term of 5 (Five) consecutive years w.e.f. 4<sup>th</sup> September 2019.

The Company has received a declaration from Mr. Kaarthikeyan that he is not disqualified to act as a Director under Section 164 of the Companies Act, 2013 (Act) and that he meets the criteria of Independence as prescribed under Section 149 of the Act and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations).

As per the opinion of the Board, he fulfils the criteria specified in the Act, and Rules made thereunder and the applicable Regulation(s) of the Listing Regulations for the re-appointment as an Independent Director.

Mr. Kaarthikeyan, aged 79 (seventy nine) years, is a Graduate in Bachelor of Science (Chemistry and Agriculture) and is also a Bachelor of Law. After practising as Lawyer for three years, he got selected and appointed to the elite Indian Police Service and in that capacity he held several positions including District Superintendent of Police of large problematic districts like Gulbarga, Dharwar and Belgaum, major Districts of Karnataka State in India.

He held challenging positions like Chief of Investigation team offomer Prime Minister Rajiv Gandhi assassination case; Director General of Central Reserve Police Force, the largest para-military force in India; Director of the prestigious Central Bureau of Investigation of India; and Director-General in the National Human Rights Commission. In 2010, Mr. Kaarthikeyan was conferred the Padma Shri, one of the highest civilian awards in the Country, by the Government of India in recognition of his exceptional and distinguished services rendered to the Nation. His services in the various fields have been recognised by grant of many awards and titles.

The Company has in terms of Section 160(1) of the Act, received a valid notice from a Member of the Company, proposing the candidature of Mr. Kaarthikeyan for the office of the Independent Director.

Except Mr. Kaarthikeyan and his relatives, no other Director or Key Managerial Personnel including their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed Resolution except to their Shareholding interest, if any, in the Company.

The Board of Directors of the Company recommends the passing of the proposed resolution as a Special Resolution.



### Item No. 9

The present term of Mr. Sunil Mitra (DIN: 00113473) expires on 3<sup>rd</sup> September 2019. In view of his vast knowledge and valuable contribution made during his tenure, the Board of Directors based on the recommendation of the Nomination and Remuneration Committee, at its Meeting held on 8<sup>th</sup> August 2019 has approved the re-appointment as an Independent Director w.e.f. 4<sup>th</sup> September 2019 for another term of 5 (Five) consecutive years.

The Company has received a declaration from Mr. Mitra that he is not disqualified to act as a Director under Section 164 of the Companies Act, 2013 (Act) and that he meets the criteria of Independence as prescribed under Section 149 of the Act and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (Listing Regulations).

As per the opinion of the Board, he fulfils the criteria specified in the Act, and Rules made thereunder and the applicable Regulation(s) of the Listing Regulations for the re-appointment as an Independent Director.

Mr. Mitra, aged 67 years, is a B.Sc (Hons.). He had a public service career spanning over three and a half decades. He held the offices of Disinvestment Secretary, Revenue & Finance Secretary, Gol during which, he spearheaded important policy initiatives in public finance at national level, including a new disinvestment policy and far-reaching taxation reforms. During his office under the West Bengal Government, he was credited with the design and implementation of significant policy reform initiatives in the State-owned Public Sector Enterprises and the State's power sector.

The Company has in terms of Section 160(1) of the Act, received a valid notice from a Member of the Company, proposing the candidature of Mr. Mitra for the office of the Independent Director.

Except Mr. Mitra and his relatives, no other Director or Key Managerial Personnel including their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed Resolution except to their Shareholding interest, if any, in the Company.

The Board of Directors of the Company recommends the passing of the proposed resolution as a Special Resolution.

### Item No. 10

The details of Profit/Loss of the Company of the Company for the requisite years are as follows:

Sl No.	Financial Year	Net Profit/Loss (₹ in Cr)
1.	2014-2015	13.74
2.	2015-2016	21.59
3.	2016-2017	33.57
4.	2017-2018	10.07

The Members may note that the below mentioned Executive Directors of the Company were paid remuneration in terms of their appointment as approved by the Shareholders. However, the said remuneration was in excess of limits prescribed under the provisions of the Sections 197, 198 read with Schedule V, other applicable provisions of the Companies Act, 2013 and the Rules framed thereunder. The Company had accordingly made an application to Central Government which stands abated as per notification dated 12<sup>th</sup> September 2018. Therefore, in terms of the said notification, the approval from the shareholders is required to be obtained by passing a Special Resolution.

The Members may also note that the application for approving excess remuneration paid to the Executive Directors mentioned hereunder were made to the Central Government with respect to the following details:

Sl No.	Name of Executive Directors	Financial Years
1.	Mr. Saroj Kumar Poddar	2014-15, 2015-16, 2016 17 & 2017-18
2.	Mr. Ramesh Maheshwari*	2014-15 & 2015-16
3.	Mr. Sandeep Fuller	2014-15 & 2015-16
4.	Mr. Damodar Hazarimal Kela	2014-15 & 2015-16
5.	Mr. Ashok Kumar Vijay	2014-15 & 2015-16

\*ceased w.e.f. 25th September 2016

Except the aforementioned Executive Directors, and their relatives, no other Director or Key Managerial Personnel including their relatives is, in any way, concerned or interested, financially or otherwise, in the proposed Resolution except to their Shareholding interest, if any, in the Company.

The Board of Directors of the Company recommends the passing of the proposed Resolution as a Special Resolution.

### Item No. 11

Keeping in view the Company's existing and future financial requirements and in order to support its business operations, the Company needs additional funds. For this purpose, the Company is desirous of raising finance from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and/or such other persons/ individuals as may be considered fit, which, together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in ordinary course of business) may exceed the aggregate of the paid-up capital, the free reserves and the securities premium of the Company. Hence, it is proposed to increase the maximum borrowing limits up to ₹ 2000 crores. Further, in order to facilitate securing the borrowing made by the Company, it may be necessary to create charge on the assets or whole or part of the undertaking of the Company.

Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid-up capital of the Company, its free reserves and securities premium at any one time except with the consent of the members of the Company in a general meeting.

None of the Directors or Key Managerial Personnel including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed Resolution except upto their shareholding interest, if any, in the company.

The Board of Directors of the Company recommends the passing of the proposed resolution as a Special Resolution.

#### **Item No. 12**

It is proposed to raise funds by issue of Foreign Currency Convertible Bonds (FCCBs) to meet existing and future financial requirements and in order to support business operations of the Company, subject to statutory approvals and compliances as may be required to be obtained under applicable laws. The proposed issue of the FCCBs is within the borrowing limits of the Company under Section 180(1)(c) of the Companies Act, 2013 as approved by the shareholders of the Company.

The FCCBs will be converted into equity shares of the Company, subject to certain conditions. In such case, the Conversion Price should not be less than the average of the weekly high and low of the closing prices of the related shares quoted on the stock exchange during the two weeks preceding the relevant date or as otherwise required by applicable law.

The relevant date means date of the meeting in which the Board of the Company decides to open the proposed issue.

Section 62 of the Companies Act, 2013 (Act), provides, *inter-alia*, that a Company may increase its subscribed capital by the issue of further shares, to a person other than its existing shareholders, if such issuance of further shares is authorised by way of a special resolution passed to that effect by the Company in general meeting. The equity shares, if any, allotted on issue, conversion of Securities shall rank in all respects *pari passu* with the existing Equity Shares of the Company.

The Special Resolution, if passed, will have the effect of allowing the Board of Directors to issue and allot Securities to the investors who may or may not be the existing shareholders of the Company. Since, the proposed Special Resolution may result in issue of shares of the Company otherwise than to the existing members of the Company in the manner laid down under. Accordingly, the consent of the members is being sought, pursuant to the provisions of the Sections 23, 42 and 62 of the Act, as amended and all other applicable provisions of the Act, and the rules framed thereunder and other laws as applicable, authorising the Board to issue the FCCBs and such equity shares of the Company as may be required pursuant to the conversion of the FCCBs. The proposed issue is in the interest of the Company.

The Special Resolution also seeks to give the Board powers to issue Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and/or individuals or otherwise as the Board may in its absolute discretion deem fit.

None of the Directors or Key Managerial Personnel including their relatives are, in any way, concerned or interested, financially or otherwise, in the proposed Resolution except upto their shareholding interest, if any, in the company.

The Board recommends the passing of the above resolution by the members as a Special Resolution.

## Related Information of Directors seeking appointment or re-appointment at the forth coming Annual General Meeting for item nos. 3, 4, 6, 7, 8 and 9

[In pursuance of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Secretarial Standards]

Name of the Director	Mr. Damodar Hazarimal Kela	Mr. Ashok Kumar Vijay	Mr. Indrajit Mookerjee	Mr. Amal Chandra Chakrabortti	Mr. Devarayapuram Ramasamy Kaarthikeyan	Mr. Sunil Mitra
Age (in years)	78	65	71	88	79	67
Qualification	B.E. (Metallurgy)	ACA, ACS	IIT	B. Com, FCA, FCA – England & Wales	B. Sc, LLB	B.Sc (Hons.)
Date of first Appointment on the Board	1 <sup>st</sup> January 2010	1 <sup>st</sup> January 2015	9 <sup>th</sup> September 2019	25 <sup>th</sup> September 2010	2 <sup>nd</sup> September 2011	5 <sup>th</sup> November 2012
Expertise in specific functional areas	<ul style="list-style-type: none"> <li>Vast Experience of more than 53 years in the industry</li> <li>Holding senior positions in engineering and metallurgical Companies</li> <li>Architect for setting up of 2 most modern and automated Steel Foundry units equipped with High Pressure moulding lines for the Company</li> </ul>	<p>Qualified Chartered Accountant and Company Secretary with an experience of 42 years.</p>	<ul style="list-style-type: none"> <li>IITian from Kharagpur, having 20 years of experience of working in abroad and a total experience of 46 years</li> <li>He is a Director of Lorch Welding Products Private Limited</li> <li>He is also associated with the Tollygunge Club Limited</li> <li>He is also an active social worker</li> </ul>	<p>Core experience in financial regulation sector, with expertise knowledge in financial &amp; risk management</p>	<ul style="list-style-type: none"> <li>Experience in civil services</li> <li>Has held Challenging position including DG of RPF, DG of NHRC</li> </ul>	<ul style="list-style-type: none"> <li>Had a public service career spanning over three and a half decades.</li> <li>Held the offices of Disinvestment Secretary, Revenue &amp; Finance Secretary, Gol during which, he spearheaded important policy initiatives in public finance at national level, including a new disinvestment policy and far-reaching taxation reforms</li> <li>In appointment under the West Bengal Government, he was credited with the design and implementation of significant policy reform initiatives in the State-owned Public Sector Enterprises and the State's power sector</li> </ul>
Remuneration last Drawn (p.a.)	₹ 1,37,02,604	₹ 76,93,793	N.A	N.A	N.A.	N.A.
Shareholding in the Company	32,000	52,530	Nil	1,800	Nil	Nil
Relationship with other Director / KMP in the Company	Nil	Nil	Nil	Nil	Nil	Nil

<b>Name of the Director</b>	<b>Mr. Damodar Hazarimal Kela</b>	<b>Mr. Ashok Kumar Vijay</b>	<b>Mr. Indrajit Mookerjee</b>	<b>Mr. Amal Chandra Chakrabortti</b>	<b>Mr. Devarayapuram Ramasamy Kaarthikeyan</b>	<b>Mr. Sunil Mitra</b>
Directorship held in other Companies	<ul style="list-style-type: none"> <li>Wabtec Texmaco Rail Private Limited</li> <li>Belur Engineering Private limited</li> </ul>	<ul style="list-style-type: none"> <li>Magnacon Electricals India Limited</li> <li>Texmaco Transtrak Private Limited</li> <li>Touax Texmaco Railcar Leasing Private Limited</li> <li>Belur Engineering Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>Pacific Consolidated Industries (PCI) Gases India Private Limited</li> <li>Calcutta Promotions</li> <li>Lorch Welding Products Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>La Opala RG Limited</li> <li>Madhya Pradesh Madhya Kshetra Vidyut Vitran Company Limited</li> <li>Asian Hotels (East) Limited</li> <li>Chandras' Chemicals Enterprises Private Limited</li> <li>East India Investment Co. Private Limited</li> <li>Gwalior Webbing Co. Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>Texmaco Infrastructure &amp; Holdings Limited</li> <li>Taj GVK Hotels and Resorts Limited</li> <li>Star Health and Allied Insurance Company Limited</li> <li>Raj Television Network Limited</li> <li>Lotus Eye Hospital and Institute Limited</li> <li>Life Positive Private Limited</li> <li>Roots Auto Products Private Limited</li> </ul>	<ul style="list-style-type: none"> <li>Magma HDI General Insurance Company Limited</li> <li>IPE Global Limited</li> <li>Century Plyboards (India) Limited</li> <li>Dollar Industries Limited</li> <li>Patton International Limited</li> <li>Nicco Parks &amp; Resorts Limited</li> <li>Firstsource Solutions Limited</li> <li>Sekura Roads Limited</li> <li>Sekura Energy Limited</li> </ul>
Chairmanship / Membership of Committees in Companies including those in the Company	<ul style="list-style-type: none"> <li>Texmaco Rail &amp; Engineering Limited- Member of Stakeholders Relationship Committee and Chairman of Corporate Social Responsibility Committee</li> </ul>	<ul style="list-style-type: none"> <li>Texmaco Rail &amp; Engineering Limited- Member of Stakeholders Relationship Committee and Corporate Social Responsibility Committee</li> </ul>	NIL	<ul style="list-style-type: none"> <li>Texmaco Rail &amp; Engineering Limited - Chairman of Audit Committee, Nomination and Remuneration Committee</li> <li>Asian Hotels (East) Limited - Chairman of Audit Committee, Member of Nomination and Remuneration Committee and Corporate Social Responsibility Committee</li> <li>Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited -Member of Audit Committee and Nomination and Remuneration Committee</li> <li>La Opala RG Limited - Member of Audit Committee and Nomination and Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>Texmaco Rail &amp; Engineering Limited -Member of Audit Committee</li> <li>Star Health and Allied Insurance Company Limited -Member of Audit Committee</li> <li>Taj GVK Hotels and Resorts Limited -Member of Audit Committee and Remuneration Committee</li> <li>Lotus Eye Hospital and Institute Limited -Member of Audit Committee and Remuneration Committee</li> <li>Raj Television Network Limited- Member of Remuneration Committee</li> </ul>	<ul style="list-style-type: none"> <li>Texmaco Rail &amp; Engineering Limited- Member of Nomination and Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Compensation Committee</li> <li>Nicco Parks &amp; Resorts Limited- Member of Shareholder &amp; Investor Grievance Committee</li> <li>IPE Global Limited- Chairman of Audit Committee</li> <li>Patton International Limited- Member of Audit Committee</li> <li>Magma HDI General Insurance Company Limited- Member of Audit Committee</li> <li>Firstsource Solutions Ltd- Member of Audit Committee</li> </ul>

# TEXMACO RAIL & ENGINEERING LIMITED

CIN: L29261WB1998PLC087404

Registered Office: Belgharia, Kolkata – 700 056

Tel: 91 33 2569 1500 Fax: 91 33 2541 2448

Website: [www.texmaco.in](http://www.texmaco.in)

## ATTENDANCE SLIP

Please complete this Attendance Slip and hand it over at the entrance of the Hall.

Sl. No. -

Full name of Shareholder ( <i>in block letters</i> ):	Folio* / DP ID No - Client ID.:
	No. of Equity Shares held:

*\* Applicable for Shareholders holding Equity Shares in physical form.*

**I hereby record my presence at the 21<sup>st</sup> Annual General Meeting of TEXMACO RAIL & ENGINEERING LIMITED held on Monday, 9<sup>th</sup> September 2019, at 2:00 PM at K. K. Birla Kala Kendra, Texmaco Estate, Belgharia, Kolkata – 700 056.**

**Signature of the Shareholder / Proxy**

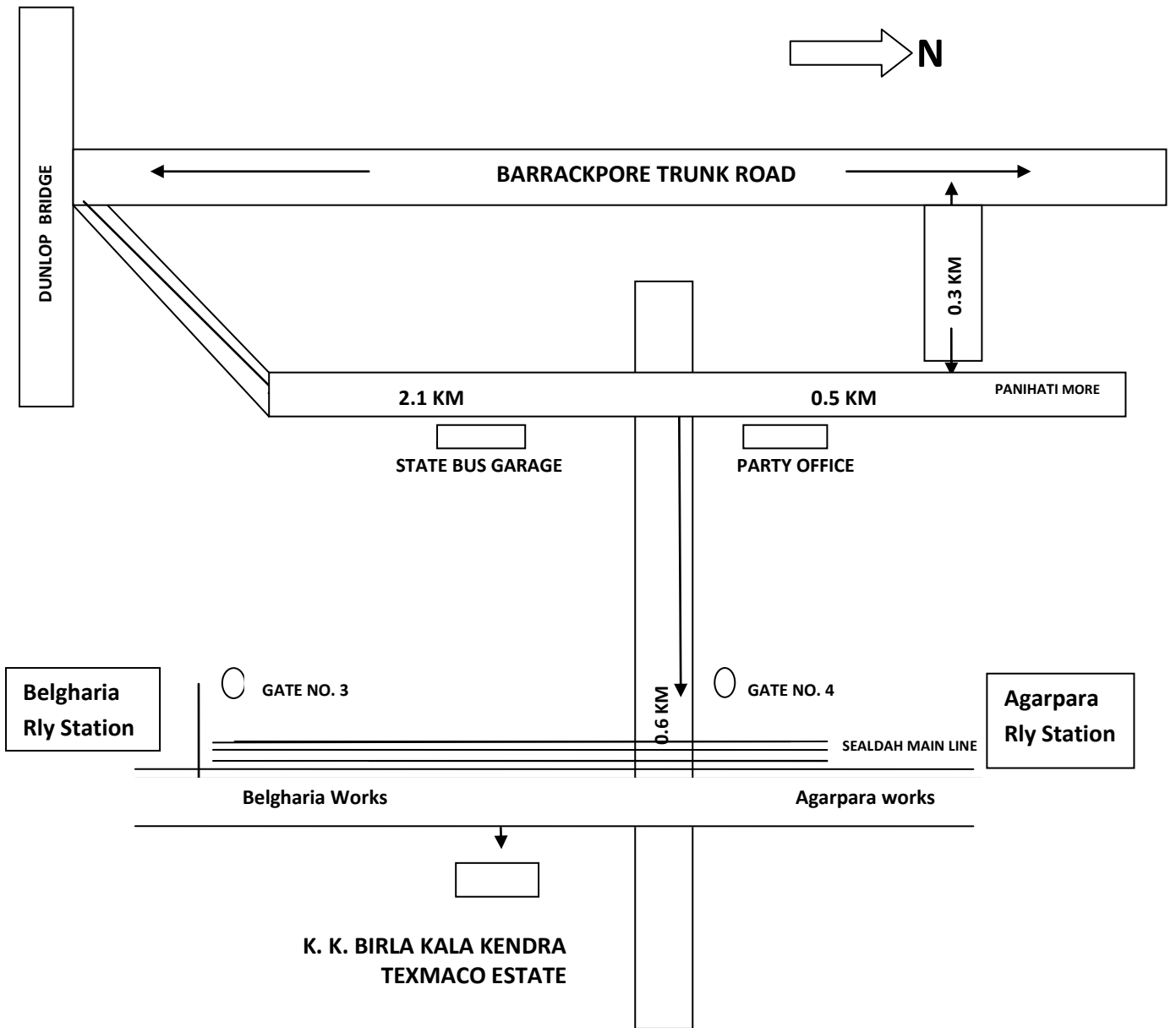
Note:

1. Only Shareholder(s) of the Company or their proxy will be allowed to attend the Meeting.
2. Shareholder(s) / Proxy (ies) holder desiring to attend the Meeting should bring their copy of the Annual Report for reference at the Meeting.
3. Proxy shall carry his / her identity proof (*any one of PAN Card, Voter ID Card, Aadhaar Card, Driving License, Passport*) at the venue of the Meeting.

### ELECTRONIC VOTING PARTICULARS

Electronic Voting Number	User ID	Password

**Note: Please read the instructions printed under the Note no. (viii) to the Notice dated 8<sup>th</sup> August 2019 of 21<sup>st</sup> Annual General Meeting. The Remote e-voting commences at 9.00 AM on Thursday, 5<sup>th</sup> September 2019 and ends at 5.00 PM on Sunday, 8<sup>th</sup> September 2019.**





# TEXMACO RAIL & ENGINEERING LIMITED

CIN: L29261WB1998PLC087404  
Registered Office: Belgharia, Kolkata – 700 056  
Tel: 91 33 2569 1500 Fax: 91 33 2541 2448  
Website: [www.texmaco.in](http://www.texmaco.in)

## MGT – 11 (PROXY FORM)

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN: L29261WB1998PLC087404

Name of the Company: **TEXMACO RAIL & ENGINEERING LIMITED**

Registered Office: **Belgharia, Kolkata – 700 056**

Name of the Member (s): .....
Registered Address: .....
E-mail Id: ..... Folio No. / Client Id: ..... DP Id: .....

I/We, being the Member(s) of \_\_\_\_\_ Equity Shares of the above named Company, hereby appoint:

- Name: ..... Address: .....  
E-mail Id: ..... Signature: ....., or failing him / her
- Name: ..... Address: .....  
E-mail Id: ..... Signature: ....., or failing him / her
- Name: ..... Address: .....  
E-mail Id: ..... Signature: .....

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 21<sup>st</sup> Annual General Meeting of the Company, to be held on **Monday, 9<sup>th</sup> September 2019, at 2:00 P.M. at K. K. Birla Kala Kendra, Texmaco Estate, Belgharia, Kolkata – 700 056** and at any adjournment thereof, in respect of such Resolutions as are indicated below:

Resolution No.		Optional*	
		For	Against
<b>Ordinary Business</b>			
1.	Adoption of Audited Financial Statement including the Audited Consolidated Financial Statement of the Company, the Reports of the Board of Directors and the Auditors Report thereon for the Financial Year ended 31 <sup>st</sup> March 2019.		
2.	Declaration of Dividend on Equity Shares for the Financial Year ended 31 <sup>st</sup> March 2019.		
3.	Approval for re-appointment of Mr. Damodar Hazarimal Kela, Executive Director, who retires by rotation and offers himself for re-appointment.		
4.	Approval for re-appointment of Mr. Ashok Kumar Vijay, Executive Director, who retires by rotation and offers himself for re-appointment.		
<b>Special Business</b>			
5.	Ratification of remuneration to be paid to Messrs DGM & Associates, Cost Auditor of the Company for the Financial Year ending 31 <sup>st</sup> March 2020.		
6.	Approval for appointment for Mr. Indrajit Mookerjee as an Independent Director.		
7.	Approval for re-appointment of Mr. Amal Chandra Chakraborti as an Independent Director.		
8.	Approval for re-appointment of Mr. Devarayapuram Ramasamy Kaarthikeyanas an Independent Director.		
9.	Approval for re-appointment of Mr. Sunil Mitra as an Independent Director.		
10.	Approval for payment of excess remuneration to the Executive Directors.		
11.	Approval for an increase in the limit of borrowing powers.		
12.	Approval for an issue of Debentures/Bonds/FCCBs for an amount not exceeding Rs. `300 Crore.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019.

Signature of the Shareholder(s) \_\_\_\_\_

Signature of Proxy Holder(s) \_\_\_\_\_

Affix  
Revenue  
Stamp

**Note: 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.**

**\*It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.**