Annual Report **2019-20**

TITAGARH WAGONS LIMITED


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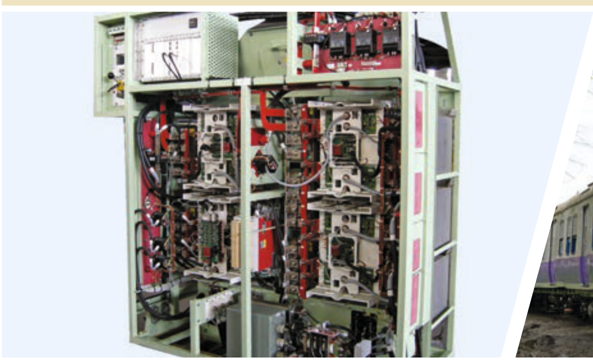

TITAGARH WAGONS LIMITED

CIN: L27320WB1997PLC084819

CORPORATE INFORMATION*

BOARD OF DIRECTORS

Shri J P Chowdhary	Executive Chairman
Shri Umesh Chowdhary	Vice Chairman and Managing Director
Shri Manoj Mohanka	Independent Director
Shri Sunirmal Talukdar	Independent Director
Shri Atul Joshi	Independent Director
Shri Krishan Kumar Jalan	Independent Director
Ms. Nayantara Palchoudhuri	Independent Director
Smt. Rashmi Chowdhary	Non- Executive Director
Shri Sudipta Mukherjee	Wholetime Director
Shri Anil Kumar Agarwal	Director (Finance) and Chief Financial Officer
Shri Dinesh Arya	Company Secretary

Audit Committee

Shri Atul Joshi	Chairman
Shri Manoj Mohanka	Member
Shri Sunirmal Talukdar	Member

Nomination & Remuneration Committee

Shri Manoj Mohanka	Chairman
Shri J P Chowdhary	Member
Shri Sunirmal Talukdar	Member

Stakeholders' Relationship Committee

Shri Manoj Mohanka	Chairman
Shri Umesh Chowdhary	Member
Ms. Nayantara Palchoudhuri	Member

Corporate Social Responsibility Committee

Smt. Rashmi Chowdhary	Chairperson
Shri J P Chowdhary	Member
Ms. Nayantara Palchoudhuri	Member

Finance and Project Committee

Shri Sunirmal Talukdar	Chairman
Shri J P Chowdhary	Member
Shri Umesh Chowdhary	Member
Shri Manoj Mohanka	Member
Shri Atul Joshi	Member

Auditors

Price Waterhouse & Co Chartered Accountants LLP
Chartered Accountants, Kolkata

Bankers

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

*As on 11th November, 2020

Registrar & Transfer Agent (RTA)

Maheshwari Datamatics Pvt. Ltd.
23, R N Mukherjee Road, 5th Floor, Kolkata - 700001
Phone: 033 22435029 / 22482248,
Email for Investors: mdpldc@yahoo.com

Registered & Corporate Office

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

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* As on 11th November, 2020

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

NOTICE

NOTICE is hereby given that the **TWENTY-THIRD ANNUAL GENERAL MEETING** of the members of **TITAGARH WAGONS LIMITED** ("the Company") will be held through video conferencing ('VC')/other audio visual means ('OAVM') [Deemed venue: 756 Anandapur, E.M. Bypass, Kolkata-700107] on Wednesday, the 30th December, 2020 at 10:30 A.M. to transact the following businesses:

ORDINARY BUSINESS:

1. To consider and adopt the audited financial statement of the Company for the financial year ended March 31, 2020, the consolidated financial statement for the said financial year, with comparative figures wherein restated as per the applicable accounting standard(s), in compliance with the Scheme of Amalgamation of Cimmco Limited and Titagarh Capital Private Limited with the Company sanctioned by the Hon'ble National Company Law Tribunal, Kolkata Bench, and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Shri Jagdish Prasad Chowdhary (DIN: 00313685), Executive Chairman who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESSES:

3. **To reappoint Shri Umesh Chowdhary (DIN: 00313652) as Vice Chairman and Managing Director and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:**

   "**RESOLVED THAT** *pursuant to the provisions of Section 196, 197, 203 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification or re-enactments(s) thereof for the time being in force) and pursuant to Article 23 of Articles of Association of the Company and the recommendation of the Nomination and Remuneration Committee (NRC), review by the Audit Committee and as decided by the Board at their respective meetings held on 31st July, 2020 the consent of the members of the Company be and is hereby accorded to the re-appointment of Shri Umesh Chowdhary (DIN: 00313652) as Vice Chairman and Managing Director of the Company for a term of 5 (five) years w.e.f. 1st October, 2020 on the terms and conditions, including remuneration and in the event of inadequacy of profits or loss, minimum remuneration, as recommended by the NRC and set out in the explanatory statement annexed to this Notice (Explanatory Statement).*

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

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

   "**RESOLVED THAT** *pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder [including any statutory modification(s) or re-enactment thereof, for the time being in force] and the applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Sunirmal Talukdar (DIN: 00920608), who was appointed as an Additional Director by the Board of Directors pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company on 10th December, 2019 and holds office upto the date of this Annual General Meeting, and in respect of whom a notice in writing under Section 160 of the Act has been received from a member signifying his intention to propose his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company to hold office for a term ending on 31st March, 2024."*

5. **To appoint Ms. Nayantara Palchoudhuri as an Independent Director and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as an Ordinary Resolution:**

*"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder [including any statutory modification(s) or re-enactment thereof, for the time being in force] and the applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Ms. Nayantara Palchoudhuri (DIN: 00581440), who was appointed as an Additional Director by the Board of Directors pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company on 22nd June, 2020 and holds office upto the date of this Annual General Meeting, and in respect of whom a notice in writing under Section 160 of the Act has been received from a member signifying his intention to propose her candidature for the office of Director, be and is hereby appointed as Independent Director of the Company to hold office for a term ending on 21st June, 2025."*

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

*"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 ('the Act') and the Rules made thereunder [including any statutory modification(s) or re-enactment thereof, for the time being in force] and the applicable Regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Shri Krishan Kumar Jalan (DIN: 01767702), who was appointed as an Additional Director by the Board of Directors pursuant to the provisions of Section 161(1) of the Act and Articles of Association of the Company on 13th August, 2020 and holds office upto the date of this Annual General Meeting, and in respect of whom a notice in writing under Section 160 of the Act has been received from a member signifying his intention to propose his candidature for the office of Director, be and is hereby appointed as Independent Director of the Company to hold office for a term ending on 12th August, 2025."*

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

*"**RESOLVED THAT** pursuant to the provisions of Section 148 of the Companies Act, 2013 read with The Companies (Audit and Auditors) Rules, 2014, the remuneration of Rs. 3,00,000/- (Rupees Three Lakhs only) plus taxes as may be applicable and reimbursement of reasonable out of pocket expenses as may be actually incurred by the firm, payable to M. R. Vyas and Associates, Cost Accountants (Registration No. 2032) of D-219, Vivek Vihar, Phase-I, New Delhi- 110095 appointed by the Board as Cost Auditors of the Company for the financial year 2020-21 be and is hereby ratified."*

8. **To approve Payment of Remuneration to Non-Executive Directors of the Company and in this regard to consider and if thought fit to pass, with or without modification(s), the following resolution as a Special Resolution:**

*"**RESOLVED THAT** in supersession of the resolutions previously passed by the shareholders in this regard and pursuant to the provisions of Sections 197, 198 and all other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment thereof for the time being in force), the Non-Executive Directors of the Company (i.e. directors other than Managing Director and/or the Wholetime Directors) be paid, remuneration in addition to the sitting fee for attending the meetings of the Board of Directors or Committees thereof, in such manner as the Board of Directors may from time to time determine, not exceeding in aggregate 1 (one) percent of the net profits of the Company for each financial year, for a period of 5 years, commencing from the Financial Year 2020-21 as computed in the manner laid down in Section 198 of the Act.*

***RESOLVED FURTHER THAT** the Board of Directors (which term shall include a Committee thereof) be and is hereby authorized to take all steps and do acts, deeds and things as may be deemed necessary for giving effect to this Resolution."*

9. **To modify the existing resolution passed by the shareholders u/s 186 of the Companies Act, 2013 by fixing a limit for giving of any new corporate guarantee(s) of upto Rs. 100 crore and in this regard to consider and pass with or without modifications the following resolution as a Special Resolution:**

"RESOLVED THAT *in partial modification of the resolutions passed earlier by the Company in this regard and pursuant to the provisions of Section 186 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) read with Rules made thereunder and pursuant to Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and FEMA/Reserve Bank of India guidelines or other provisions as may be applicable, the consent of the Company be and is hereby accorded to the Board of Directors to give any corporate guarantee(s) in connection with loan(s) made to the Company's subsidiaries and/or associates and/or other entities as may be eligible, upto a limit of Rs. 100 crore (Rupees One hundred crore only) within the overall limit approved by the members of the Company pursuant to the provisions of Section 186 of Act read with the Rules made thereunder, which overall limit earlier approved by the members and any guarantee(s) given pursuant thereto shall not be affected by this Resolution and that the said limit of Rs. 100 crore will apply to the corporate guarantee(s) to be given from time to time after the date of passing of this resolution.*

RESOLVED FURTHER THAT *the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all applications, documents and writings that may be required, on behalf of the Company and also to delegate all or any of the above powers to a Committee of Directors or the Managing Director or the Principal Officer of the Company and generally to do all acts, deeds and things that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.*"

10. **To modify the existing resolution passed by the shareholders u/s 180(1)(a) of the Companies Act, 2013 by granting authority to create mortgage on Company's properties to secure the credit facilities or financial assistance granted to the Company and its subsidiaries/ associates, and in this regard to consider and pass with or without modifications the following resolution as a Special Resolution:**

"RESOLVED THAT *in modification of the resolution passed earlier by the Company in this regard through the Postal Ballot process on 30th March, 2018, the consent of the Company be and is hereby accorded in terms of Section 180(1)(a) of the Companies Act, 2013 ('the Act'), and other enabling provisions of law, if any, to create mortgage and/or charge, on such terms and conditions and at such time(s) and in such form and manner, and with such ranking as to priority as the Board of Directors (which term shall include any Committee thereof) in its absolute discretion may deem fit and proper, on the whole or substantially the whole of the Company's any one or more of the undertakings or all of the undertakings, including present or future properties, whether immovable or movable, comprised in any undertaking both present and future, of the Company, and/or conferring power to enter upon and take possession of the assets of the Company in certain events in favour of the Bank(s), Financial Institution(s) or others (hereinafter referred to as the "Lenders") to secure the borrowings of the Company and/or its subsidiaries/ associates upto an aggregate amount not exceeding the limits approved by the shareholders under Section 180(1)(c) of the Act on borrowings, by way of inter alia working capital facilities, issue of non-convertible debentures, bonds, term loans, and/or other instruments including foreign currency borrowings together with interest and other costs/charges/expenses, as the Board may in its absolute discretion deem fit, to be availed/issued in one or more tranches, from/to the Lenders/eligible persons/ security holders/investors including non-residents, and upon such terms and conditions, as may be decided by the Board.*

RESOLVED FURTHER THAT *the Board of Directors of the Company be and is hereby authorized to take such steps as may be necessary for obtaining approvals etc. in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and execute all applications, documents and writings that may be required, on behalf of the Company and also to delegate all or any of the above powers to a Committee of Directors or the Managing Director or any other Officer(s) of the Company and generally to do all acts, deeds and things including creation of mortgage on such immovable properties that may be necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution."*

Registered Office:
756, Anandapur
E M Bypass, Kolkata -700107
11th November, 2020

By Order of the Board

Dinesh Arya
Company Secretary

NOTES:

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM" or "Meeting") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI LODR") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
2. An explanatory statement pursuant to Section 102 of the Act, relating to special business to be transacted at the AGM, is annexed hereto.
3. In terms of SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated 12th May, 2020, the requirement of sending proxy forms to holders of securities as per provisions of Section 105 of the Act read with Regulation 44(4) of SEBI LODR, has been dispensed with. Therefore, the facility to appoint proxy by the Members will not be available and consequently, the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice conveying the 23rd AGM of the Company
4. The Register of Members and Share Transfer Register shall remain closed with effect from Thursday, 24th December, 2020 to Wednesday, 30th December, 2020 (both days inclusive) for the purpose of determining the members eligible for voting at the ensuing AGM.

5. Members are requested to note that dividends not encashed/claimed, and warrants for fractional entitlements of shares within seven years from the date of declaration of dividend/IPO will, as per Section 124 of the Act, be transferred to Investor Education and Protection Fund (IEPF). Members concerned are requested to refer carefully to the provisions of Sections 124(6) and 125 of the Act. Please browse the link https://titagarh.in/investors-information for the list of shareholders whose unclaimed dividend for the financial year ended March 31, 2013 has been transferred to IEPF on 1st October, 2020.

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

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

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

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

7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the RTA.

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

9. Electronic copy only of the Notice of the 23rd Annual General Meeting of the Company inter alia indicating the process and manner of e-voting is being sent to all the members whose email IDs are registered with the Company/Depository Participant(s) for communication purposes unless a member request for a hard copy of the same.

10. Members may also note that the Notice of the 23rd Annual General Meeting and the Annual Report for 2020 will also be available on the Company's website www.titagarh.in for download. The physical copies of the aforesaid documents will also be available at the Company's Registered/Corporate Office for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send requests to the Company's investor email id: investors@titagarh.in.

11. Voting through electronic means :

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

    THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER:-

    The remote e-voting period begins on Saturday, 26th December, 2020 at 9:00 A.M. and ends on Tuesday, 29th December, 2020 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

    How do I vote electronically using NSDL e-Voting system?

    The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

    Step 1: Log-in to NSDL e-Voting system at https://www.evoting.nsdl.com/

    Step 2: Cast your vote electronically on NSDL e-Voting system.

    Details on Step 1 is mentioned below:

    How to Log-in to NSDL e-Voting website?

    1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

    2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.

3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	**Your User ID is:**
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.

   c) How to retrieve your 'initial password' ?

      (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

      (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**

6. If you are unable to retrieve or have not received the " Initial password" or have forgotten your password:

   a) Click on "**Forgot User Details/Password**?"(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) **Physical User Reset Password**?" (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

   c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address.

   d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Details on Step 2 is given below:

How to cast your vote electronically on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.

3. Select "EVEN" of company for which you wish to cast your vote.

4. Now you are ready for e-Voting as the Voting page opens.

5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csskgoyal@gmail.com with a copy marked to evoting@nsdl.co.in.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
3. 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 www.evoting.nsdl.com or call on toll free no.: 1800-222-990 or send a request to or contact Mr. Amit Vishal, Senior Manager/Ms. Pallavi Mhatre, Manager, NSDL, Trade World, ‘A’ Wing, 4th Floor, Kamala Mills Compound, Lower Parel, Mumbai – 400013 at telephone no. 022- 24994360/022 24994545 or at E-mail id evoting@nsdl.co.in.
4. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “Forgot User Details/Password?” or “Physical User Reset Password?” option available on www.evoting.nsdl.com to reset the password.
5. The voting rights of the Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of Wednesday, the 23rd day of December, 2020.
6. Any person, who acquires shares of the Company and becomes Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. Wednesday, the 23rd day of December, 2020. may obtain the login ID and password by sending a request at evoting@nsdl.co.in or mdpldc@yahoo.com.
7. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
8. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-Voting or casting vote through e-Voting system during the Meeting.
9. Pursuant to the provision of Section 108 of the Act read with rules thereof, Sushil Goyal & Co; Company Secretaries, (C.P. No. 8289 and Membership No. FCS 3969) has been appointed as the Scrutinizer to scrutinize the Remote e-Voting process and casting vote through the e-Voting system during the Meeting in a fair and transparent manner.
10. The Scrutinizer shall after the conclusion of e-Voting at the AGM, first download the votes cast at the AGM and thereafter unblock the votes cast through remote e-Voting system and shall make a consolidated Scrutinizer’s Report.
11. The Results of voting will be declared within 48 hours from the conclusion of AGM. The declared results along with the Scrutinizer’s Report will be available forthwith on the website of the Company www.titagarh.in and on the website of NSDL. Such results will also be displayed on the Notice Board at the Registered Office as well as the Corporate Office of the Company and shall be forwarded to the National Stock Exchange of India Limited and BSE Limited.

12. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM

a. Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the AGM and will be available for Members on first come first served basis.
b. Member will be provided with a facility to attend the EGM/AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at https://www.evoting.nsdl.com under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten

the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

c. Members are encouraged to join the Meeting through Laptops for better experience.

d. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.

e. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

f. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at investors@titagarh.in latest by 5:00 p.m. (IST) on Monday, 28th day of December, 2020.

g. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at investors@titagarh.in latest by 5:00 p.m. (IST) on Monday, 28th day of December, 2020.The same will be replied by the company suitably.

h. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting

i. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.

j. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.

k. Members who need assistance before or during the AGM, can contact NSDL on evoting@nsdl.co.in / 1800-222-990 or contact Mr. Amit Vishal, Senior Manager-NSDL at amitv@nsdl.co.in / 022-24994360 or Ms. Pallavi Mhatre, Manager, NSDL at pallavid@nsdl.co.in/ 022-24994545.

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

14. The registered office of the Company shall be deemed to be the venue where the recordings of proceedings of the meeting held on 30th December, 2020 is being made.

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

Item No. 3:

Shri Umesh Chowdhary, Vice Chairman & Managing Director whose previous term of five years was till 30th September, 2020, as approved by the members at the Annual General Meeting held on 24th September, 2015 has been reappointed for 5 years.

The Board, pursuant to the recommendation of the Nomination and Remuneration Committee (NRC) and the Audit Committee in their respective meetings held on 31st July, 2020 had accorded its approval to the reappointment of Shri Umesh Chowdhary, Vice Chairman & Managing Director (VCMD) till 30th September, 2025 for 5 years.

There will be no change in the existing remuneration i.e. remuneration of 3.5% of the net profits computed as per the Section 198 of the Act will continue to be paid to him, under the broad heads mentioned below payable in accordance with the provisions of Sections 196 and 197 read with Schedule V and other applicable provisions, if any, of the Companies Act, 2013.

Remuneration of Shri Umesh Chowdhary as VCMD is set out hereunder:

Basic Salary	Rs. 12,00,000/- per month
Performance Bonus	Aggregate of Salary, Perquisites and Performance Bonus shall not exceed 3.5% of the net profit of the Company computed in accordance with Section 198 of the Companies Act, 2013
Perquisites/Benefits	HRA: 60% of Basic and Special Allowance: Rs.80,000 per month
Minimum Remuneration	In the event of inadequacy or absence of net profits in any year during his tenure, he shall be paid minimum remuneration as may be prescribed by the Schedule V and/or other applicable provisions of the Act subject to such minimum remuneration not being less than the existing minimum remuneration of Rs.240 lakhs per annum.

The details as per Schedule V of the Companies Act, 2013 are provided in the Notice of the AGM.

A copy of the service agreement dated 31st July, 2020 is available for inspection at the registered office of the Company till the date of AGM and a copy thereof shall be provided to member(s) upon request.

The Directors recommend passing of the aforesaid Special Resolution.

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

Items No. 4 to 6:

Shri Sunirmal Talukdar, Ms. Nayantara Palchoudhuri and Shri Krishan Kumar Jalan were each appointed as Additional Director (Category: Independent) of the Company by the Board, pursuant to selection and review of their candidature by the Nomination and Remuneration Committee, with effect from 10th December, 2019, 22nd June, 2020 and 13th August, 2020 respectively, in terms of the provisions of Section 161 of the Act, and hold office upto the date of this AGM.

Shri Sunirmal Talukdar is a qualified Chartered Accountant and holds a bachelor's degree in science. He retired as group executive president and chief financial officer of Hindalco Industries Limited. Shri Sunirmal Talukdar, was earlier appointed as Independent Director (ID) of the Company on 09.11.2013 and his first term was from 01.04.2014 to 31.03.2019. As stipulated by the Act, a special resolution of shareholders for appointment of Shri Talukdar as an ID for the 2nd term, from 01.04.2019 to 31.03.2024 was passed by shareholders at their Annual General Meeting held on 29.09.2018. However, he resigned on 13.10.2018 i.e. before his first term was completed. The proposed term of Shri Talukdar by this resolution is till 31.03.2024, i.e. within the overall term approved by the shareholders as mentioned above

Ms. Nayantara Palchoudhuri has more than 25 years' experience in the operations and management of tea estates in North Bengal. Apart from being a member of the board of a few other companies and serving as the Honorary Consul for Norway in Eastern Region, she is Vice Chairman Indian Tea Association and Vice Chairman (Additional) and Council Member of Tea Research Association. She is B.A. (HONS) in Political Science from University of Jadavpur with a First Class First and was awarded the University Gold Medal and the National Scholarship. She also holds a M.A. in Development Studies from the School of Oriental and African Studies (University Of London), M. Phil (Research Degree) from the London School of Economics & Political Science (LSE) and was awarded the Metcalfe Scholarship and has served as a member of the Senate of University of Calcutta.

Shri Krishan Kumar Jalan, holds Master of Philosophy Degree in Mathematics and Public Administration. He is former Secretary to the Government of India and spent over three and half decades in the Indian Administrative Service, Haryana Cadre. Shri K.K. Jalan has held various senior positions including Additional Chief Secretary, Principal Secretary and Director of various departments of Haryana Government. During his initial career, he worked as the District Magistrate/Collector for five districts in Haryana namely Bhiwani, Sonepat, Rewari, Faridabad and Karnal. At Government of India, he had worked as Central Provident Fund Commissioner and major e-governance initiatives taken and activities were undertaken in the Employee Provident Fund Organization under his leadership. He has also worked as Joint Secretary in the Ministry of Textiles, Government of India.

The Directors are of the opinion that Shri Sunirmal Talukdar, Ms. Nayantara Palchoudhuri and Shri K.K. Jalan fulfil the conditions specified in the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 for appointment as Independent Director, and recommend passing of the aforesaid Ordinary Resolutions as set out under Items No. 4 to 6. The Company has received declaration to this effect that they meet the criteria of Independent Director as provided under Section 149(6) of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015. The Board considers association of Shri Sunirmal Talukdar, Ms. Nayantara Palchoudhuri and Shri K.K. Jalan as the Independent Directors would be of immense benefit to the Company.

The aforesaid Directors will be entitled to only sitting fees for attending Board/ Committee meetings and/or commission as may be decided by the Board from time to time in accordance with the applicable provisions of the Companies Act, 2013.

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

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

None of the Directors or key managerial personnel or their relatives, except Shri Sunirmal Talukdar, Ms. Nayantara Palchoudhuri and Shri K.K. Jalan to the extent of their respective appointment is concerned or interested in the said Resolution.

Item No 7:

The Company with the recommendation of Audit Committee and approval of the Board at its meeting held on 31st July, 2020, has appointed M.R. Vyas and Associates, Cost Accountants as Cost Auditor of the Company for the financial year 2019-20 at a remuneration of Rs. 3,00,000/- (Rupees Three Lakhs only). Pursuant to Section 148 of the Act read with The Companies (Audit and Auditors) Rules, 2014, the remuneration of the Cost Auditor is to be ratified by the shareholders.

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

Item No. 8:

The members of the Company at the AGM held on 24th September, 2015 had approved for payment of commission to Non-Executive Directors (other than Managing Directors and Wholetime Directors) of the Company not exceeding one percent of the net profits of the Company for a period of five years from FY 2014-15 to FY 2019-20.

According to Section 197 of the Act, the shareholder's approval is required for the payment of remuneration/commission to the non-executive directors (other than Managing Directors and Wholetime Directors). Further Regulation 17(6) of SEBI (LODR) Regulations, 2015 stipulates that all fees/compensation (other than sitting fees) payable to non-executive directors requires approval of the members.

The skills, knowledge, experience and expertise of each member of the Board and complexities of directing the business involved in the case of listed entities, the Nomination and Remuneration Committee and Board have approved payment of commission to Independent and Non-executive Directors as set out in the resolution at Item No. 8.

The Directors recommend passing of the aforesaid Special Resolution. None of the Directors or Key Managerial Personnel (KMP) or their relatives, except the Non-Executive Directors upto the extent of remuneration/commission as may be payable to them in terms of this resolution, is in any way concerned or interested in the Resolution, except to the extent of their shareholding, if any in the Company.

Item No. 9:

The members of the Company had earlier passed a Resolution through postal ballot on 5th August, 2017, result whereof was declared on 7th August, 2017, authorising the Board of Directors to make loan(s) and/or give any guarantee(s)/provide any security(ies) in connection with loan(s) made to any body(ies) corporate/ acquire by way of subscription, purchase or otherwise the securities of any body corporate up to a limit not exceeding Rs. 2500 crore, notwithstanding that the aggregate of the loans, guarantees or securities given or to be given and/or securities acquired or to be acquired may exceed the limits prescribed under Section 186 of the Companies Act, 2013 ('the Act') read with Rules made thereunder.

Pursuant to the aforesaid authority, the Company has been supporting its subsidiaries from time to time whenever required for pursuing growth in its business by making investments/ loans/ furnishing corporate guarantees/financial commitments to the subsidiaries.

The members are aware that two of the Company's subsidiaries viz. Cimmco Limited and Titagarh Capital Private Limited have since been merged into the Company.

The Board as a matter of policy formulated with the aim of more efficient management of resources, in the interest of the Company, has decided to obtain approval from the shareholders if any corporate guarantee proposed to be given by the Company exceeds the limit of Rs. 100 crore.

Members may note that there is no change proposed in the overall limits of investment/ loan/security of Rs. 2500 crore already approved under Section 186 of the Act and the proposed resolution is only for the purpose of fixing a limit of Rs. 100 crore (the said limit to apply to the guarantee(s) to be given after the date of passing of this resolution), within the overall limit of Rs. 2500 crore, for giving guarantee(s) in favour of subsidiaries/associates and the fixation of the limit of Rs.100 crore shall not affect any of the transactions already carried out pursuant to the overall limit of Rs.2500 crore in any manner. As per the definition given under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ['SEBI (LODR)'], the subsidiary/associate is a related party and pursuant to the Regulation 23 of SEBI (LODR) the proposed transaction may be a material related party transaction, therefore approval of the members is also being sought in compliance with Regulation 23 of SEBI (LODR).

The Board recommends passing of the resolution as set out in Item No. 9 for the approval of the members.

None of the Directors or Key Managerial Personnel (KMP) or their relatives is in any way concerned or interested in the aforesaid Resolution set out under Item No. 9, save and except to the extent of their respective shareholding, if any in the Company.

Item No. 10:

Section 180(1)(a) of the Companies Act, 2013, inter alia, provides that the Board of Directors of a company shall not, without the consent of the Company by Special Resolution, sell, lease or otherwise dispose of the whole or substantially the whole of undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertakings.

The members of the Company had earlier passed the following Resolutions through postal ballot on 30th March, 2020:

1. Special Resolution u/s 180(1)(c) of the Companies Act, 2013 to authorise the Board to borrow money(s) not exceeding the aggregate of paid-up share capital, securities premium and free reserves of the Company by more than the sum of Rs. 2000 crore.
2. Special Resolution u/s 180(1)(a) of the Companies Act, 2013 to authorise the Board to create mortgage and/or charge on whole or substantially the whole of the undertaking(s) of the Company to secure the borrowings not exceeding the limits approved u/s 180(1)(c) together with interest and costs/charges/expenses.

Your Company may from time to time be required to support its subsidiaries/associates by way of creating mortgage over the Company's properties in favour of a bank or other eligible entity to also secure the borrowings availed by the said subsidiaries and/or associates.

The borrowings of the Company and/or its subsidiaries/associates, where necessary, would be secured by way of charge/mortgage/extension of mortgage on the Company's assets/undertaking(s) in favour of the eligible lenders/security holders. As the documents to be executed between the lenders/security holders and the Company may contain the power to take over the management of the undertaking(s) of the Company in certain events, which may be regarded as disposal of undertaking (s) under Section 180(1) (a) of the Act it is necessary to pass a resolution to enable the Board of Directors of the Company to create charges/mortgages for amounts not exceeding in aggregate the overall borrowing limit as approved by the shareholders pursuant to the provisions of Section 180(1)(c) of the Act, together with interest and costs/charges/expenses.

Members may note that there is no change proposed in the earlier resolution already passed on 30th March, 2020 under Section 180(1)(a) of the Act and the proposed resolution save and except authorising the Board to create mortgage or charge on the Company's undertaking(s) to secure the borrowings also of the Company's subsidiary(ies) and/or associates as may be decided by the Board. Since the same may be considered as disposal of undertaking within the meaning of Section 180(1)(a) of the Act as explained hereinabove, the approval of the members is being sought to modify the earlier resolution passed on 30th March, 2020.

The above proposal is in the interest of the Company and the Board recommends the Special Resolution as set out at Items No. 10 for approval by the members of the Company.

None of the Directors or Key Managerial Personnel (KMP) or their relatives is in any way concerned or interested in the aforesaid Resolution set out under Item No. 10, save and except to the extent of their respective shareholding, if any in the Company.

Registered Office:
756, Anandapur
E.M. Bypass, Kolkata -700107
11th November, 2020

By Order of the Board

Dinesh Arya
Company Secretary

Details pursuant to Schedule V to the Companies Act, 2013 (refer Item No. 3)

<table>
<tr><th colspan="5">I. GENERAL INFORMATION</th></tr>
<tr><td>Name</td><td colspan="4">Shri Umesh Chowdhary</td></tr>
<tr><td>Nature of industry</td><td colspan="4">Rail Rolling Stock, Defence, Shipbuilding, Heavy Engineering and Infrastructure</td></tr>
<tr><td>Date or expected date of commencement of commercial production</td><td colspan="4">Existing Company, already commenced from 11/07/1997</td></tr>
<tr><td>In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus</td><td colspan="4">Existing Company - Not Applicable</td></tr>
<tr><td rowspan="4">Financial performance based on given indicators</td><td colspan="4">Rs. in Lakhs</td></tr>
<tr><td></td><td>2019-20</td><td>2018-19</td><td>2017-18</td></tr>
<tr><td>Sales</td><td>1,48,421.49</td><td>1,06,041.04</td><td>31652.05</td></tr>
<tr><td>Net Profit/(Loss)</td><td>(7,992.49)</td><td>(5,530.20)</td><td>291.54</td></tr>
<tr><td>Foreign investments or collaborations, if any</td><td colspan="4">The Company has invested in equity capital of its wholly owned/subsidiaries namely, Titagarh Singapore Pte. Limited Rs. 384.81 Lakhs (after impairment of investment of Rs. 12,449.05 Lakhs) and Titagarh Firema SpA, Italy, Rs. 7,098.85 Lakhs (after impairment of investment of Rs. 6,933.80 Lakhs) as at 31st March, 2020.</td></tr>
<tr><th colspan="5">II. INFORMATION ABOUT THE MANAGERIAL PERSONNEL</th></tr>
<tr><td>Name</td><td colspan="4">Shri Umesh Chowdhary</td></tr>
<tr><td>Background details</td><td colspan="4">Shri Umesh Chowdhary, aged 46 years, has 28 years' experience in railway wagons/heavy engineering industry.</td></tr>
<tr><td>Past remuneration</td><td colspan="4">3.5% of the net profits per annum including fixed components of Salaries & allowance Rs. 20 Lakhs per month and the balance by way of commission at the end of financial year</td></tr>
<tr><td>Recognition or awards</td><td colspan="4">Shri Umesh Chowdhary is Honorary Consul of Switzerland.</td></tr>
<tr><td>Job profile and his suitability</td><td colspan="4">He has been on the Board of the Company since incorporation and played a key role in the growth of the Company under guidance of the Executive Chairman. He has been re-appointed as Managing Director and designated as Vice Chairman and Managing Director w.e.f. 1st October, 2020 for a period of five years.</td></tr>
<tr><td>Remuneration proposed</td><td colspan="4">The existing remuneration for VCMD not aggregating 3.5% of net profits to continue.
Minimum Remuneration: Where in any financial year during the respective term of Shri Umesh Chowdhary, the Company has no profits or its profits are inadequate, the Company will pay minimum remuneration equivalent to such amount as will be permitted by the Schedule V to Companies Act, 2013 provided the same is not less than the existing minimum remuneration of Rs.240 lakhs per annum.</td></tr>
<tr><td>Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)</td><td colspan="4">The proposed remuneration is comparable with the remuneration drawn by the peers and is necessitated due to complexities of business</td></tr>
<tr><td>Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any</td><td colspan="4">Shri Umesh Chowdhary, Vice Chairman & Managing Directors is the son of Shri J.P. Chowdhary, Executive Chairman and spouse of Smt. Rashmi Chowdhary, Non-Executive Director of the Company.</td></tr>
</table>

III. OTHER INFORMATION	
Reasons of loss or inadequate profits	The Company's operating profit improved during FYE 31/03/2020, however the financial performance was affected by the exceptional item being provision made for impairment of the Company's investment in the wholly owned subsidiaries in Italy and Singapore, whereas in the previous financial years it was impacted by provision for impairment in the value of investment in an overseas subsidiary now under liquidation and in the earlier years due to the lack of regular orders for procurement of Wagons from Indian Railways compounded by predatory pricing then resorted to by some of the manufacturers aimed at securing larger allocation in the tender rendering the Wagons business unremunerative.
Steps taken or proposed to be taken for improvement	During the year ended 31/03/2020 the Company has successfully delivered prestigious orders for its shipbuilding vertical and lately has been awarded contact for manufacture of 102 Metro Coaches for Pune Metro Rail. During the past year, the Company took various operational measures viz. consolidation of the different products in line with the plant capacities which resulted in improved efficiency by turning the plant into a centre of excellence for the particular product thereby re-aligning the Company's business into four distinct parts viz. "Freight, Transit and Propulsion", "Shipbuilding", "Bridges" and "Defence". Continuing focus of the management is consistently on undertaking cost rationalization, better manufacturing processes, improved productivity and optimization of resource for improvement in performance aimed at achieving results better than the trend witnessed in the industries in which the Company operates.
Expected increase in productivity and profits in measurable terms	Productivity improvement is assured but the sustained increase in production will depend upon orders for other segments. Profitability is expected to improve from the measures inter alia aggressive marketing efforts to secure larger orders for wagons including from private sector customers, repeat orders for metro coaches. In addition to the healthy order book as on date, the Company's focussed approach on fixed cost reduction in terms of consolidating the common functions and reducing duplication of manpower, consolidating its prominent position in the Rolling Stock sector coupled with the access to strong technology for Metro Coaches through its subsidiary in Italy and diversified product portfolio, strategy of adopting innovative ways to cater to its customers and preparedness to seize opportunity in products/projects for defence establishment of India combined with the benefits to be accrued upon the merger of Cimmco Limited and Titagarh Capital Private Limited with the Company make the outlook for the current year encouraging

IV. DISCLOSURES

The following disclosures are mentioned in the Board of Director's report under the heading "Corporate Governance Report" of the Company in the Annual Report 2019-20:

(i) All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc. of all the directors;
(ii) Details of fixed component and performance linked incentives along with the performance criteria;
(iii) Service contracts, notice period, severance fees;
(iv) Stock option details, if any, and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable.

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

Particulars	Shri J.P. Chowdhary	Shri Umesh Chowdhary	Shri Sunirmal Talukdar	Ms. Nayantara Palchoudhuri	Shri K K Jalan
Date of Birth	23/09/1940	24/04/1974	06/12/1951	24/06/1962	06/06/1957
Date of Appointment as director	24/09/1999	03/07/1997	10/12/2019	22/06/2020	13/08/2020
Qualifications	B. Com.	B. Com.	Qualified Chartered Accountant and holds a bachelor's degree in science	B.A. (HONS) in Political Science	Master of Philosophy Degree in Mathematics and Public Administration
Expertise in Specific Functional Areas	Management leadership with experience of about 57 years in railways sector/heavy engineering industry	Management leadership with about 27 years of experience in the manufacturing sector	He retired as group executive president and chief financial officer of Hindalco Industries Limited	She has more than 25 years' experience in the operations and management of the tea estates in North Bengal.	He has held various senior positions including Additional Chief Secretary, Principal Secretary and Director of various departments of Haryana Government.
Remuneration last drawn (Rs.) [During FY 2019-20]	Rs. 2,57,28,000/-	Rs. 2,57,28,000/-	Rs. 1,20,000/- (sitting fees only)	-	-
Number of Meetings of the Board attended during the year 2019-20	7 out of 7	4 out of 7	1 out of 1	Not Applicable	Not Applicable
Directorship held in other companies (excluding foreign companies)	1. Titagarh Capital Management Services Private Limited 2. Matiere Titagarh Bridges Pvt. Ltd.	1.Titagarh Capital Management Services Private Limited 2. Matiere Titagarh Bridges Pvt. Ltd. 3. Indian Chamber of Commerce Calcutta 4. West Bengal Industrial Development Corpn. Ltd.	1. Aditya Birla Fashion and Retail Limited 2. Clariant Chemicals (India) Limited 3. India Carbon Limited 4. Sasken Technologies Limited 5. Innvol Medical India Ltd 6.Aris Capital Pvt Ltd 7. Avia Insurance Brokers Pvt. Ltd.	1. Rossell India Ltd 2. Tide Water Oil Co India Ltd 3. Vesuvius India Ltd 4. Ludlow Jute & Specialties Ltd 5. Nicco Parks & Resorts Ltd 6. Washabarie Tea Co Pvt Ltd 7. West Bengal Tea Development Corporation Ltd 8. Amba River Coke Ltd 9. JSW Bengal Steel Ltd	1. PNC Infratech Ltd 2. Minda Industries Ltd 3. Minda Kosei Aluminum Wheel Pvt Ltd 4. Minda Kyoraku Ltd 5. Pantomath Capital Advisors Pvt Ltd
Memberships/ Chairmanships of Committees of other companies (includes only Audit Committee and Stakeholders Relationship Committee)	Nil	Nil	1.Chairman of Audit Committee of Clariant Chemicals (India) Ltd, India Carbon Ltd, Saken Technologies Ltd and Aditya Birla Fashion and Retail Limited. 2.Member of Stakeholders Relationship Committee of Clariant Chemicals (India) Ltd 3. Member of Audit Committee of Aris Capital Pvt Ltd	1. Member of Audit Committee of Rossell India Ltd, Vesuvius India Ltd, Ludlow Jute & Specialties Ltd, Amba River Coke Ltd, JSW Bengal Steel Ltd. 2. Member of Stakeholders Relationship Committee of Rossell India Ltd, Vesuvius India Ltd and Ludlow Jute & Specialties Ltd.	1.Chairman of Audit Committee of Minda Kosei Aluminum Wheel Pvt Ltd and Minda Kyoraku Ltd 1. Member of Audit Committee of Minda Industries Ltd 2. Member of Stakeholders Relationship Committee of Minda Industries Ltd
No. of shares held in the Company	70700 equity shares	77530 equity shares	NIL	NIL	NIL

BOARD'S REPORT

Dear Shareholders,

The Directors hereby present their Twenty-third Annual Report on the business and operations of Titagarh Wagons Limited ('the Company' or 'TWL') along with the audited financial statements, for the financial year ended March 31, 2020. The consolidated performance of Titagarh Group (the Company and its subsidiaries) has appropriately been referred to in this Report.

1. Profit, Retention & Dividend

Titagarh Group's financial performance during the financial year ended March 31, 2020 was as follows:

Rs. in lakhs

	Standalone		Consolidated	
Particulars	**2019-20**	**2018-19**	**2019-20**	**2018-19**
Revenue from operations	148421.49	106041.04	176632.43	155928.84
Other income	1713.60	3438.87	3402.20	3241.10
Total Income (TI)	**150135.09**	**109479.91**	**180034.63**	**159169.94**
Earnings before interest, tax, depreciation and amortisation (EBIDTA)	**14602.41**	**9589.13**	**15495.94**	**11598.27**
Less: Finance Cost	6502.92	3937.52	8827.29	6517.76
Less: Depreciation and amortization expenses	1813.89	1612.07	2912.68	2399.10
Profit/(Loss) before exceptional items & tax	**6285.60**	**4039.54**	**3755.97**	**2681.41**
Share of Loss of a joint venture	-		(10.18)	(3.64)
Exceptional items	**(16135.44)**	**(12695.46)**	-	784.53
Profit/(Loss) before tax	**(9849.84)**	**(8655.92)**	**3745.79**	**2677.77**
Tax Benefits/Expenses	**1857.35**	**3125.72**	**2050.55**	**3299.68**
Profit/(Loss) for the year after tax from continuing operations	**(7992.49)**	**(5530.20)**	**5,796.34**	**5,192.92**
Loss from discontinued operations (net of tax)	-	-	**(9,410.55)**	**(7,445.53)**
Profit/(Loss) for the year after tax	**(7992.49)**	**(5530.20)**	**(3,614.21)**	**(2,252.61)**
Other Comprehensive Income/(Loss) (net of tax)	**(11.75)**	**1.35**	**528.28**	**(725.23)**
Total Comprehensive Income for the year	**(8,004.24)**	**(5528.85)**	**(3085.93)**	**(2977.84)**

2. Effect of Amalgamation in the Financials

During the year under review, the Board of Directors had approved the Scheme of Amalgamation ('Scheme') of Cimmco Limited ('Cimmco') and Titagarh Capital Private Limited ('TCPL') - two subsidiaries of the Company, with the Company. The Hon'ble National Company Law Tribunal, Kolkata Bench ('NCLT') by an order dated 30th September, 2020 ('Order') has sanctioned the Scheme. The Appointed Date as per the Scheme being 1st April, 2019, the effect of amalgamation has been considered in the books retrospectively (the '**Effect**') and accordingly, the figures for the year ended 31st March, 2020 include the results of the Company and its two erstwhile subsidiaries namely Cimmco and TCPL and further the figures for the corresponding year ended 31st March, 2019 have been restated giving the effect from the beginning of the comparative period in the financial statements, i.e. 1st April, 2018 as per the requirements of IND AS 103 as per the accounting treatment specified in the Scheme.

The Scheme was approved by the respective Board of Directors on August 14, 2019 and after receipt of no-objection from the Stock Exchanges it was filed with NCLT in January, 2020. Approval by the shareholders & creditors of the Company was accorded at their respective meetings convened on April 29, 2020 pursuant to the direction of NCLT and although the petition for confirmation of the Scheme was filed by the Company on May 11, 2020, after persistent follow up, the matter was listed by NCLT for hearing on August 17, 2020 only and finally heard on September 07, 2020 when the order for sanctioning the Scheme was reserved. The NCLT passed the final order dated September 30, 2020 sanctioning the Scheme. As per the Scheme, the shareholders of Cimmco shall be entitled to 13 equity shares of Rs. 2/- each fully paid up for every 24 equity shares of Rs. 10/- each fully paid held by them on a record date as may be determined, to be issued and allotted by TWL. No consideration is payable in case of amalgamation of TCPL (wholly owned subsidiary) as the shares held by your Company therein shall be cancelled. The Company had no option but to wait for the Order from NCLT to ensure that the financials are reported after giving effect to the Scheme for the ultimate benefit of shareholders/stakeholders with regard to clarity thereof.

3. Performance and Outlook

The Company's performance during the Financial Year 2019-20 (FY 19-20) on a standalone basis improved substantially as compared to the previous financial year with total income up from Rs. 109479.91 lakhs in FY 18-19 to Rs. 150135.09 lakhs in FY 19-20 i.e. an increase of 37%; EBIDTA (before exceptional items) from Rs. 9589.13 lakhs in FY 18-19 to Rs. 14602.41 lakhs in FY 19-20 recorded an increase of 53% and PBT (before exceptional items) from Rs. 4039.54 lakhs in FY 18-19 to Rs. 6285.60 lakhs in FY 19-20 being higher by about 56%. However, the exceptional items as detailed in the Notes on Accounts, accounted for as a matter of prudence led to Loss for the year amounting to Rs. 7992.49 lakh.

On a consolidated basis, the Group's total income during the FY 19-20 increased from Rs. 159191.54 lakhs in FY 18-19 to Rs. 180,034.63 lakhs in FY 19-20 i.e. an increase of 13.09% and EBIDTA at Rs. 15495.94 Lakhs in FY 19-20 was up by 13.64% against Rs. 11598.27 Lakhs in the previous financial year. Loss from the discontinued operations on account of one overseas subsidiary resulted in Loss after Tax of Rs. 3614.21 Lakhs during the financial year ended March 31, 2020.

The financial performance as reported above was achieved despite the outbreak of COVID-19 and the lockdown announced by the Governments in the countries where the Group operates as a measure to combat the pandemic, however the extent of impact would also be experienced in the financial results for the current financial year due to the time required for synchronization of value-chain with efforts being made for reaching normal/pre-COVID level of operations which were resumed in phases.

Your Company's order book is healthy and execution of the contract for manufacture of 102 Metro Coaches for Pune Metro Rail is progressing as per schedule. Further, the amalgamation of Cimmco Limited with the Company would facilitate achieving improved operational, synergy in operations by combining the activities of the two companies, better economic control, benefits of a single centralized system of management, and help garner larger share of orders for Wagons and foray into products for Defence establishment of the country for which industrial license has been issued by the Ministry concerned. With continued participation in various tenders for the other segments viz. shipbuilding, bridges and specialized equipment and consistent focus on improvement in the operations of overseas subsidiary in Italy combined with resource optimization undertaken by the management, the outlook for the current year is reasonably encouraging.

Management Discussion and Analysis

(a) Overall Review

The overall performance of the Company during the financial year 2019-20 improved remarkably, however the exceptional items viz. impairment of investment in the overseas subsidiaries resulted in loss for the year.

(b) Segment Review

Rs. Lakhs

	Standalone			Consolidated		
Particulars	2019-20	2018-19	Change %	2019-20	2018-19	Change %
Segment Revenue (Gross)						
Wagons & Coaches	143789.09	85501.96	68.17%	172000.03	135389.76	27.04%
Specialised Equipment & Bridges	2112.33	7352.70	(71.27)%	2112.33	7352.70	(71.27)%
Shipbuilding	2,520.07	13151.65	(80.84)%	2520.07	13151.65	(80.84)%
Others	-	34.73	(100.00)%	-	34.73	(100.00)%
Total	148421.49	106041.04	39.97%	176632.43	155928.84	13.28%
Segment Results						
Wagons & Coaches	14284.95	4207.06	239.55%	14853.39	5942.20	149.96%
Specialised Equipment & Bridges	345.82	981.91	(64.78)%	345.82	978.27	(64.65)%
Shipbuilding	318.21	3195.69	(90.04)%	318.21	3195.69	(90.04)%
Others	-	(271.73)	(100.00)%	-	(218.88)	100.00%
Total	14948.98	8112.93	84.26%	15517.42	9897.28	56.78%
Total Profit/(Loss) before tax	(9849.84)	(8655.92)	(13.79)%	3745.79	1893.24	97.85%
Profit/(Loss) after Tax from discontinued operations	-	-	-	(9410.55)	(7445.53)	(26.39)%
Total Profit/ (Loss) after tax	(7992.49)	(5530.20)	(44.52)%	(3614.21)	(2252.61)	(60.45)%

During the year under review, the Company continued to consolidate its prominent position in the Wagons industry having been awarded the order for largest quantity by Indian Railways on Group basis in the last big tender and going forward with the combined capacities of Cimmco, your Company augur well for this segment. Apart from successful execution of the order from National Institute of Ocean Technology with launching of two sophisticated coastal research vessels before the scheduled delivery dates, which should improve the credentials of the Company in the shipbuilding business, the train propulsion and electricals business is expected to play very important role in growth of the Group in future backed by the credentials and technology of Titagarh Firema S.p.A., the Company's subsidiary in Italy.

Your Company entered into an exclusive cooperation agreement with ABB India Limited (ABB) in June, 2020, to cater to the large and growing business of propulsion equipment (traction converters) for the Indian railway EMU/MEMU market. According to the agreement, Titagarh and ABB will work together to design, develop and manufacture state of the art 3 phase IGBT based propulsion systems for EMU/MEMU which would be manufactured in Titagarh's plant at Uttarpara, Kolkata with certain components being supplied by ABB.

An agreement has been executed by your Company and its subsidiary: Titagarh Firema SpA, Italy with Ansaldo Trasporti S.r.l. ('ATR'), Gesa Industry S.r.l. ('GESA'), Ansaldo Breda SpA ('AB'), all based in Italy, pursuant whereto TWL is to get a license for IPR and Projects for Trains, another segment which offers substantial scope for growth.

With a view to achieving substantial savings in power cost, your Company signed a power purchase Agreement with Fourth Partner Energy in September 2020 to procure 4.8 MW of solar power for its manufacturing facilities at Titagarh and passenger coach and propulsion unit at Uttarpara, to effectively replace approximately 25% of its current annual electricity demand with clean energy. All three power plants are expected to be commissioned by March 2021.

(c) Overseas Operating Subsidiary

Titagarh Firema SpA, Italy (TFA)

The financial performance of TFA during the financial year ended March 31, 2020 was affected adversely mainly due to suspension of operations during the last quarter consequent to the measures announced by the Government of Italy to combat the spread of COVID-19 pandemic resulting in lower Revenue and Operating Profit. TFA was forced to close its production facilities with relative reduction of direct production hours starting from 16th March 2020 till later part of May, 2020. This situation has resulted in postponement of the activities with subsequent delayed delivery of several products which have therefore remained on the production lines even as TFA adopted necessary procedures necessitated by extraordinary regulations announced by the Government.

TFA achieved revenue of Euro 36 million during FY 19-20 compared to Euro 62 million last year. The reduction in revenue has been primarily due to completion of majority of the legacy orders during the initial part of the year and the later part was impacted due to Covid. Further substantial portion of the new order book is under design / prototype phase where in the revenue booking would be lower initially with the ramp up happening on commencement of the series production. However, it is important to note that both ongoing projects and new order received will show the execution in terms of revenue in the next year. Despite reduction of revenue by 41% as compared to previous year, the EBIDTA% has increased from 2.06% to 4.05% due to reduction in the overall fixed cost. This would help TFA going forward in order to maintain a very competitive rate per hour both for operations and design.

The main activities which took place during the year under review were:

- During the FY 19-20, TFA has seen substantial changes to its organisational structure with the induction of new management team from similar industry experience with the objective of reshaping the entire value chain aimed at re-launching the operations towards development and growth.
- The technical consolidation of the TFA order with subsequent increase of the reliability parameters and an acknowledged appreciation from the Customer;
- The launch of the Catania order (54 trains for the Circumetnea railway line). The design phase is in the advanced stage and the production of the prototype has started in compliance with the contractual schedule.
- In August, following the awarding of the Indian order for the Pune Metro, planning and design activities have been launched and building of the first car body has commenced.
- The delivery of the T21 project has begun, improving the delivery time thanks to having obtained approval for the put in service;
- An important milestone was the restart of collaborations with important local players.

The FY 19-20 also marked the passage to international accounting principles which would make it possible to better compare the principal indicators of the company with those of other international operators. TFA has exercised the option provided by Legislative Decree 28 February 2005, no. 38, as subsequently amended by Law Decree no. 91 of 24 June 2014, which regulates exercising the options provided for by article 5 of European Regulation no. 1606/2002 in the matter of international accounting principles, and has voluntarily adopted the International Financial Reporting Standards, issued by the International Accounting Standards Board, and adopted by the European Union (hereafter "International Accounting Principles" or "EU IFRS") for the first time for the preparation of this Financial Statement.

During the year ended March 31, 2020, TFA recorded a steep increase in the cash used in the operating activity amounting to Euro 11.80 million. The Management has prepared a Budget / Plan 2021 2025 (the "Budget / Plan"), approved by the Board of Directors on June 30, 2020 which shows a substantial financial balance of TFA, also considering the impact of Covid 19. The Budget/ Plan is examined, among other aspects, also as regards the reasonableness of the assumptions underlying the projections made by the management, by a qualified independent third party company.

Although the pandemic has not led to cancellation or reduction of orders, postponement of activities has been witnessed by TFA. Some invitations to tender have been deferred by a few months, though even in this case there is no evidence of potential reduction in the demand for the products manufactured by TFA.

TFA has decided on a well-structured strategic plan to address the impact of COVID-19 on the market and envisages the growth trend over the next five years which would allow the company to find new production level and greater efficiency would be translated into structured elements in dealing with the competition.

The current financial year is expected to see improvements in terms of profitability compared to the previous year owing above all to the start of production of new orders and a general increase in the productivity already the benefits wherefrom have started showing in the review of several business processes and policies for operating costs. The comprehensive value of the orders is to the tune of Euro 333 million (including the framework contract for Euro 216 mln), which places the company, for 2021, in a situation of significant coverage of the assumed revenue forecasts.

In particular, TFA expects to achieve in the current fiscal an important growth plan in terms of turnover volume, which would entail a significant cash absorption originating from the start of the new orders including Ferrovie Circumetena whose contract does not provide for the advance payment. This absorption has been estimated at around Euro 19.8 mln. In order to meet the financial need, a series of initiatives have been undertaken including:

- the use of the short term credit line with a Bank;
- new agreement of factoring with recourse;
- release of a security deposit in place with the Trenitalia customer;
- release of cash through optimisation of current asset levels achieved due to higher targeted invoicing during the fiscal year 2021;
- further actions are being sought under several stimulus packages announced by the Government of Italy to overcome the liquidity crisis created out of Covid-19 pandemic.

Financial year 2020- 2021 is expected to bring improvement in profitability compared to the previous year, due to margins from new orders and reduction in the hourly costs with significant increase of workloads and measures undertaken for TFA's operational efficiency both in terms of implementation of new business processes, optimizaiton policies adopted by management, reorganisation of various departments among which engineering where a new local unit in the city of Savona was built.

Further, the development of the project for a new intercity passenger car, also using government financing, would make it possible to enter into a new market area. In future, for the high power electric component, investments for the development of traction converters would be preferred while for the electric motors specialised businesses would be used.

Following the awarding of the Pune Metro project and in continuity with the strategy defined over recent years, all similar product opportunities on the Indian market will be pursued to maintain and consolidate the market share. The opportunity of launching a new tram in India is being evaluated by using a product platform already established on the European market.

(d) Order Book position

The order book of the merged entity stood at Rs. 2500 crore (approx.) today as against Rs. 2200 crore (approx.) at the time of declaring the financial results in the previous year. The order book is

well diversified across the different segments of the Company and going forward the revenue mix of the Company will undergo a substantial change with business other than Wagons contributing substantially to the top line.

The above order book includes new order received from Indian Railways during the month of September 2020 for supply of 1787 wagons amounting to approximately Rs 500 crore.

(e) Industry overview of Business Segments

Wagons and Coaches

Indian Railways is the world's 3rd largest rail network with 13,452 passenger trains and 9,141 freight trains. Freight traffic of Indian Railways in FY20 (provisional) stood at 999.51 million tonnes.

Private sector companies are being encouraged to participate in rail projects, which were earlier largely in the public domain. The cabinet approved 'participative models for rail-connectivity and capacity augmented projects', which allows private ownership of some railway lines.

PPP is being utilised in areas such as redevelopment of stations, building private freight terminals and private container train operations. With 100 per cent FDI allowed in the railway sector by the Government, freight traffic is set to increase significantly due to rising investment and private sector participation. Metro rail projects are being envisaged across many cities over the next ten years.

Growing industrialisation across the country has increased freight traffic in the last decade. India is projected to account for 40 per cent of the total global share of rail activity by 2050.

Outlook

Under Union Budget 2020-21, the Government of India has allocated Rs 72,216 crore (US$ 10.35 billion) as capital support for Indian Railways. The Government has formulated a 'National Rail Plan', which will enable the country to integrate its rail network with other modes of transport and develop a multi-modal transportation network.

Freight remains the major revenue earning segment for Railways, accounting for 64 per cent of the total revenue in FY20, followed by the passenger segment. Dedicated Freight Corridor Corp. of India Ltd (DFCCIL) is already building two freight corridors – Eastern Freight Corridor from Ludhiana to Dankuni (1,856 km), and Western Freight Corridor from Dadri to Jawaharlal Nehru Port (1,504 km), at a total cost of Rs 81,000 crore (US$ 11.59 billion).

Metro railways

Metro trains are rail-based mass rapid transit systems that operate on a privileged right-of-way – either underground or elevated over street level, separated from all other modes of transport in an urban area. There are currently 13 operational metro systems in India with a total of 678.52 kilometres of operational metro lines and 540 stations. A further 550+ km of lines are under construction.

As per the latest National Urban Transport Policy, metro rail system is to be constructed in every city with a population of 20 lakh or more with Union Government providing financial assistance either directly or through multilateral funding agencies or through a combination of both. The number of metros expected to come up in India is about 50. Since the cost of a heavy metro is very high, various cities have been asked to explore options light metro, tram and monorail.

Metro rail system enables large-scale, rapid and low-cost movement of people while causing very little pollution as compared to conventional modes of transport for thickly populated areas where traffic is a major challenge.

However, making available the land for laying tracks, very large project expenditure, infrastructural issues are some of the major threats in Metro segment. The technologies used in various types of metros in terms of system voltages, axle loads etc are also a challenge which need to be decided based on the ridership, city layout and other related parameters.

Outlook

Given rising urbanisation and increasing population levels in India, implementation of metro rail systems will become imperative as mass rapid transit systems are the best way to decongest traffic. National Urban Transport Policy also ensures that metros in some form or the other come up in cities thereby ensuring a steady requirement of metro rolling stock for the future.

Shipbuilding sector overview

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

(Source: www.pib.nic.in)

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

Outlook

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

(f) Discussion on Financial Performance with respect to Operational Performance

During the year under review, the Company took various operational measures viz. consolidation of the different products in line with the plant capacities which resulted in improved efficiency by turning the plant into a centre of excellence for the particular product thereby re-aligning the Company's business into four distinct parts viz. "Freight, Transit and Propulsion", "Shipbuilding", "Bridges & Defence". Continuing focus of the management is consistently on undertaking cost rationalization, better manufacturing processes, improved productivity and optimization of resource for improvement in performance aimed at achieving results better than the trend witnessed in the industries in which the Company operates. Viewed in this backdrop, the Company's performance for the year under review is considered to be in line with the circumstances prevailing.

(g) Overall outlook for the current year

In addition to the healthy order book as on date, the Company's focussed approach on fixed cost reduction in terms of consolidating the common functions and reducing duplication of manpower, consolidating its prominent position in the Rolling Stock sector coupled with the access to strong technology for Metro Coaches through its subsidiary in Italy and diversified product portfolio, strategy of adopting innovative ways to cater to its customers and preparedness to seize opportunity in products/projects for defence establishment of India combined with the benefits to be accrued upon the merger of Cimmco Limited and Titagarh Capital Private Limited with the Company make the outlook for the current year encouraging.

(h) Key Financial Ratios

As stipulated in the Regulation 34(3) of SEBI (LODR) Regulations, 2015, as amended, the Company reports as follows:

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

Sl.	Key Financial Ratios	2019-20	2018-19	Difference (%)
1	Debtors Turnover Ratio (%)	11%	18%	(38.89)%
2	Inventory Turnover Ratio (%)	14%	30%	(53.33)%
3	Interest Coverage Ratio (times)	1.98	1.56	26.92%
4	Current Ratio (times)	2.40	1.26	90.48%
5	Debt Equity Ratio	0.26	0.33	(21.21)%
6	Operating Profit Margin (%)	8.68%	5.80%	49.66%
7	Net Profit Margin (%)	(6.64)%	(8.16)%	18.63%

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

1&2. Better Working capital Utilization

3. Increase is interest coverage is good and this is due to better operational reult.

4. Current ratio has improved and is within the permissible standards.

5. Debt Equity ratio has improved due to better operating margin and cash generated from operation being used to repay/prepay the debt.

6. Operating profit margin is due to increase in sales and better profit margins on new contracts.

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

Key Financial Ratios	2019-20	2018-19	Difference (%)
Return on Net Worth (%)			
- Before considering exceptional item	7.70%	4.51%	70.73%
- After considering exceptional item	(10)%	(6)%	(66.67%)

Notes on significant changes in financial ratios where change is > 25%: The decline is due to provision for impairment in investment and receivables from the Company's Italian & Singapore subsidiary made during FYE 31.03.2020, however the return on net worth before the above impact actually increased.by 70.73%.

4. Dividend

In view of the loss for the year, the Directors express their inability to recommend any dividend for the FY 2019-20.

5. Employee Stock Options Scheme/Change in Share Capital

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

Options resulting in 35,000 equity shares and 43,250 equity shares allotted on 3rd April, 2019 and 18th June, 2019 respectively to the eligible employees upon exercise by them in conformity with ESOS led to increase in the paid up equity share capital to Rs. 23,12,12,340/- as at 31st March, 2020 consisting of 11,56,06,170 equity shares of Rs. 2/- each fully paid up. The equity shares so allotted rank pari-passu with the existing equity shares of the Company.

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

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

No material changes and commitments have occurred since the date of close of the financial year, to which the financial statements relate, till the date of this report, which might affect the financial position of the Company. However, the impact on the financial performance of the Company caused due to the outbreak of COVID-19 pandemic is explained separately in the notes to the financial statements.

7. Investor Education Protection Fund (IEPF)

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

Pursuant to the provisions of Section 124(6) of the Act read with the IEPF Rules, all the shares on which dividends remain unpaid or unclaimed for a period of seven consecutive years or more shall be transferred to the demat account of the IEPF Authority ('IEPF Account') as notified by the Ministry of Corporate Affairs. In accordance with the said provisions, the Company had executed and submitted the necessary documents for transfer of 6,567 equity shares of Rs. 2/- each, to the IEPF account, on 9th November 2019, in respect of which dividend had not been claimed by the members for seven consecutive years or more as on the cut-off date, i.e. 13th October, 2019. The details of all shares transferred to the IEPF Account are uploaded on the Company's website.

The Company has identified 191 shareholders holding 6873 equity shares in aggregate, who have not claimed their dividend consecutively since FY 2012-13 and therefore shares held by them have been transferred to the IEPF Account on due date i.e. 24/09/2020. The Company had published a Notice in the leading Newspaper both in English and Vernacular language on 24th June, 2020 and sent a communication to all concerned with information regarding transfer of their shares and reminder for taking appropriate action for claiming the dividend unclaimed on their shares. The details of such shareholders are uploaded on the Company's website.

8. Transfer to Reserves

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

9. Risk Management, Risks and Concerns

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

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

10. Subsidiary Companies and Joint Venture

A report containing the details required under Section 134 of the Companies Act, 2013 ('the Act') read with Rule 8(1) of the Companies (Accounts) Rules, 2014 in respect of performance and financial position for the financial year ended March 31, 2020, of subsidiaries: Titagarh Singapore Pte. Ltd., Singapore and Titagarh Firema SpA and Joint Venture Company: Matiere Titagarh Bridges Private Limited and Titagarh Mermec Private Limited included in the Consolidated Financial Report (CFS) in the Form AOC-1 is annexed to this Report and marked as **Annexure DR-1**. The CFS is attached to this Annual Report.

As reported hereinbefore two subsidiaries of the Company: Cimmco Limited and Titagarh Capital Private Limited have been amalgamated into the Company with effect from April 01, 2019 being the Appointed Date.

Pursuant to the order passed by the Commercial Court of Paris on 13th August, 2019 the Company's erstwhile wholly-owned Subsidiary in France: Titagarh Wagons AFR ('TWA'), is under liquidation and the Company is no longer in control of TWA w.e.f. 4th June, 2019 being the date when the start of the Rehabilitation Procedure was approved by the said Court. During the year, the group has de-recognised the entire assets & liabilities of TWA.

The Company has acquired the shares held by Matiere SAS, France ('Matiere'), representing 50% of the paid-up share capital of Matiere Titagarh Bridges Private Limited ('MTBPL'). As a result of the above, the shareholding of the Company in MTBPL has changed from 50% to 100% and thus MTBPL has become a wholly-owned subsidiary of the Company w.e.f. 14th July, 2020.

11. Copy of the Annual Return

Pursuant to the provisions of Section 92(3) of the Act, the copy of the annual return shall be uploaded on the website of the Company www.titagarh.in (https://titagarh.in/report/annual-report) and the same can be viewed by the members and stakeholders after 48 hours from the conclusion of the ensuing 23rd Annual General Meeting of the Company.

12. Number of Board Meetings

The Board of Directors met Seven (7) times during the financial year 2019-20 as per the details provided in the Corporate Governance Report forming part of Annual Report.

13. Loans, Guarantee and Investments

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

14. Significant and Material orders

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

15. Composition of Audit Committee

The Audit Committee constituted by the Board has Shri Atul Joshi as Chairman and Shri Manoj Mohanka and Shri Sunirmal Talukdar as the members. Further details are provided in the Corporate Governance Report.

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

16. Related Party Transactions

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

17. Corporate Governance Report

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

18. Internal Control System

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

a. That its assets are safeguarded

b. that transactions are authorised, recorded and reported properly; and

c. that the accounting records are properly maintained and its financial statements are reliable.

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

19. Vigil Mechanism

A fraud and corruption free environment as part of work culture of the Company is the objective and with that in view a Vigil Mechanism Policy has been adopted by the Board which is uploaded on the web site of the Company at www.titagarh.in. No complaint of this nature has been received by the Audit Committee during the year under review.

20. Internal Complaints Committee

The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, the further details of which are given in the Corporate Governance Report. No complaint was lodged with the Committee during the financial year 2019-20.

21. Directors and Key Managerial Personnel

Pursuant to the recommendations of the Nomination and Remuneration Committee (NRC) and subject to the approval of the members the Company at the 21st Annual General Meeting (AGM), the Board at its meetings held on 4th February, 2019 and 29th May, 2019 passed resolutions for reappointment of Shri Sudipta Mukherjee (DIN: 06871871) as Whole-time Director w.e.f. 15th May, 2019 and appointment of Shri Anil Kumar Agarwal (DIN: 01501767) as Additional Director of the Company, designated as Director (Finance) and Chief Financial Officer w.e.f. 29th May, 2019, respectively. The members in their 21st AGM held on 20th September, 2019 have passed necessary resolutions for reappointment/appointment of Shri Sudipta Mukherjee and Shri Anil Kumar Agarwal for a term of five years.

Pursuant to the recommendations of the Nomination and Remuneration Committee (NRC) and subject to the approval of the members of the Company at ensuing AGM, the Board had on 21st August, 2019, 10th December, 2019, 22nd June, 2020 and 13th August, 2020 appointed Shri Vinod Kumar Sharma (DIN: 02051084), Shri Sunirmal Talukdar (DIN: 00920608), Ms. Nayantara Palchoudhuri (DIN: 00581440) and Shri Krishan Kumar Jalan (DIN: 01767702) as Additional Director (Category: Independent) respectively, w.e.f. the date of passing of such resolution to hold office for a term of 5 years.

Shri D.N. Davar, Shri V.K. Sharma and Shri Ramsebak Bandyopadhyay, tendered their resignation from the position of Independent Director of the Company on 13th September, 2019, 28th February, 2020 and 4th May, 2020 respectively owing to their personal reasons.

Pursuant to the recommendation of the NRC, the Board at its meeting held on 31st July, 2020 subject to approval of the shareholders at the ensuing AGM reappointed Shri Umesh Chowdhary (DIN: 00313652) as the Managing Director & Vice Chairman of the Company for five years w.e.f. 1st October, 2020.

The Board has recommended necessary resolutions at the ensuing 23rd AGM for the appointment of Shri Sunirmal Talukdar, Ms. Nayantara Palchoudhuri and Shri K.K. Jalan as Independent Directors and Shri Umesh Chowdhary as the Managing Director & Vice Chairman of the Company.

Shri J.P. Chowdhary, Executive Chairman, retires by rotation at the ensuing AGM pursuant to the provisions of Section 152 of the Act and is eligible for re-appointment.

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

During the year under review, there was no change in the Key Managerial Personnel of the Company except the aforesaid appointment/reappointment of Shri Anil Kumar Agarwal and Shri Sudipta Mukherjee.

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

In compliance with the Act and SEBI (LODR) Regulations, 2015, the performance evaluation of the Board, Committees and Individual Directors was carried out during the FY 2019-20 as per the details set out in Corporate Governance Report.

23. Declaration by Independent Directors

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

24. Remuneration Policy and remuneration

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

25. Directors' Responsibility Statement

The Directors state that:

- Appropriate Accounting Standards as are applicable to the Annual Statement of Accounts for the financial year ended March 31, 2020 had been followed in preparation of the said accounts and there were no material departures therefrom requiring any explanation;
- The directors had selected and followed the accounting policies as described in the Notes on Accounts and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of financial year and of the loss of the Company for that period;
- The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- The directors had prepared the Annual Accounts on a going concern basis; and
- The directors had laid down internal financial controls (IFC) to be followed by the Company and that such IFC are adequate and operating effectively.
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

26. Statutory Auditors

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

The Auditors' Report on the standalone financial statement for the year ended 31st March, 2020 does not contain any qualification, reservation or adverse remark. As regards emphasis of matter being Note No. 4 (revised authorized share capital after merger, delay in filing of financial results with SEBI and application of the Company for extension of time for submission thereof and management's assessment of the financial impact due to the Covid-19 pandemic) placed by the Auditor in their Report on Standalone financial statement, the Notes No. 3, 5 and 6 are self-explanatory and no further explanation is considered necessary in this Report.

27. Consolidated Financial Statements

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

The Auditors' Report on the consolidated financial statement for the year ended 31st March, 2020 does not contain any qualification, reservation or adverse remark, except qualified opinion in regard to non-compliance with Ind AS 110 'Consolidated Financial Statements' for the year ended March 31, 2020 owing to non-consolidation of the financial results of Titagarh Wagons AFR (TWA) for the period from April 1, 2019 to June 4, 2019. In this regard, the Company had submitted the Statement on impact of audit qualifications to the Stock Exchanges on 8th October, 2020 explaining that the Commercial Court of Paris vide its judgement dated 13th August 2019 had approved a plan for transfer of business and assets of the Company's wholly-owned Subsidiary in France: TWA to another bidder and ordered for liquidation of TWA. On 4th June 2019, the Commercial Court of Paris has approved the start of Rehabilitation Procedure and from said date, Parent Company was no longer in control of TWA, under French law. Accordingly, the Group has derecognised the net assets value of TWA from its consolidated financial statements. The net assets value as on 4th June 2019 has been considered as the same value as appearing on 31st March 2019 since complete financial information including the financial statements from 1st April 2019 till 4th June 2019 is not available for TWA on account of reasons stated above. The de-recognition based on the net asset value as on 31st March 2019, instead of 4th June 2019 will not have any material impact on the total consolidated profit / (loss) before tax except disclosure under respective line items. As regards emphasis of matter being Note No. 5 (revised authorized share capital after merger, delay in filing of financial results with SEBI and application of the Company for extension of time for submission thereof, management's assessment of the financial impact due to the Covid-19 pandemic and preparation of accounts of TFA on going concern basisi) placed by the Auditor in their Report on Consolidated financial statement, the Notes No. 4, 6, 8 and 9 are self-explanatory and no further explanation is considered necessary in this Report.

28. Cost Auditors

M R Vyas & Associates, Cost Accountants, have been reappointed as Cost Auditors to conduct cost audit of the accounts maintained by the Company in respect of the products manufactured by the Company, for the Financial Year 2019-20 subject to ratification of their remuneration by the shareholders in accordance with the provisions of Section 148 of the Act and the Companies (Cost Records and Audit) Rules, 2014. The Cost Audit Report for the financial year ended 31st March, 2020 would be filed as stipulated by the applicable provisions of law. The Company is making and maintaining the accounts and cost records as specified by the Central Government under the provisions of Section 148(1) of the Act.

29. Secretarial Auditor

Secretarial Audit has been conducted by Vanita Sawant & Associates, Practicing Company Secretaries appointed by the Board and their report is annexed hereto and marked as **Annexure DR-3**. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

30. Deposits

The Company did not accept any deposits covered under Chapter V of the Companies Act, 2013 during the financial year ended March 31, 2020.

31. Particulars of Remuneration of Directors/KMP/Employees

Disclosure pertaining to Remuneration and other details as required under Section 197 (12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (the Rules) is annexed and marked as **Annexure DR-4**. The information pursuant to Rules 5(2) and 5(3) of the Rules not annexed to this Report, is readily available for inspection by the members at the Company's Registered Office between 10.30 A.M. to 1 P.M. on all working days upto the date of ensuing AGM. Should any member be interested in obtaining a copy including through email (corp@titagarh.in), may write to the Company Secretary at the Company's Registered office.

Human Resources

A. Empowering the employees

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

B. Industrial Relations

Industrial relations at all sites of the Company remained cordial.

C. No. of Employees:

Manpower employed as at March 31, 2020 was 565.

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

A statement pursuant to Section 134(3)(m)of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014 on conservation of energy, technology absorption, foreign exchange earnings and outgo is annexed to and marked as **Annexure DR-5**.

33. Corporate Social Responsibility

A report on Corporate Social Responsibility (CSR) activities undertaken during the financial year ended March 31, 2020 pursuant to the provisions of Section 135 of the Act and rules made thereunder is annexed to this Board's Report and marked as **Annexure DR-6**.

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

34. Listing

The Company's Equity Shares are listed at the BSE Limited (BSE) and The National Stock Exchange of India Limited (NSE). The listing fees for the financial year ending on March 31, 2021 have been duly paid.

35. Compliance with Secretarial Standards

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

36. Forward Looking Statement

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

37. Acknowledgement

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

For and on behalf of the Board

Kolkata
October 08, 2020

J P Chowdhary
Executive Chairman

Annexure DR-1 Form AOC-1

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

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

Part-A : Subsidiaries

Sl. No.	1	2	3	4
Name of the subsidiary	Titagarh Capital Pvt. Ltd.	Cimmco Limited	Titagarh Firema S.p.A., Italy	Titagarh Singapore Pte. Ltd.
Date since when subsidiary was acquired	13.10.2008	16.04.2014	30.06.2015	22.08.2008
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	–	–	–	–
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of Foreign subsidiaries	Rs./Lakhs		EURO Rs. 83.0496	EURO Rs. 83.0496
				Rs. in lakhs
Share capital	4000.00	2734.85	7115.70	12741.98
Reserves & surplus	Refer Note 4	Refer Note 4	(5707.83)	(12523.13)
Total Assets			92873.35	4446.10
Total Liabilities			80049.89	4227.25
Investments			-	2866.74
Turnover			28695.12	-
Profit before taxation			(1984.52)	(6594.40)
Provision for taxation			(193.20)	-
Profit after taxation			(1791.31)	(6594.40)
Proposed Dividend			-	-
% of shareholding	100.00	74.89	100.00	100.00

Notes:

1. Names of subsidiaries which are yet to commence operations: Nil
2. Names of subsidiaries which have been liquidated or sold during the year: Pursuant to the order passed by the Commercial Court of Paris on 13th August, 2019 the Company's erstwhile wholly-owned Subsidiary in France: Titagarh Wagons AFR ('TWA'), is under liquidation and the Company is no longer in control of TWA w.e.f. 4th June, 2019 being the date when the start of the Rehabilitation Procedure was approved by the said Court.
3. The above numbers have been taken from Standalone Financial Statements of the respective subsidiaries (The above does not include any inter Company eliminations).
4. The Hon'ble National Company Law Tribunal, Kolkata Bench, by an order dated 30th September, 2020 has sanctioned the Scheme of Amalgamation ('Scheme') of Cimmco Limited ('Cimmco') and Titagarh Capital Private Limited ('TCPL') with the Company. The Appointed Date as per the Scheme being 1st April, 2019, the effect of amalgamation has been considered in the books retrospectively and accordingly, the figures for the year ended 31st March, 2020 include the results of the Company and its two erstwhile subsidiaries namely Cimmco and TCPL. Therefore, the financial figures as required above for Cimmco and TCPL being not applicable have not been given.

Part – "B": Associates and Joint Ventures

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

Sl. No.	1	2
Name of Associates/ Joint ventures	Matiere Titagarh Bridges Private Limited	Titagarh Mermec Private Limited
1. Latest audited* Balance Sheet Date	31/03/2020	31/03/2020
2. Date on which the Associate or Joint Venture was associated or acquired	02/01/2017	18/07/2018
3. Shares of Associates or Joint Ventures held by the company on the year end:		
No.	7,54,882	5,000
Amount of investment in Associates or Joint Ventures	Rs. 75.49 lakhs	Rs. 50,000
Extent of Holding (in percentage)	50%	50%
4. Description of how there is significant influence	50% of the paid up Equity capital is held by the Company	50% of the paid up Equity capital is held by the Company
5. Reason why the associate/ joint venture is not consolidated	N.A.	N.A.
6. Net worth attributable to Shareholding as per latest Audited Balance Sheet	Rs. 24.02 Lakhs	Rs. (1.62) lakhs
7. Profit (Loss) for the year	Rs. (19.36) Lakhs	Rs. (2.02) Lakhs
i. Considered in Consolidation	Rs. (9.68) Lakhs	Rs. (1.01) Lakhs
ii. Not Considered in Consolidation	Rs. (9.68) Lakhs	Rs. (1.01) Lakhs

* as certified by the Management.

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

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

J P Chowdhary
Executive Chairman

Umesh Chowdhary
Vice Chairman and Managing Director

Atul Joshi
Director

Manoj Mohanka
Director

Anil Kumar Agarwal
Director (Finance) & CFO

Dinesh Arya
Company Secretary

Place: Kolkata / Mumbai
Date: October 08, 2020

Annexure DR-2 Form No. AOC-2

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

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

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

   Not Applicable.

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

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

* Cimmco Limited has since been Amalgamated with the Company pursuant to the Scheme of Amalgmation sanctioned by the Order dated 30th September, 2020 passed by the Hon'ble National Company Law Tribunal, Kolkata.

For and on behalf of the Board

Kolkata
October 08, 2020

J P Chowdhary
Executive Chairman

Annexure DR-3

The Board of Directors

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

SECRETARIAL AUDIT REPORT

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

FOR THE FINANCIAL YEAR 2019-20

Foreword

Due to the COVID 19 pandemic and the consequent lockdown in the country, I have conducted the audit by relying upon documents & minutes provided to me through email. I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Titagarh Wagons Limited, (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on my verification of the books, papers, minutes books, forms and returns filed and other records maintained by the Company (provided through email) and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on March 31, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined books, papers, minutes books, forms and returns filed and other records maintained by Company for the financial year ended on March 31, 2020 according to the provisions of:

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

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

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

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

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

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

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

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

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

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

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

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

   (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

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

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

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

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

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

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

a. Factories Act, 1948 and all allied State laws

b. The Environment (Protection) Act, 1986

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

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

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

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

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

I report that, during the year under review:

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

Adequate notice is given to all directors to schedule the Board Meetings. Agenda and detailed notes on agenda are sent at least seven days in advance, a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

I further report that:

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

I further report that:

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

- Mr. Anil Agarwal was appointed as Director (Finance).
- Mr. Vinod Kumar Sharma was appointed as an Independent Director in September 2019. However, Mr. Sharma resigned in February 2020.
- Mr. S Talukdar was appointed as Independent Director in December 2019.
- Mr. D.N. Davar resigned as an Independent director in September 2019.
- Mr. Sudipta Mukherjee was re-appointed as a Whole Time Director for a period of 5 years w.e.f. 15.05.2019.
- The Asset Disposal Committee & Special Committee of Directors were dissolved.
- It was decided to continue to pay minimum remuneration of Rs. 240 lakhs p.a. to CMD & VCMD, decided to pay commission to Non-Executive Directors and to pay additional sitting fees to Independent Directors.
- Amended the Internal Consortium Agreement between the company and Titagarh Firema S.p.A for Pune Metro Project.
- Inducted Andhra Bank in the Consortium of Bankers & availed credit facilities.
- Availed fresh Rupee Term Loan from ICICI Bank.
- Initiated the process of amalgamation of Cimmco Ltd & Titagarh Capital Pvt Ltd with itself.
- Decided to initiate the restructuring of Titagarh Singapore Pte Ltd by way of capital reduction.
- Decided on conversion of into a WOS
- Purchase of shares by the company of Titagarh Firema Spa, Italy

- Disposed of the flat owned by the company at Urbana, Anandapur, Kolkata
- Decided on change of Registrar & Transfer Agent from Karvy Fintech Pvt Ltd to Maheshwari Datamatics Pvt Ltd
- Appointment of the Company Secretary as the Nodal Officer as per Investor Education Protection Fund Rules
- Approved Inter Company invoicing arrangement.
- Increase in working capital limits by the consortium of banks.
- Appointed SBICap Trustee Company Ltd as the Security Trustee.
- Dilution of Company's shareholding in Cimmco Ltd to bring it within the Minimum Public Shareholding.
- Sale of entire shareholding held by the Company in Continental Valves Ltd.
- Take on rent, premises from Titagarh Enterprises Ltd.

Place: Mumbai
Date: July 17, 2020

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

Vanita Sawant
Proprietress
FCS 6210. CP No. 10072

Note: This report is to be read with our letter of even date, which is annexed as Annexure A and forms an integral part of this report.

Annexure A

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

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on our audit.
2. Due to the COVID 19 pandemic and the consequent lockdown, I have relied upon documents, forms and minutes provided to me through email. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to check whether correct facts are reflected in secretarial records. I believe that the processes and practices that were followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management Representation about the compliance of laws, rules and regulations and happenings of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Signature:
Date: 17th July 2020
Place: Mumbai

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

Annexure DR- 4

Details under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Rule Particulars

<table>
<tr><th>Rule</th><th colspan="4">Particulars</th></tr>
<tr><td rowspan="4">(i)</td><td rowspan="4">The Ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year.</td><td>a</td><td>Shri J P Chowdhary, Executive Chairman</td><td>118.59</td></tr>
<tr><td>b</td><td>Shri Umesh Chowdhary, Vice Chairman & Managing Director</td><td>118.59</td></tr>
<tr><td>c</td><td>Shri Sudipta Mukherjee, Wholetime Director</td><td>16.66</td></tr>
<tr><td>d</td><td>Shri Anil Kumar Agarwal, Director (Finance) & CFO</td><td>26.97</td></tr>
<tr><td rowspan="5">(ii)</td><td rowspan="5">The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the financial year.</td><td>a</td><td>Shri J P Chowdhary, Executive Chairman</td><td>Nil</td></tr>
<tr><td>b</td><td>Shri Umesh Chowdhary, Vice Chairman & Managing Director</td><td>Nil</td></tr>
<tr><td>c</td><td>Shri Sudipta Mukherjee, Wholetime Director</td><td>Nil</td></tr>
<tr><td>d</td><td>Shri Anil Kumar Agarwal, Chief Financial Officer</td><td>Nil</td></tr>
<tr><td>e</td><td>Shri Dinesh Arya, Company Secretary</td><td>Nil</td></tr>
<tr><td>(iii)</td><td colspan="3">The percentage increase in the median remuneration of employees in the financial year</td><td>3.48%</td></tr>
<tr><td>(iv)</td><td colspan="3">The number of permanent employees on the rolls of the Company</td><td>565</td></tr>
<tr><td>(v)</td><td>Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.</td><td colspan="2">There has been no increase in the remuneration of managerial personnel and others</td><td></td></tr>
<tr><td>(vi)</td><td colspan="4">It is hereby affirmed that the remuneration is as per the Remuneration policy of the Company.</td></tr>
</table>

Annexure DR-5

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

A. CONSERVATION OF ENERGY

i) Steps taken or impact on conservation of energy :

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

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

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

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

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

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

iii) Capital investment on energy conservation equipments :

Rs. 29.59 Lakhs for the year ended 31st March, 2020.

B. TECHNOLOGY ABSORPTION

i) Efforts made towards technology absorption

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

- Cars on Rail (CoR) Wagons for carrying automobiles;

Considering the reduction of corbon footprint and the movement of logistics from road to rail, we have developed a wagon for carrying automotites - car or Rail "COR", COR wagon is designed with the recent trend of vehicles and the wagon is a much optimised and efficient solution compared to the design carrying available.

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

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

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

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

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

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

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

Future plan of action:

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

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

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

b) Year of import : 2009-10

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

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

iv) Expenditure on R & D :

(Rs. in lakhs)

	2019-20	**2018-19**
Capital	Nil	Nil
Recurring	7.10	53.26
Total	7.10	53.26
Total R & D expenditure as a percentage of total turnover	0.005%	**0.06%**

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

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

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

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

b) Total foreign exchange earned and used :

Inflow Rs. 1198.90 Lakhs and outflow Rs. 4176.03 Lakhs.

For and on behalf of the Board

Kolkata
October 08, 2020

J P Chowdhary
Executive Chairman

Annexure DR-6

Report on CSR Activities

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

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

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

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

2. Composition of CSR Committee (as on 31st March, 2020):

Sl. No.	Name	Designation	Category
1	Smt. Rashmi Chowdhary	Chairperson	Non- Executive Director
2	Shri J P Chowdhary	Member	Executive Chairman
3	Shri Ramsebak Bandyopadhyay *	Member	Non-Executive Director

Note: * Shri Ramsebak Bandyopadhyay ceased to be a member of Corporate Social Responsibility Committee with effect from 4th May, 2020 and Ms. Nayantara Palchoudhuri has been appointed as a member in his place.

3. Average net profit/(Loss) of the Company for last three financial years: Rs. (2809.95) lakhs

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

5. Details of CSR spend during the financial year:

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

b) Amount unspent: Rs. Nil

c) Manner in which the amount spent during the financial year ended 31/03/2020 is detailed below:

Rs./Lakhs

1)	2)	3)	4)	5)	6)	7)	8)
Sl. No.	CSR Project or activity identified	Sector in which the project is covered	Projects and Programs 1) Local area or other 2) Specify the state or district where project or program was undertaken.	Amount outlay (budget) project or program wise[1]	Amount spent on the project or programs Sub-heads: 1.Direct Expenditure on projects or programs 2.Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through agency
a)	Jeevan Nirog	Health	-Medical assistance & care for destitute children -Cancer treatment of rural people -Anti Tobacco Awareness		3.50 10.00 0.25		Society for Indian Children Welfare Grameen Sneh Foundation Nirmal Hridayalaya

b)	Gyan Jyoti	Education	Education Support to underprivileged children aged 3 years to 13 years of age at Titagarh factory - Education, therapy and environment for children of women in prostitution - Mid day meal to 555 school going children in Kolkata School Uniform & accessories to rural children		3.00 5.50 4.99 0.44		Muskaan School at Titagarh Factory premises South Kolkata Hamari Muskan, Kolkata WB Annamrita, ISKCON Calcutta Marudyan
c)	Parvaah	Animal welfare	Animal care- shelters and care for street animals including dogs		0.50		People for animals, Kolkata (ASHARI)
d)	Implementation	All projects	Need assessment study, capacity building programs such as training, workshops, etc. and communication strategies for engagement of all stakeholders to implement as well as CSR Volunteers		1.50		

* The amount spent in excess of the prescribed CSR expenditure includes the unspent CSR amount brought forward from previous year(s).Rs.37.21 lakh

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

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

For and on behalf of the Board

Rashmi Chowdhary
Chairperson, CSR Committee

Umesh Chowdhary
Vice Chairman & Managing Director

Kolkata, October 08, 2020

Corporate Governance Report

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

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

Board of Directors

TWL's Board as at March 31, 2020 comprised nine directors including Executive Chairman, Vice Chairman & Managing Director, Wholetime Director, Director (Finance) & CFO being the four Executive Directors, four Independent Directors and one Non-Executive Director (Woman Director). The composition of the Board is in compliance with the provisions of the Companies Act, 2013. The vacancy caused by the resignation of one Independent Director on 28th February, 2020, was subsequently filled up by appointment of another Independent Director and read therewith the composition of the Board and other provisions as to Board and Committees are in compliance with the Regulation 17(1) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('Listing Regulations') The Managing Director(s), the Wholetime Director(s) and the Non-Executive Director (except Independent Directors) are liable to retire by rotation unless otherwise specifically approved by the shareholders. In the opinion of the Board, the Independent Directors of the Company fulfil the criteria for "independence" and/or "eligibility" as prescribed under the Listing Regulations and Section 149 of the Companies Act, 2013 ('the Act') and are independent of the management.

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

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

Sl. No.	Director	Category	No. of Board Meetings attended	Attendance at previous AGM on 20.09.2019	No. of Shares held (Face value of Rs. 2 each)	No. of other directorships Held		Chairman-ship in other Committees Chairman	Member-ship in other Committees Member
						Total	Listed		
1.	Shri J P Chowdhary DIN: 00313685	Promoter & Executive Chairman	7	Present	1,56,540	3	1	Nil	Nil
2.	Shri Umesh Chowdhary DIN: 00313652	Promoter & Vice Chairman and Managing Director	4	Present	77,530	5	1	Nil	1
3.	Shri Sudipta Mukherjee DIN: 06871871	Wholetime Director	4	Absent	12,500	Nil	Nil	Nil	Nil
#4.	Shri Anil Kumar Agarwal DIN: 01501767	Director (Finance) & CFO	7	Present	56,000	2	1	Nil	2
5.	Shri Manoj Mohanka DIN: 00128593	Independent & Non-executive	6	Absent	Nil	5	3	Nil	2
6.	Smt. Rashmi Chowdhary DIN: 06949401	Non-Independent & Non-executive	7	Present	128,16,105	Nil	Nil	Nil	Nil

##7.	Shri Ramsebak Bandyopadhyay DIN: 01122778	Independent & Non-executive	7	Present	Nil	1	1	Nil	1
8.	Shri Atul Joshi DIN: 03557435	Independent & Non-executive	6	Absent	Nil	4	Nil	Nil	Nil
###9.	Shri Sunirmal Talukdar DIN: 00920608	Independent & Non-executive	1	N.A.	Nil	8	4	5	2
#### 10.	Shri V K Sharma DIN: 02051084	Independent & Non-executive	2	Absent	Nil	N.A.	N.A.	N.A.	N.A.
##### 11.	Shri DN Davar DIN: 00002008	Independent & Non-executive	1	N.A.	Nil	N.A.	N.A.	N.A.	N.A.

Notes:

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

Shri Anil Kumar Agarwal was appointed as Director of the Company designated as Director (Finance) & Chief Financial Officer with effect from 29th May, 2019.

Shri Ramsebak Bandyopadhyay resigned from the Board of Directors of the Company with effect from 4th May, 2020 stating in his resignation letter that he has tendered resignation due to personal reasons only.

Shri Sunirmal Talukdar was appointed as Non-Executive Director (Category: Independent) on the Board of Directors of the Company with effect from 10th December, 2019.

Shri V K Sharma was appointed as Non-Executive Director (Category: Independent) of the Company with effect from 21st August, 2019. He resigned from the Board of Directors of the Company with effect from 28th February, 2020 stating in his resignation letter that he has tendered resignation due to personal reasons only.

Shri D N Davar resigned from the Board of Directors of the Company with effect from 13th September, 2019 stating in his resignation letter that he has tendered resignation due to personal reasons only.

Details of Directorships in other Listed Entities as at 31.03.2020:

Name and Category of the Director	Details of Directorships of other Listed Entities and Category of Directorship	
Shri J P Chowdhary, Executive Chairman	Cimmco Limited	Non-Executive Chairman
Shri Umesh Chowdhary, Vice Chairman and Managing Director	Cimmco Limited	Non-Executive Director
Shri Sudipta Mukherjee, Wholetime Director	Nil	N.A.
Shri Anil Kumar Agarwal, Director (Finance) & CFO	Cimmco Limited	Managing Director & CEO
Shri Manoj Mohanka, Independent Director	Indian Terrain Fashions Limited India Carbon Limited Celebrity Fashions Limited	Independent Director Independent Director Independent Director
Smt Rashmi Chowdhary, Non Executive Director	Nil	N.A.

Shri Ramsebak Bandyopadhyay, Independent Director	VLS Finance Limited	Independent Director
Shri Atul Joshi, Independent Director	Nil	N.A.
Shri Sunirmal Talukdar Independent Director	Aditya Birla Fashion and Retail Limited Clariant Chemicals (India) Limited India Carbon Limited Sasken Technologies Limited	Independent Director Independent Director Independent Director Independent Director

Separate Meeting of Independent Directors:

As stipulated by the Code of Independent Directors under the Companies Act, 2013 and the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors of the Company was held on 12th February, 2020 to review the performance of Non-independent Directors (including the Chairman) and the Board as a whole. The Independent Directors also reviewed the quality, content and timeliness of the flow of information between the Management and the Board and Committees of the Board which is necessary to effectively and reasonably perform and discharge their duties.

Agenda:

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

Invitees & Proceedings:

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

Directors' Induction, Familiarization & Training of Board Members:

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

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

At various Board meetings during the year, presentations are made to the Board on safety, health and environment and sustainability issue, risk management, company policies, changes in the regulatory environment applicable to the corporate sector and to the industry in which it operates, with areas of improvement and other relevant issue.

Quarterly presentations on operations made to the Board include information on business performance, operations, market share, financial parameters, working capital management, fund flows, senior management change, major litigation, compliances, subsidiary information, donations, regulatory scenario etc.

The details of such familiarization programmes have been placed on the website of the Company under the web link: **https://titagarh.in/policies-and-codes**

Skills/expertise/competence of the Board of Directors

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

Sl. No.	Core skills/ expertise/ competencies	Whether such Core skills/ expertise/ competencies are available with the Company's Board	**Name of the directors as on 31st March, 2020 having the required set of skills/expertise/competencies**
1	Expertise in Freight and Passenger Rolling Stock, Shipbuilding, Bridges and Special Projects for Defence including respective value chain and engineering	Yes	Shri J P Chowdhary Shri Umesh Chowdhary Shri Anil Kumar Agarwal Shri Sudipta Mukherjee
2	Experience in strategy formulation, planning and devising corporate policies, corporate governance including risk management, finance, tax and legal compliances	Yes	Shri J P Chowdhary Shri Umesh Chowdhary Shri Anil Kumar Agarwal Shri Atul Joshi Shri Manoj Mohanka Shri R. Bandyopadhyay Smt. Rashmi Chowdhary Shri Sudipta Mukherjee Shri Sunirmal Talukdar
3	Leadership qualities and indepth knowledge and experience in general management of organization	Yes	Shri J P Chowdhary Shri Umesh Chowdhary Shri Anil Kumar Agarwal Shri Atul Joshi Shri Manoj Mohanka Shri R. Bandyopadhyay Smt. Rashmi Chowdhary Shri Sudipta Mukherjee Shri Sunirmal Talukdar
4	Interpersonal relations, human resources management, communication, corporate social responsibility including environment and sustainability	Yes	Shri J P Chowdhary Shri Umesh Chowdhary Shri Anil Kumar Agarwal Shri Atul Joshi Shri Manoj Mohanka Shri R. Bandyopadhyay Smt. Rashmi Chowdhary Shri Sudipta Mukherjee Shri Sunirmal Talukdar
5	Expertise in technology including design, research and innovation and digitalization	Yes	Shri J P Chowdhary Shri Umesh Chowdhary Shri Anil Kumar Agarwal Shri Sudipta Mukherjee
6	Contribute to organizational mission and vision, stakeholder value creation and culture growth.	Yes	Shri J P Chowdhary Shri Umesh Chowdhary Shri Anil Kumar Agarwal Shri Atul Joshi Shri Manoj Mohanka Shri R. Bandyopadhyay Smt. Rashmi Chowdhary Shri Sudipta Mukherjee Shri Sunirmal Talukdar

Evaluation of the Board's Performance:

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

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

Board Meetings held during the Financial Year Ended the 31st March, 2020

Seven (7) meetings of the Board of Directors were held in the financial year ended March 31st, 2020 on 29th May (adjourned to 30th May, 2019), 30th May (adjourned from 29th May, 2019), 8th July, 14th August, 20th September, 5th November and 12th February, 2020.

Appointment/Re-appointment of Directors

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

Resignation of Independent Directors

Shri V K Sharma who was appointed as Non-Executive Director (Category: Independent) of the Company on 21st August, 2019 resigned from the Board of Directors of the Company with effect from 28th February, 2020 stating in his resignation letter that he has tendered resignation due to personal reasons only. The Company has also received confirmation from him that there are no other material reasons except as stated above for his resignation from the Board.

Shri D N Davar who was re-appointed as Independent Director of the Company w.e.f. 1st April, 2019 for a term of 5 years, resigned from the Board of Directors of the Company with effect from 13th September, 2019 stating in his resignation letter that he has tendered resignation due to personal reasons only. The Company has also received confirmation from him that there are no other material reasons except as stated above for his resignation from the Board.

Board Committees

Audit Committee

The Audit Committee as at 31st March, 2020 comprises Shri Atul Joshi, Shri Manoj Mohanka and Shri Sunirmal Talukdar (all Independent Directors). Shri Atul Joshi, double graduate in Commerce and Economics from Bombay University and a Chartered Accountant is the Chairman of the Audit Committee. The Audit Committee at its meetings exercised the role and duties, which had been defined by the Board of Directors pursuant to provisions of the Companies Act read with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Shri Dinesh Arya, Company Secretary acts as Secretary to the Audit Committee.

Shri Ramsebak Bandyopadhyay ceased to be a member of the Committee with effect from 12th February, 2020 and Shri Sunirmal Talukdar was appointed as a member of the Committee with effect from the said date.

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

At least one meeting of the Audit Committee was held in every quarter and the time gap between two consecutive meetings of the Audit Committee did not exceed 120 days during the financial year 2019-20.

Terms of Reference of Audit Committee are broadly as follows:

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

Attendance of the Directors at the Audit Committee Meetings held:

During the year 6 (Six) meetings of the Audit Committee of the Company were held i.e. on 29th May, 2019 (adjourned to 30th May, 2019), 30th May, 2019 (adjourned from 29th May, 2019), 8th July 2019, 14th August, 2019, 5th November 2019 and 12th February, 2020. The attendance of Directors at these meetings was as under:

Sl. No.	Name of Director	Designation	No. of meetings attended
1.	Shri D.N. Davar *	Chairman *	1
2.	Shri Atul Joshi **	Chairman **	6
3.	Shri Sunirmal Talukdar ***	Member	N.A.
4.	Shri Manoj Mohanka	Member	6
5.	Shri Ramsebak Bandyopadhyay ****	Member	6

* Shri D N Davar ceased to be Chairman and member of the Audit Committee w.e.f. 13th September, 2019.

** Shri Atul Joshi was appointed the Chairman of the Committee w.e.f. 5th November, 2019.

*** Shri Sunirmal Talukdar was appointed as a member of the Audit Committee w.e.f. 12th February, 2020.

**** Shri Ramsebak Bandyopadhyay ceased to be a member of Audit Committee with effect from 12th February, 2020.

The previous Annual General Meeting (AGM) of the Company was held on 20th September, 2019 and was attended by Shri Ramsebak Bandyopadhyay, member of the Committee, as Shri D.N. Davar, then Chairman of the Committee, had resigned as Director of the Company w.e.f. 13th September, 2019

Stakeholders' Relationship Committee

Stakeholders' Relationship Committee which considers and resolves the grievances of the security holders of the Company is headed by Shri Manoj Mohanka, an Independent Director, with Shri Umesh Chowdhary and Shri Ramsebak Bandyopadhyay being the other two members as at 31st March, 2020. The attendance at and dates of Stakeholders' Relationship Committee meetings held and the Status of Investors' complaints are as follows:

Attendance at the Stakeholders' Relationship Committee meetings

During the year 4 meetings of the Stakeholders' Relationship Committee of the Company were held i.e. on 29th May, 2019, 14th August, 2019, 5th November, 2019 and 12th February, 2020. The attendance of Directors at these meetings is as under:

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

* Shri Ramsebak Bandyopadhyay ceased to be a member of Stakeholders' Relationship Committee with effect from 4th May, 2020 and Ms. Nayantara Palchoudhuri has been appointed as a member in his place.

In aggregate 76 cases of Investors' Grievances (including routine queries) were received during the Financial Year 2019-20 pertaining to Non-Receipts of Dividend Warrants, Annual Reports, Non-Receipt of Securities and Non-Receipt of securities after transfer which were duly redressed in time and no Investors' Grievance is pending as at 31st March, 2020. There was also no Investor complaint pending against the Company as at 31st March, 2020 on SCORES, the web based complaint redressal system of SEBI.

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

All valid requests for transfer of shares in physical mode received during the financial year ended the 31st March, 2020 have been acted upon by the Company and no such transfer is pending.

Nomination and Remuneration Committee (NRC)

Nomination and Remuneration Committee (NRC) comprised of Shri Manoj Mohanka, Shri Sunirmal Talukdar, all Independent Directors and Shri J P Chowdhary, Executive Chairman, and is headed by Shri Manoj Mohanka.

Terms of Reference of NRC are broadly as follows:

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

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

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

iii) Devising the policy on Board Diversity;

iv) Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the NRC or by an independent external agency and review its implementation and compliance.

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

During the year 3 meetings of the NRC of the Company were held i.e. 29th May, 2019, 8th July, 2019 and 14th August, 2019.

The attendance of Directors at these meetings is as under:

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

* Shri D N Davar ceased to be Chairman and member of the Committee w.e.f. 13th September, 2019.

** Shri Manoj Mohanka was appointed as Chairman of the Committee w.e.f. 5th November, 2019.

** Shri Sunirmal Talukdar was appointed as a member of the Committee with effect from 12th February, 2020.

*** Shri Ramsebak Bandyopadhyay ceased to be a member with effect from 12th February, 2020.

The previous AGM of the Company held on 20th September, 2019 was attended by Shri Manoj Mohanka, Chairman of the Committee.

Remuneration Policy:

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

The criteria for making payments to Non-Executive Directors have been placed on the website of the Company under the web link: https://titagarh.in/policies-and-codes

Remuneration of Managing and whole time Directors for the financial year ended the 31st March, 2020 and their shareholding in the Company:

Rs. in Lakhs

Particulars	**Shri J P Chowdhary**	**Shri Umesh Chowdhary**	**Shri Sudipta Mukherjee**	**Shri Anil Kumar Agarwal**
Salary and Perquisites	257.28	257.28	36.14	58.51
Commission	Nil	Nil	Nil	Nil
Total	257.28	257.28	36.14	58.51
Stock Option Granted	Nil	Nil	Nil	Nil
Period for which appointed by the Board	5 years w.e.f. 08/01/2017	5 years w.e.f. 01/10/2015 (Reappointed for 5 years w.e.f. 01/10/2020)	5 years w.e.f. 15/05/2019	5 years w.e.f. 29/05/2019
Appointment by shareholders on	20th AGM on 31/07/2017	18th AGM on 24/09/2015	22nd AGM on 20/09/2019	22nd AGM on 20/09/2019
No of shares	156540	77530	12500	56000

Remuneration to Non-Executive Directors: Rs.

Name of the Director	Sitting Fees	Salary & Perquisites	Commission	Total
Shri D N Davar #	1,40,000	NIL	NIL	1,40,000
Shri Manoj Mohanka	7,20,000	NIL	NIL	7,20,000
Shri Sunirmal Talukdar ##	80,000	NIL	NIL	80,000
Smt. Rashmi Chowdhary	2,40,000	NIL	NIL	2,40,000
Shri Atul Joshi	4,60,000	NIL	NIL	4,60,000
Shri Ramsebak Bandyopadhyay ###	6,80,000	NIL	NIL	6,80,000
Shri V K Sharma ####	1,20,000	NIL	NIL	1,20,000
Total	**24,40,000**	**NIL**	**NIL**	**24,40,000**

Shri D N Davar resigned from the Board of Directors of the Company w.e.f. 13th September, 2019.

Shri Sunirmal Talukdar was appointed as Non-Executive Director (Category: Independent) on the Board of Directors of the Company with effect from 10th December, 2019.

###Shri Ramsebak Bandyopadhyay has since resigned from the Board of Directors of the Company with effect from 4th May, 2020.

Shri V K Sharma was appointed as Non-Executive Director (Category: Independent) of the Company with effect from 21st August, 2019. He resigned from the Board of Directors of the Company with effect from 28th February, 2020.

Corporate Social Responsibility Committee

Smt. Rashmi Chowdhary heads the Corporate Social Responsibility (CSR) Committee and Shri J P Chowdhary and Ramsebak Bandyopadhyay are the other members as at 31st March, 2020. CSR policy adopted by the Board is available on the web site of the Company - **https://titagarh.in/policies-and-codes**.

During the year, 1 meeting of the CSR Committee of the Company was held i.e. on 29th May, 2019.

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

Sl. No.	Name of Director	Designation	No. of meetings attended
1	Smt. Rashmi Chowdhary	Chairperson	1
2	Shri J P Chowdhary	Member	1
3	Shri Ramsebak Bandyopadhyay *	Member	N.A.
4.	Shri Atul Joshi **	Member	1
5	Shri Umesh Chowdhary ***	Member	1

* Shri Ramsebak Bandyopadhyay was appointed as member of the Committee w.e.f. 12th February, 2020. He ceased to be a member w.e.f. 4th May, 2020. Ms. Nayantara Palchoudhuri has been appointed a member w.e.f. 31st July, 2020.

*Shri Atul Joshi ceased to be a member of the Committee with effect from 12th February, 2020.

**Shri Umesh Chowdhary ceased to be a member with effect from 12th February, 2020.

Internal Complaints Committee

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

There was no complaint of any issue falling under the purview of the Committee during the Financial Year ended March 31st, 2020.

Other non-mandatory Committee

Finance and Project Committee:

Finance and Project Committee (known as Finance Committee upto 5th November, 2019) as at 31st March, 2020 comprised of Shri Sunirmal Talukdar, Independent Director as the Chairman and following members: Shri J P Chowdhary, Executive Chairman, Shri Umesh Chowdhary, Vice Chairman and Managing Director, Shri Manoj Mohanka and Shri Atul Joshi, Independent Directors.

Two meetings of the Committee were held on 30th April, 2019 and 15th October, 2019.

Attendance of the directors at the Financial and Project Committee meetings:

Sl. No.	Name of Director	Designation	No. of meetings attended
1	Shri Sunirmal Talukdar#	Chairperson	N.A.
2	Shri J P Chowdhary	Member	2
3	Shri Umesh Chowdhary	Member	2
4	Shri Manoj Mohanka	Member	2
5	Shri Atul Joshi##	Member	N.A.

#Shri Sunirmal Talukdar was inducted as the Chairman of the Committee w.e.f. 12th February, 2020.

#Shri Atul Joshi was inducted as a member of the Committee w.e.f. 5th November, 2019.

The nomenclature of the "Finance Committee" was changed to "Finance and Project Committee" w.e.f. 5th November, 2020. The terms of reference of the Finance and Project Committee includes the following: to borrow money(s) for the Company's business upto a limit determined by the Board, to furnish security on the Company's assets to secure the said borrowings, to invest surplus funds of the Company within the said limit in fixed deposit / term deposit account, to provide loan(s)/ guarantee(s)/ security(ies)/ investment(s) upto a limit determined by the Board and to sell, lease or dispose of such assets/properties of the Company which may be surplus or redundant .

Special Committee:

Special Committee comprised of Shri J P Chowdhary, Executive Chairman, Shri Umesh Chowdhary, Vice Chairman and Managing Director, Shri Atul Joshi, Shri Manoj Mohanka and Shri Ramsebak Bandyopadhyay and Shri D N Davar all Independent Directors.

One meeting of the Committee was held on 8th June, 2019.

Attendance of the directors at the Special Committee meetings:

Sl. No.	Name of Director	Designation	No. of meetings attended
1	Shri J P Chowdhary	Member	1
2	Shri Umesh Chowdhary	Member	1
3	Shri D N Davar#	Member	0
4	Shri Atul Joshi	Member	1
5	Shri Manoj Mohanka	Member	1
6	Shri Ramsebak Bandyopadhyay	Member	0

Shri D N Davar ceased to be a member of the Committee with effect from 13th September, 2019 due to his resignation.

The Board of Directors at its meeting held on 5th November, 2019 dissolved the Special Committee with immediate effect.

Asset Disposal Committee:

Asset Disposal Committee comprises of Shri Manoj Mohanka, Independent Director and Shri Umesh Chowdhary, Vice Chairman and Managing Director as Members.

One meeting of the Committee was held on 31st July, 2019.

Attendance of the directors at the Asset Disposal Committee meetings:

Sl. No.	Name of Director	Designation	No. of meetings attended
1	Shri Manoj Mohanka	Member	1
2	Shri Umesh Chowdhary	Member	1

The Board of Directors at its meeting held on 5th November, 2019 dissolved the Asset Disposal Committee with immediate effect.

Compliance Officer

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

General Body Meetings

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

Year	Annual General Meeting	Venue	Date	Time	No. of Special Resolutions passed
2016-2017	20th	Manovikas Kendra, 482, Madudah, Plot-I-24, Sector-J, E M Bypass, Kolkata-700107	31.07.2017	10.00 A.M	Three
2017-2018	21st	Rotary Sadan, 94/2 Chowringhee Road, Kolkata – 700020	29.09.2018	3.15 P.M	Three
2018-19	22nd	Bharatiyia Bhasha Parishad, 36A, Shakespeare Sarani, Kolkata-700017	20.09.2019	3:15 P.M.	Two

Postal Ballot

No postal ballot exercise was conducted during the financial year ended 31st March, 2020.

Remote e-voting and ballot voting at AGM

To allow the shareholders to vote on the Resolutions proposed at the AGM, Company has arranged for remote e-voting facility. The Company has engaged NSDL to provide e-voting facility to all the members. Members whose names appear on the Register of Members as on the cut-off date i.e. Wednesday, the 23rd December, 2020, shall be eligible to participate in the e-voting. The facility for electronic voting will also be made available at the AGM and the members who have not already cast their vote by remote e-voting can exercise their vote at AGM.

Disclosures

(i) Related Party Transactions

All transactions entered into with related parties as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 during the financial year 2019-20 were in the ordinary course of business and on arm's length pricing basis. Suitable disclosures as required by applicable Accounting Standard have been made in the Financial Statements. The Board has approved a policy for related party transactions which can be accessed at the Company website link: https://titagarh.in/policies-and-codes

(ii) Compliance with Accounting Standard:

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

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

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

(iv) Certificate on Corporate Governance:

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

(v) Fees paid to Statutory Auditor:

A total fee of Rs. 73.56 Lakhs plus applicable taxes was paid by the Company and its subsidiaries, on a consolidated basis, for all services to Price Waterhouse & Co Chartered Accountants LLP, Statutory Auditors and all entities in the network firm/ network entity of which they are part.

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

There were no such instance in the last three years except the following:

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Remarks of the Company
1	NSE Limited	The Stock Exchange had observed that Half of the Board of the Company was not Independent (From 29-May-2019 to 20-Aug-2019) with reference to Regulation 17(1) of SEBI (LODR) Regulations, 2015	A fine of Rs. 4,20,000/- (excluding GST) was levied, which was paid by the Company	The Company had represented against the fine levied by the Stock Exchange. The Company by its letters to the Exchange clarified that the vacancy in the position of Independent Director of the Company arose due to the appointment of a Non-Independent Director w.e.f. 29th May, 2019, which was an intermittent vacancy as per the Section 149(4) of the Companies Act, 2013. As per the provisions of the said Section, any intermittent vacancy of an independent director shall be filled-up by the Board at the earliest but not later than immediate next Board meeting or three months from the date of such vacancy, whichever is later. Therefore, the Company had time upto 29th August, 2019 to fill the aforesaid intermittent vacancy. The Company by its letter dated 02.11.2019 wrote to the Exchange that: "*if it is assumed that your office is taking a different interpretation, even then the fine should be waived since the time taken to appoint Independent Director was not intentional*". The Exchange informed that the Company's representation will be placed before relevant authority of the Exchange. Eventually, the Exchange did not agree with the Company's view and decided to levy the fine, which was paid by the Company.
2	BSE Limited	Same as above	Same as above	Same as above

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

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

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

The Company is compliant with all the mandatory requirement of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 for 2019-20.

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

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

(ix) Annual Secretarial Compliance Report

Pursuant to the SEBI circular no. CIR/CFD/ CMD1/27/2019 dated February 8, 2019 read with Regulation 24A of SEBI (LODR) Regulations, 2015, the Company has obtained an Annual Secretarial Compliance Report from CS Sumantra Sinha Practising Company Secretary, confirming compliance of SEBI Regulations / Circulars / Guidelines issued thereunder and applicable to the Company. There is one observation in the said report regarding the fine levied by the National Stock Exchange of India Limited and BSE Limited which is explained hereinabove at Sl. No. (vi).

Code of Conduct

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

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

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

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

Code of Conduct for Independent Directors

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

Means of Communication

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

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

General Shareholder Information

Annual General Meeting		
Day, Date and Time	:	Wednesday, the 30th December, 2020 at 10.30 AM.
Venue	:	Online platform of NSDL (Deemed Venue : 756, Anandapur, E.M.Bypass, Kolkata-700107)
Dates of Book Closure	:	24th December, 2020 to 30th December, 2020
Financial Calendar		
First Quarter Results	:	14th August, 2020
Second Quarter Results	:	11th November, 2020
Third Quarter Results	:	January/February, 2021
Fourth Quarter Results	:	April/May, 2021

Listing on Stock Exchanges and Stock Codes

Shares of the Company are listed at the BSE Limited and the National Stock Exchange of India Limited (NSE) [Scrip Codes 532966 & TWL (EQ) respectively]. Listing fees for the year 2020-21 have been paid to both BSE and NSE. ISIN for dematerialization is INE615H01020.

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

In accordance with the SEBI (LODR) Regulations, 2015, the Company dematerialized 2774 equity shares of the shareholders who had not responded to the reminder letters issued. Subsequently due to one equity share having been claimed and stock split, the balance in the demat (suspense) account with Karvy Stockbroking Limited was 13,860 equity shares as at 31st March, 2020.

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

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

(A) BSE Limited

Month	High (Rs.)	Low (Rs.)	Quantity Traded (Shares)	Sensitive Index	
2019				High	Low
April	72.25	61.8	641471	38487.45	38480.25
May	76.5	57.45	1031537	40124.96	36956.10
June	69.9	58.8	661149	40312.07	38870.96
July	63.95	34.1	1078676	40032.41	37128.26
August	43.3	31.3	994881	37807.55	36102.35
September	54.7	37.3	2636106	39441.12	35987.80
October	51.7	36.55	1509453	40392.22	37415.83
November	52.4	41.15	2388101	41163.79	40014.23
December	50.6	40.45	1363144	41809.96	40135.37
2020					
January	61.45	47.25	3802019	42273.87	40476.55
February	53.3	39.85	2203187	41709.30	38218.97
March	43.6	20.5	2035546	39083.17	25638.90

B) National Stock Exchange of India Limited

Month	High (Rs.)	Low (Rs.)	Quantity Traded (Shares)	CNX NIFTY	
2019				High	Low
April	72.25	61.50	4273576	11549.10	11856.15
May	76.45	57.50	6157029	11108.30	12041.15
June	70.05	59.00	3287131	11625.10	12103.05
July	64.25	34.00	6799972	10999.40	11981.75
August	42.25	31.00	7840928	10637.15	11181.45
September	54.75	37.20	21012499	10670.25	11694.85
October	51.75	37.05	13084022	11090.15	11945.00
November	52.40	41.10	20580538	12158.80	11802.65
December	50.60	40.50	12971735	12293.90	11832.30
2020					
January	61.50	47.80	34818120	11929.60	12430.50
February	53.20	39.80	20840466	11175.05	12246.70
March	43.75	21.00	11866563	7511.10	11433.00

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

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

The Board of Directors of the Company passed a resolution in its meeting held on 20th September, 2019 to change Registrar and Share Transfer Agent ('RTA') of the Company from Karvy to Maheshwari Datamatics Pvt. Ltd., 23, RN Mukherjee Road, 5th Floor, Kolkata - 700001 ('MDPL'). The formalities for change of RTA relating to documentations, shifting of electronic connectivity and transition of records were undertaken during the year. The requisite confirmations regarding the change of RTA was received from National Securities Depositories Limited and Central Depository Services Limited on 18th September, 2020 and MDPL has been acting as RTA w.e.f. 19th September, 2020.

Categories of Shareholding as on the 31st March, 2020

Category	No. of Shares held	% of Total Shares
• **Promoter & Promoter Group**	52836540	45.70
• **Indian Public**		
Mutual Funds & UTI	10426040	9.02
Financial Institutions & Banks	869232	0.75
Private Corporate Bodies	6372036	5.51
Individuals/Others	40960999	35.43
• **Non-Residents**		
Foreign Institutional Investors/ Non-Residents	3852284	3.33
• **Clearing Members**	289039	0.26
TOTAL	115606170	**100.00**

Dematerialisation of shares and liquidity: 99.91% of total equity shares of the Company have been dematerialised as on 31st March, 2020.

Distribution of Shareholding as on 31st March, 2020

Range of Shares	**No.of Holders**	**% To Holders**	**No.of Shares**	**% To Equity**
1 to 5000	75018	98.66	26484891	22.91
5001 to 10000	577	0.76	4247546	3.67
10001 to 20000	255	0.34	3559445	3.08
20001 to 30000	83	0.11	2034721	1.76
30001 to 40000	19	0.02	665808	0.58
40001 to 50000	20	0.03	921034	0.80
50001 to 100000	24	0.03	1738975	1.50
100001 & above	40	0.05	75953750	65.70
TOTAL	**76036**	**100.00**	**115606170**	**100.00**

Subsidiary Companies

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

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

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

Wagons Division
12/9/1. R.K. Deo Path
P.O. & P.S.: Titagarh
24 Parganas (N), West Bengal
Pin : 700119

Steel Castings Division
1 Abdul Quddus Road, Titagarh-743 188
P.O. & P.S.:- Titagarh,
North 24 Parganas (N), West.Bengal
Pin : 700119
Telephone : 91 33 2545 7067

Coaches/Heavy Engineering Division (HED)
2, Hindmotor Road, P.O.: Hindmotor
P.S. Uttarpara, Dist : Hooghly, Pin : 712233, West Bengal
Telephone : 91 33 2664 7009

Address for Correspondence :
Registered Office :
Titagarh Wagons Limited
Titagarh Towers

756, Anandapur, E. M. Bypass, Kolkata 700 107
Telephone : 91 33 4019 0800 Fax: 91 33 4019 0823
Email : investors@titagarh.in

Registrar & Transfer Agent (RTA) :
Upto 19th September, 2020
Kfin Technologies Private Limited (Formerly: Karvy Fintech Private Limited)
Karvy Selenium Tower B, Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Hyderabad 500 032,
Phone : 91 40 6716 2222, Fax : 91 40 2300 1153
Email for Investor complaints : einward.ris@karvy.com

From 19th September, 2020 onwards
Maheshwari Datamatics Pvt. Ltd.
23, R.N. Mukherjee Road, 5th Floor, Kolkata - 700001
Phone : 033 22435029 / 22482248,
Email for Investor complaints : mdpldc@yahoo.com

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

Kolkata
Date : 8th October, 2020

Declaration Affirming Compliance of Provisions of the Code of Conduct

To the best of my knowledge and belief and on the basis of declarations given to me, I hereby affirm that all the Board members and the senior management personnel have fully complied with the provisions of the Code of Conduct for Directors and Senior Management Personnel during the financial year ended 31st March, 2020.

For Titagarh Wagons Limited
Umesh Chowdhary
Vice Chairman and Managing Director

Kolkata
Date: 8th October, 2020

Certificate on Corporate Governance

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

I have examined the compliance of conditions of Corporate Governance by Titagarh Wagons Limited for the year ended on 31st March, 2020, as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 of the said Company with the Stock Exchanges.

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

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

I 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.

(CS Sumantra Sinha)
Practising Company Secretary
ACS – 11247 / CP - 15245

Place: Kolkata
Date: 8th October, 2020

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

The Board of Directors
Titagarh Wagons Limited

We have reviewed the financial statements read with cash flow statement of Titagarh Wagons Limited for the year ended on the 31st day of March, 2020 and to the best of our knowledge and belief, we state that:

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

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

c) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct;

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

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

   i) Significant changes in internal control during the year;

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

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

Kolkata	Umesh Chowdhary	Anil Kumar Agarwal
8th October, 2020	Vice Chairman and Managing Director & CEO	Director (Finance) & CFO

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Titagarh Wagons Ltd having CIN L27320WB1997PLC084819 and having registered office at 756, Anandapur, E.M. Bypass, Kolkata – 700107 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

Sr. No.	Name of Director	DIN	Date of appointment of Company
1	ANIL KUMAR AGARWAL	01501767	29/05/2019
2	MANOJ MOHANKA	00128593	21/12/2001
3	UMESH CHOWDHARY	00313652	03/07/1997
4	JAGDISH PRASAD CHOWDHARY	00313685	24/09/2009
5	RAMSEBAK BANDYOPADHYAY	01122778	10/08/2017
6	ATUL RAVISHANKER JOSHI	03557435	24/01/2018
7	SUDIPTA MUKHERJEE	06871871	15/05/2014
8	RASHMI CHOWDHARY	06949401	14/08/2014
9	SUNIRMAL TALUKDAR	00920608	10.12.2019

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My responsibility is to express an opinion on these based on my 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.

(CS Sumantra Sinha)
Practising Company Secretary
ACS – 11247 / CP - 15245

Place: Kolkata
Date: 8th October, 2020

ANNEXURE TO CG REPORT

ANNEXURE CG - 1

Criteria For Performance Evaluation of Board & Independent Directors

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

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

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

QUALIFICATION AND CRITERIA OF INDEPENDENCE

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

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

ANNEXURE CG - 2

Remuneration Policy

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

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

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

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

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

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

e. Specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the NRC or by an independent external agency and review its implementation and compliance.

f. Ensuring Board Diversity.

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

POLICY RELATING TO REMUNERATION OF DIRECTORS, KMP & SENIOR MANAGEMENT PERSONNEL

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

REVIEW

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

The Remuneration Policy is available on the Company's website under the following web link: **https://titagarh.in/policies-and-codes**

TITAGARH

Independent Auditor's report

To the Members of Titagarh Wagons Limited
Report on the Audit of Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Titagarh Wagons Limited ("the Company"), which comprise the balance sheet as at March 31, 2020, and the statement of Profit and Loss (including Other Comprehensive Income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, and total comprehensive income (comprising of loss and other comprehensive income), changes in equity and its cash flows for the year then ended.

Basis for opinion

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

Emphasis of Matter

4. We draw your attention to

   (a) Note 48 to the standalone financial statements, regarding the approval of the Scheme of Amalgamation between the Company and two of its subsidiaries (the 'Scheme') received from the National Company Law Tribunal vide its Order dated September 30, 2020, with appointed date of April 1, 2019. The figures for the year ended March 31, 2019 have been restated in accordance with the aforesaid Scheme and Indian Accounting Standard 103 – Business Combinations. Consequently, the figures for the year ended March 31, 2019 and March 31, 2020 include the results of the Company and its two erstwhile subsidiaries. Further, there is a typographical error in the amount of Authorised Share Capital in numeric figures as set out in Clause 17.1 of the Scheme, while the amount of Authorised Share Capital has been correctly recorded in words and the division/classification of revised Authorised Share Capital does not reflect the correct amount. While filing the certified copy of the Order with the Ministry of Corporate Affairs (MCA) on October 2, 2020, the Company has stated the correct amount of Authorised Share Capital therein.

   (b) Note 52 to the standalone financial statements which explains the delay in filing of the results for the year ended March 31, 2020 with Stock Exchanges as required by Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/ 106 dated June 24, 2020 and consequential penalty thereof till the date of the filing of same as per Circular no. SEBI/HO/CFD/CMD/CIR/P/2018/ 77 dated May 3, 2018.

   (c) Note 53 to the standalone financial statements which explains the uncertainties and management's assessment of the financial impact due to lockdown / restrictions related to the Covid-19 pandemic imposed by the Governments, for which definitive assessment of the impact is dependent upon future economic conditions.

Our opinion is not modified in respect of these matters.

Key audit matters

5. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>
Assessment of carrying value of Investment in subsidiaries
(Refer to Note 2.9 - "Investments in Subsidiaries and Joint Venture", Refer Note 2.33 - "Critical Estimates and Judgements - Impairment of Investments in Subsidiaries", Note 4 - "Non-Current Assets - Financial Assets - Investments" and Note 42 - "Fair Values)
The Company has investments in equity shares of the subsidiaries whose net carrying value aggregates to Rs 7,483.66 lacs, and such investments are carried at cost, net of impairment losses, if any, in accordance with the accounting policies as stated in the notes referred to above.
For investments where an indication of impairment exists, the carrying value of investment is assessed for impairment.
Impairment assessment requires significant judgements and estimates such as future expected level of operations and related forecast of cash flows, market conditions, discount rates, terminal growth rate etc.
Based on impairment assessment carried out by the management, impairment loss of Rs. 13,508.31 lacs have been provided for during the year ended March 31, 2020 in respect of certain investments.
Assessment of the carrying value of investments has been considered as a key audit matter as the amounts are significant to the financial statements and involves significant management judgement and estimates.
</td><td>
Our audit procedures included the following:

Assessed and tested the design and operating effectiveness of the Company's key controls over the assessment of the carrying value of investments.
Checked on a sample basis, relevant input data used in the impairment assessment back to the latest budgets and also checked the mathematical accuracy of the impairment model.
Assessed the appropriateness of the methodology used in the impairment model, and the underlying assumptions used such as discount rate, future growth rates and terminal value also considered historical performance vis-à-vis budgets. In doing this assessment, we have involved auditors' experts, as appropriate.
Considered sensitivity on key assumptions to assess the reasonableness of the impairment analysis.
Evaluated the adequacy of the disclosures made in the standalone financial statements.

Based on the above procedures performed, we noted that the management's assessment in relation to the carrying value of investments in equity shares in subsidiaries is reasonable.
</td></tr>
</table>

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>
Assessment of impairment of Property, Plant and Equipment
(Refer to Note 2.2 - "Property, Plant and Equipment", Refer Note 2.33 - "Critical Estimates and Judgements - Estimation of Expected Useful Lives of Property, Plant and Equipment and Intangible Assets", Note 3.1 - "Property, Plant and Equipment")
Property, plant and equipment represents 39% of total assets on the balance sheet. If these were to be impaired, it would have a significant impact on the reported loss and the balance sheet position of the Company.
Impairment assessment requires judgements and estimates towards future results of business including key assumptions like discount rate, growth rate etc.
The carrying value of assets is considered to be a key audit matter as the amount involved is significant and judgements inherent in impairment review.
</td><td>
Our audit procedures included the following:

Understanding and evaluating the design and operating effectiveness of controls for identification and assessment of any potential impairment, including determining the carrying amount.
Assessed the appropriateness of the methodology used in the impairment model, the input data and underlying assumptions used such as future levels of operations, discount rate etc. and considered historical performance vis-à-vis budgets. In doing this assessment, we have involved auditors' experts, as appropriate.
Checked the mathematical accuracy of the impairment model.
Performed sensitivity analysis and evaluated whether any reasonably possible changes in assumptions could lead to impairment of Property, Plant and Equipment.
Evaluated the adequacy of the disclosures made in the standalone financial statements.

Based on the above procedures performed, we noted that the management's assessment of impairment of property, plant and equipment is reasonable.
</td></tr>
</table>

Other Information

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

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

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

   We have nothing to report in this regard.

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

10. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.

    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

11. 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.

12. 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.

13. 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 matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

14. In accordance with the Scheme of Amalgamation referred to in Note 48 of the standalone financial statements, the comparative figures for year ended March 31, 2019 have been restated. We have audited the adjustments made by the Management, arising on account of amalgamation to arrive at the restated figures for the year ended March 31, 2019.

Our opinion is not modified in respect of this matter

Report on other legal and regulatory requirements

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

16. 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

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equity and Cash Flow Statement dealt with by this Report are in agreement with the books of account.

    (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A.

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

        i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 16 and 36 to the financial statements.

        ii. The Company has long-term contracts as at March 31, 2020 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2020.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

iv. The reporting on disclosures relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2020.

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

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

Pramit Agarwal
Partner
Membership Number 099903

UDIN: 20099903AAAALK1503
Place: Gurugram
Date: October 8, 2020

Annexure A to Independent Auditors' Report

Referred to in paragraph 16(f) of the Independent Auditors' Report of even date to the members of Titagarh Wagons Limited on the standalone financial statements for the year ended March 31, 2020

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

1. We have audited the internal financial controls with reference to financial statements of Titagarh Wagons Limited ("the Company") as of March 31, 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing deemed to be prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Also refer paragraph 4 of our report.

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

Pramit Agarwal
Partner
Membership Number 099903

UDIN: 20099903AAAALK1503
Place: Gurugram
Date: October 8, 2020

Annexure B to Independent Auditors' Report

Referred to in paragraph 15 of the Independent Auditors' Report of even date to the members of Titagarh Wagons Limited on the Ind AS financial statements as of and for the year ended March 31, 2020

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

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

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

No. of cases	Particulars	Gross Block (Rs. in Lacs)	Net Block (Rs. In Lacs)	Remarks
2	Freehold Land	14,144.61	14,144.61	Original copy of title deeds/ not available with the Company.
1	Freehold Land	3,391.29	3,391.29	Title deeds are not in the name of the Company
1	Freehold Land	97.96	97.96	Title Deed not found
1	Buildings	117.04	105.12	Title deeds not in the name of the Company

ii. The physical verification of inventory (excluding stocks with third parties) have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been properly dealt with in the books of accounts.

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

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

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

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

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of goods and service tax, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including provident fund, employees. state insurance, sales tax, income tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Also refer note 49 to the financial statements regarding managements assessment on certain matters relating to provident fund. Further, for the period March 1, 2020 to March 31, 2020, the company has paid Goods and Service Tax and filed GSTR-3B after the due date i.e on July 7, 2020, allowed by Central Board of Indirect Taxes and Custom under the Notification No. 31/2020 dated April 03, 2020 on fulfilment of conditions specified therein.

The extent of the arrears of statutory dues outstanding as at March 31, 2020, for a period of more than six months from the date they became payable are as follows:

Name of the statute	Nature of dues	Amount (Rs. in Lacs)	Period to which the amount relates	Due date	Date of Payment
Employees' Provident Funds and Miscellaneous Provisions Act, 1952	Provident Fund	8.94	2019 – 2020	April 2019 to September 2019	Not yet paid

(b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of service tax and goods and service tax which have not been deposited on account of any dispute. The particulars of dues of income tax, sales tax, duty of customs and duty of excise duty, value added tax as at March 31, 2020 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (Rs. in lacs)	Period to which the amount relates	Forum where the dispute is pending
The Custom Act, 1962	Custom Duty	1,222.71	2004-2005 2006-2007	CESTAT
		30.63	1992-93	Additional Commissioner Customs
		58.8	1986-1987, 1998-1999, 2000-2001	Deputy Director of Enforcement
The West Bengal Sales Tax Act, 1944	Sales Tax	5.24	2004-2005	West Bengal Taxation Tribunal
	Sales Tax	8.99	2016-2017	Additional Commissioner of Commercial Tax West Bengal
The West Bengal Value Added Tax Act, 2003	Value Added Tax	1,499.04	2012-2013 to 2017-2018	West Bengal Taxation Tribunal
	Value Added Tax	17.43	2010-2011	Additional Commissioner of Commercial Tax West Bengal
The Rajasthan Sales Tax Act	Sales Tax	510.19	1998-99 2012-18	Deputy Commissioner Appeal
		154.19	2013-14	Commissioner Appeal
The Orrisa Sales Tax Act	Sales Tax	117.60	1999-2001	High Court
Foreign Trade Development and Regulation Act, 1992	Terminal Excise Duty	693.20	2008-2010	Directorate General of Foreign Trade
The Central Excise Act, 1944	Excise Duty	1,096.42	2007 to 2012	Customs, Excise and Service Tax Appellate Tribunal
		538.08	2011 to 2016	Additional Commissioner of Central Excise and Service Tax
		72.42	2009 to 2016	Assistant Commissioner of Central Excise and Service Tax
		12,140.53	1995-96 to 2013-14	Commissioner of Central Excise and Service Tax
		141.43	2006-07 to 2013-14	Commissioner of Central Excise (Appeal)
		329.21	2013 to 2015	Joint Commissioner of Central Excise and Service Tax
		20.80	1999-2000 2011-2012	CESTAT
		49.51	2017	Additional Commissioner of Central Excise
		4.36	2016-17	Assistant Commissioner of Central Excise
		126.27	1989-1994	Supreme Court
		4.89	2015-2016	Commissioner of Central Excise (Appeal)
		21.56	2014 to 2018	Deputy Commissioner of Central Excise

		141.43	2006 to 2014	Commissioner of Central Excise and Service Tax (Appeal)
		329.21	2013 to 2015	Joint Commissioner of Central Excise and Service Tax
The Income-Tax Act, 1961	Income Tax	279.09	AY-2011-12 AY- 2015-16 AY- 2017-18	CIT (A)
		563.17	AY-2005-06 AY- 2011-12 to 2013-14	Income Tax Appellate Tribunal

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

ix. In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained. The company has not raised any moneys by way of initial public offer and further public offer (including debt instruments).

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

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

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the standalone financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

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

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

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

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

Pramit Agarwal
Partner
Membership Number 099903

UDIN: 20099903AAAALK1503
Place: Gurugram
Date: October 8, 2020

STANDALONE BALANCE SHEET AS AT MARCH 31, 2020

(Rs. in Lacs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
I. ASSETS			
Non-current Assets			
a) Property, Plant and Equipment	3.1	56,566.56	56,596.95
b) Capital Work-in-progress	3.4	-	1,622.62
c) Goodwill		-	24.85
d) Investment Properties	3.3	821.24	821.24
e) Intangible Assets (Other than Goodwill)	3.2	1,202.85	1,512.80
f) Intangible Assets Under Development	3.5	-	241.76
g) **Financial Assets**			
i) Investments	4	10,417.53	15,820.61
ii) Trade Receivables	5	142.99	269.17
iii) Loans and Deposits	6	358.24	150.03
iv) Other Financial Assets	7	4,278.61	20.23
h) Deferred tax assets (Net)	17	420.20	-
i) Non-current Tax Asset (Net)	8	2,914.51	2,848.69
j) Other Non-current Assets	9	989.37	490.59
Total Non-current Assets		**78,112.10**	**80,419.54**
Current Assets			
a) Inventories	10	20,574.38	31,583.43
b) **Financial Assets**			
i) Trade Receivables	5	15,884.45	18,551.69
ii) Cash and Cash Equivalents	11.1	1,030.11	225.94
iii) Other Bank Balances	11.2	2,709.01	2,081.27
iv) Loans and Deposits	6	3,244.80	374.72
v) Other Financial Assets	7	8,733.53	11,947.52
c) Other Current Assets	9	13,444.10	19,135.29
Total Current Assets		**65,620.38**	**83,899.86**
TOTAL - ASSETS		**1,43,732.48**	**1,64,319.40**
II. EQUITY AND LIABILITIES			
Equity			
a) Equity Share Capital	12	2,312.12	2,310.56
b) Other Equity	13	79,323.79	87,295.56
Total Equity		**81,635.91**	**89,606.12**
Liabilities			
Non-current Liabilities			
a) **Financial Liabilities**			
i) Borrowings	14	14,748.98	8,570.81
b) Provisions	15	349.29	313.51
c) Deferred Tax Liabilities (Net)	17	-	2,128.91
d) Other Non-current Liabilities	20	14,406.29	-
Total Non-current Liabilities		**29,504.56**	**11,013.23**
Current Liabilities			
a) **Financial Liabilities**			
i) Borrowings	14	6,330.59	20,611.04
ii) Trade Payables	18		
a) Total Outstanding Dues of Micro Enterprises and Small Enterprises		158.31	80.12
b) Total Outstanding Dues of Creditors Other Than Micro Enterprises and Small Enterprises		21,043.15	33,451.83
iii) Other Financial Liabilities	19	3,063.70	1,525.40
b) Other Current Liabilities	20	1,043.24	6,982.21
c) Provisions	15	930.12	943.04
d) Current Tax Liabilities	16	22.90	106.41
Total Current Liabilities		**32,592.01**	**63,700.05**
TOTAL - LIABILITIES		**62,096.57**	**74,713.28**
TOTAL - EQUITY AND LIABILITIES		**1,43,732.48**	**1,64,319.40**
Summary of significant accounting policies	2		

The accompanying notes are an integral part of the standalone financial statements

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

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

J P Chowdhary
Executive Chairman
DIN: 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652

Pramit Agrawal
Partner
Membership No. 099903

Atul Joshi
Director
DIN: 03557435

Manoj Mohanka
Director
DIN: 00128593

Place : Gurgaon
Date : October 08, 2020

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
DIN: 01501767

Dinesh Arya
Company Secretary

Place: Kolkata / Mumbai
Date: October 08, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

FOR THE YEAR ENDED 31ST MARCH 2020

(Rs. in Lacs)

Particulars	Notes	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Income			
Revenue from Operations	21	1,48,421.49	1,06,041.04
Other Income	22	1,713.60	3,438.87
Total Income		**1,50,135.09**	**1,09,479.91**
Expenses			
Cost of Raw Materials and Components Consumed	23	1,07,188.90	79,457.06
Changes in Inventories of Finished Goods, Work in progress and Saleable Scrap	24	625.66	(3,819.15)
Employee Benefits Expense	25	3,486.14	3,262.42
Finance Costs	26	6,502.92	3,937.52
Depreciation and Amortization Expense	27	1,813.89	1,612.07
Other Expenses	28	24,231.98	20,990.45
Total Expenses		**1,43,849.49**	**1,05,440.37**
Profit before exceptional items and tax		**6,285.60**	**4,039.54**
Exceptional items	30	16,135.44	12,695.46
Loss Before Tax		**(9,849.84)**	**(8,655.92)**
Tax Expense			
Current Tax			
Pertaining to profit for the current year	29	-	136.34
Adjustment of tax relating to preceding year	29	687.81	-
Deferred Tax		(2,545.16)	(3,262.06)
Total Tax Expense		**(1,857.35)**	**(3,125.72)**
Loss for the Year After Tax		**(7,992.49)**	**(5,530.20)**
Other Comprehensive Income			
Item that will not be reclassified to Profit or Loss in subsequent periods :			
Remeasurement Gains/(Losses) on Defined Benefit Plans		(15.70)	2.08
Tax on above		3.95	(0.73)
Other Comprehensive Income for the Year (Net of Taxes)		**(11.75)**	**1.35**
Total Comprehensive Income for the Year		**(8,004.24)**	**(5,528.85)**
Earnings per Equity Share[Nominal Value of Share Rs. 2/- (March 31, 2019: Rs 2/-)]	31		
Basic (In Rs.)		**(6.71)**	**(4.67)**
Diluted (In Rs.)		**(6.71)**	**(4.67)**
Summary of Significant Accounting Policies	2		
The accompanying notes are an integral part of the standalone financial statements			

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

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

J P Chowdhary
Executive Chairman
DIN: 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652

Pramit Agrawal
Partner
Membership No. 099903

Atul Joshi
Director
DIN: 03557435

Manoj Mohanka
Director
DIN: 00128593

Place : Gurgaon
Date : October 08, 2020

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
DIN: 01501767

Dinesh Arya
Company Secretary

Place: Kolkata / Mumbai
Date: October 08, 2020

STATEMENT OF CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

FOR THE YEAR ENDED 31st MARCH 2020 **(Rs. in Lacs)**

Particulars	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
A. Cash Flows from Operating Activities		
Profit/ (Loss) before Tax	**(9,849.84)**	**(8,655.92)**
Adjustments for:		
Depreciation and Amortisation Expense	1,813.89	1,612.07
Finance Cost	6,502.92	3,937.52
Employee Stock Option Expenses	67.81	133.02
Unrealised Foreign Exchange Fluctuations Gain	(147.95)	(13.54)
Fair Value Loss on Derivatives Not Designated as Hedges	-	44.72
Goodwill written-off	24.85	-
Irrecoverable Debts/ Advances Written Off (Net)	249.36	979.96
Provision for Doubtful Debts and Advances	495.34	354.43
Adjustment to retained earnings due to adoption of Ind AS 115	-	90.61
Net (Gain)/ Loss on Disposal of Property, Plant and Equipment	(18.00)	3.35
Net Gain on Disposal of Investment	(237.74)	-
Fair Value Gain on Investment in Equity Securities of FVTPL	89.86	(416.46)
Unspent Liabilities / Provisions No Longer Required Written Back	(552.02)	(244.51)
Interest Income Classified as Investing Cash Flows	(513.63)	(2,278.56)
Exceptional Items	13,508.31	12,695.46
Operating Profit before Changes in Operating Assets and Liabilities	**11,433.16**	**8,242.15**
Increase/(Decrease) in Non-current and Current Financial and Non-financial Liabilities and Provisions	(1,161.76)	22,191.66
(Increase)/ Decrease in Trade Receivables	2,334.27	(8,899.70)
(Increase)/ Decrease in Inventories	10,188.64	(14,089.33)
(Increase)/Decrease in Non-current and Current Financial and Non-financial Assets	7,628.04	(16,623.43)
Cash Generated From / (Used in) Operations	**30,422.35**	**(9,178.65)**
Income Taxes Paid (Net of Refunds)	(841.09)	(193.94)
Net Cash From / (Used in) Operating Activities	**29,581.26**	**(9,372.59)**
B. Cash Flows from Investing Activities		
Payments for Acquisition of Property, Plant and Equipment including Capital Work-in-Progress and Intangible Assets	(844.94)	(2,870.79)
Proceeds from Disposal of Property, Plant and Equipment	1,100.12	4.65
Loans Given to Subsidiaries	(4,727.89)	(2,019.29)
Loans Refunded by Subsidiaries	2,361.00	6,858.43
Investments in Subsidiaries	(13,904.91)	-
Investment in Joint Venture	(0.50)	-
Sale of Investment	6,288.05	-
Fixed Deposits Made	(6,845.74)	(6,850.71)
Fixed Deposits Matured	1,960.29	6,301.99
Dividend Received	3.01	-
Interest Received	348.11	792.84
Net Cash From / (Used in) Investing Activities	**(14,263.40)**	**2,217.12**
C. Cash Flows from Financing Activities		
Proceeds from Long-term Borrowings	10,815.65	3,350.00
Repayment of Long-term Borrowings	(5,477.56)	(2,204.81)
Short Term Borrowings - Receipts/ (Payments)	(14,280.45)	9,745.31
Finance Costs Paid	(5,538.23)	(3,708.28)
Proceeds from Issue of Employee Stock Option Scheme	19.11	12.17
Procees from Sale of Shares of erstwhile Cimmco Ltd (since merged with the company)	365.23	222.15
Proceeds from Share Application money received pending for Allotment	-	15.47
Dividend Paid (including Dividend Distribution Tax)	(417.44)	(413.57)
Net Cash From / (Used in) Financing Activities	**(14,513.69)**	**7,018.44**
Net Increase/ (Decrease) in Cash and Cash Equivalents (A+B+C)	**804.17**	**(137.03)**
Cash and Cash Equivalents - Opening Balance (Refer Note 11.1)	225.94	362.97
Cash and Cash Equivalents - Closing Balance (Refer Note 11.1)	**1,030.11**	**225.94**

a) The above Standalone Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

b) Refer Note 45 for Debt Reconciliation.

The accompanying notes are an integral part of the standalone financial statements

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

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

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

J P Chowdhary
Executive Chairman
DIN: 00313685

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Vice Chairman and Managing Director
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Director
DIN: 00128593

Place : Gurgaon
Date : October 08, 2020

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
DIN: 01501767

Dinesh Arya
Company Secretary

Place: Kolkata / Mumbai
Date: October 08, 2020

Standalone Statement of Changes in Equity for the year ended March 31, 2020

A) Equity Share Capital (Refer Note 12) **(Rs. in Lacs)**

Particulars	Number in Lacs	Amount
Balance as at March 31, 2018	**1,155.00**	**2,310.01**
Issue of Equity Shares Pursuant to Employee Stock Option Scheme during the year (Refer Note 12)	0.28	0.55
Balance as at March 31, 2019	**1,155.28**	**2,310.56**
Issue of Equity Shares Pursuant to Employee Stock Option Scheme during the year (Refer Note 12)	0.78	1.56
Balance as at March 31, 2020	**1,156.06**	**2,312.12**

B) Other Equity

Particulars	Reserves and Surplus (Refer Note 13)								
	Securities Premium Account	General Reserve	Capital Reserve	Employee Stock Options Outstanding Account	Reserve Fund	Share Pending Allotment	Equity Share Merger Account	Retained Earnings	Total
Balance as at March 31, 2018	**40,596.60**	**5,411.39**	**9.18**	**273.87**	**10.32**	**-**	**-**	**40,111.16**	**86,412.52**
-Change in accounting policy (as per impact of Ind AS 115) [Refer Note 46]	-	-	-	-	-	-	-	90.61	90.61
Restated balance as at April 1, 2018	**40,596.60**	**5,411.39**	**9.18**	**273.87**	**10.32**	**-**	**-**	**40,201.77**	**86,503.13**
Loss for the Year	-	-	-	-	-	-	-	(5,530.20)	(5,530.20)
Other Comprehensive Income (Net of Tax) - Remeasurement Losses on Defined Benefit Plans	-	-	-	-	-	-	-	1.35	1.35
Total Comprehensive Income for the year	-	-	-	-	-	-	-	**(5,528.85)**	**(5,528.85)**
<u>Transactions with Owners in their Capacity as Owners:</u>									
Arisen Pursuant to the Scheme of Amalgamation (Refer Note 48)	-	-	6,517.20	-	-	-	61.11	-	6,578.31
Premium on Issue of Equity Shares Pursuant to ESOP Scheme	11.62	-	-	-	-	-	-	-	11.62
Recognition of Share Based Payment	-	-	-	133.01	-	-	-	-	133.01
Transfer from ESOPs Outstanding Account on Exercise and Lapse	24.56	-	-	(52.93)	-	-	-	28.37	-
Final Dividend for the Year ended March 31, 2017	-	-	-	-	-	-	-	(346.58)	(346.58)
Dividend Distribution Tax on above	-	-	-	-	-	-	-	(70.55)	(70.55)
Share Application Money Pending Allotment	-	-	-	-	-	15.47	-	-	15.47
Balance as at March 31, 2019	**40,632.78**	**5,411.39**	**6,526.38**	**353.95**	**10.32**	**15.47**	**61.11**	**34,284.16**	**87,295.56**
Loss for the Year	-	-	-	-		-	-	(7,992.49)	(7,992.49)
Other Comprehensive Income (Net of Tax) - Remeasurement Losses on Defined Benefit Plans	-	-	-	-	-	-	-	(11.75)	(11.75)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	-	-	**(8,004.24)**	**(8,004.24)**
<u>Transactions with Owners in their Capacity as Owners:</u>									
Arisen Pursuant to the Scheme of Amalgamation (Refer Note 48)		-	351.93	-	-	-	13.30	-	365.23
Premium on Issue of Equity Shares Pursuant to ESOP Scheme	33.02	-	-	-	-	-	-	-	33.02
Recognition of Share Based Payment	-	-	-	67.81	-	-	-	-	67.81
Transfer from/(to) Reserve Fund	-	-	-	-	-	-	-	-	-
Transfer from ESOPs Outstanding Account on Exercise and Lapse	74.70	-	-	(171.93)	-	-	-	97.23	-
Final Dividend for the Year ended March 31, 2019	-	-	-	-	-	-	-	(346.83)	(346.83)
Dividend Distribution Tax on above	-	-	-	-	-	-	-	(71.29)	(71.29)
Issue of Equity Shares during the year	-	-	-	-	-	(15.47)	-	-	(15.47)
Balance as at March 31, 2020	**40,740.50**	**5,411.39**	**6,878.31**	**249.83**	**10.32**	**-**	**74.41**	**25,959.04**	**79,323.79**

The accompanying Notes form an integral part of the Standalone Financial Statement

Note to Standalone Financial Statements as at and for the year ended March 31, 2020

NOTE 1. Significant Accounting Policies

1 Corporate Information

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

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

The standalone financial statements were approved and authorised for issue in accordance with the resolution of the Company's Board of Directors on October 8, 2020.

2 Significant Accounting Policies

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

2.1 Basis of Preparation

(i) Compliance with Indian Accounting Standards

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

(ii) Historical Cost Convention

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

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

(iii) Current versus Non-current Classification

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

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

b) held primarily for the purpose of trading,

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

d) cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.All other assets are classified as non-current.A liability is classified as current when:

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

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

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

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

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

(iv) Rounding of Amounts

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

2.2 Property, Plant and Equipment

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

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

Depreciation Method, Estimated Useful Lives and Residual Values

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

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

Particulars	Useful Life
Factory Buildings / Other Buildings	30 / 35 / 60 / 65 years
Plant and Equipments	15 / 20 / 30 years
Railway Sidings	15 / 30 years
Furniture and Fixtures	10 years
Office Equipments	5 years
Computers	3 years
Vehicles	8 years

Leasehold land is amortised on straight - line basis over the primary lease period of 99 years or its estimated useful life, whichever is shorter. Leasehold improvement are amortised on straight - line basis over the primary lease period (ranging from 2 to 10 years) or their estimated useful lives, whichever is shorter.

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

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

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

2.3 Intangible Assets

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

Computer Software

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

Brand and Design and Drawings

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

Prototype

The Company had developed prototype for tractors which was capitalised.

Amortisation Method and Period

Computer Software and Brand and Design and Drawings are amortised on a pro-rata basis using the straight-line method over its estimated useful life of 5 years.

Prototype are amortised on a pro-rata basis using the straight-line method over its estimated useful life of 10 years (until impaired).Amortisation method and useful lives are reviewed periodically including at each financial year end.

Research and Development

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

2.4 Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2.5 Impairment of Non-financial Assets

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

2.6 Inventories

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

2.7 Leases

Till March 31, 2019

As a Lessee

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

With effective from 1 April 2019:

As a Lessee

From 1 April 2019, Leases are recognised as right of use assets and a correspondence liability at the date at which the leased asset is available for use by the company. Contract may contain both lease and non lease components. The Company allocates the consideration in the contract to the lease and non lease components based on their relative standalone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payment:-

a) Fixed payments (including in substance fixed payments) less any lease incentive receivable.

b) Variable lease payment that are based on an index or a rate, initially measured using the index or a rate at the commencement date.

c) Amount expected to be paid by the Company as under residual value guarantees.

d) Exercise price of a purchase option if the Company is reasonably certain to exercise that option.

e) Payment of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

To determine the incremental borrowing rate, the Company:

a) Where possible, use recent third party financing received by the individual lessee as a starting point, adjusted to reflect changes in the financing conditions since third party financing was received

b) use a built up approach that starts with risk free interest rate adjusted for credit risk of leases held by Titagarh Wagons Limited, which does not have recent third party financing.

Lease payments are allocated between principal and finance cost. The finance cost is charged to Statement profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following :-

i) the amount of the initial measurement of lease liability

ii) any lease payment made at or before the commencement date less any lease incentive received

iii) any initial direct cost and

iv) restoration costs.

Right of use of assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

Payment associated with short-term leases of equipment and all the leases of low value assets are recognised on a straight line basis as an expenses in the statement of profit and loss. Short term leases are leases with a lease term of less than 12 months or less.

As a Lessor

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Company did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

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

(i) Classification

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

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

- those to be measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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

(ii) Measurement

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

<u>Debt Instruments</u>

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

- **Amortised Cost**: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired.
- **Fair Value through Other Comprehensive Income (FVOCI)**: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in the profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Other Income/Other Expenses'.

- **Fair Value through Profit or Loss (FVTPL)**: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss is recognised in profit or loss and presented net in the Statement of Profit and Loss within 'Other Gain / (Losses)' in the period in which it arises.

Equity Instruments

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

(iii) Impairment of Financial Assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments, if any. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 43(II) details how the Company determines whether there has been a significant increase in credit risk.

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

(iv) Modification of Financial Instruments

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

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

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

(v) Derecognition of Financial Assets

A financial asset is derecognised only when

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

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

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

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

(vi) Income Recognition

Interest Income

Interest income on financial assets at amortised cost is accrued on a time proportion basis using the effective interest rate method and is recognised in the statement of profit and loss as part of other income. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit impaired financial assets the effective interest rate is applied to the net carrying amount of the financial assets (after deduction of the loss allowance).

Dividends

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

(vii) Fair Value of Financial Instruments

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

2.9 Investments in Subsidiaries and Joint Venture

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

2.10 Trade Receivables

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

2.11 Trade and Other Payables

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

2.12 Borrowings

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

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

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of liability for at least 12 months after the reporting period.

2.13 Other Financial Liabilities

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

2.14 Derivative Instruments

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

2.15 Offsetting Financial Instruments

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

2.16 Financial Guarantee Contracts

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

2.17 Cash and Cash Equivalents

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

2.18 Borrowing Costs

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

2.19 Revenue Recognition

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

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

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

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

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

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue is recognised either at point of time and over a period of time based on various conditions as included in the contracts with customers.

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

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

Sale of Products

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

Revenue from sale of specialized products

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

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

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

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

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

Contract assets are recognised when there is excess of revenue earned over billings on contracts.

Contract assets are classified as unbilled revenue when there is unconditional right to receive cash, and only passage of time is required, as per contractual terms.

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

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

Sale of Services

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

Other Operating Revenues

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

2.20 Foreign Currency Transactions and Translation

(i) Functional and Presentation Currency

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

(ii) Transactions and Balances

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

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

2.21 Employee Benefits

(i) Short-term Employee Benefits

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

(ii) Post-employment Benefits

Defined Benefit Plans

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

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

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

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

Defined Contribution Plans

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

(iii) Other Long-term Employee Benefits

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

(iv) Termination Benefits

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

2.22 Share Based Payments

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

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

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

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

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

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

2.23 Income Taxes

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

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

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

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

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

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

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

2.24 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expenses relating to a provision is recognised in the statement of profit and loss net of any reimbursement.

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

Warranties

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

Liquidated Damages

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

Litigations, Claims and Contingencies

The management estimates the provisions for pending litigations, claims and demands based on its assessment of probability for these demands crystalising against the Company in due course. Also refer Note 2.25.

Onerous Contract

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

2.25 Contingencies

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

2.26 Earnings Per Equity Share

(i) Basic Earnings Per Equity Share

Basic earnings per equity share is calculated by dividing:

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

(ii) Diluted Earnings Per Equity Share

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

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

2.27 Segment Reporting

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

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Board of Directors of the Company. Refer Note 40 for segment information presented.

2.28 Governments Grants

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

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

2.29 Dividends

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

2.30 Exceptional items

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

2.31 Business Combinations

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

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

2.32 Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Embedded foreign currency derivatives

Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

(a) the functional currency of any substantial party to that contract,

(b) the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,

(c) a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency)

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit and loss. The Company currently does not have any such derivatives which are not closely related.

2.33 Critical Estimates and Judgements

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

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

The areas involving critical estimates or judgements are:

- **Employee Benefits (Estimation of Defined Benefit Obligations) — Notes 2.21 and 32**

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

- **Impairment of Trade and Other Receivables — Notes 2.8(iii) and 43(II)(c)**

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

- **Estimation of Expected Useful Lives of Property, Plant and Equipment and Intangible Assets— Notes 2.2, 2.3, 3.1 and 3.2**

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

- **Accounting for revenue from contracts wherein company satisfies performance obligation and recognises revenue over time- Notes 2.19 and 21**

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

- **Litigations, Claims and Contingencies — Notes 2.24, 2.25 and 36**

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

- **Valuation of Deferred Tax Assets — Notes 2.23 and 17**

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

- **Warranties and Liquidated Damages— Notes 2.24 and 15**

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

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

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

- **Impairment of Investments in Subsidiaries — Notes 2.9 and 4**

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

- **Fair Value Measurements — Notes 2.8(vii) and 42**

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

3.1 Property, Plant and Equipment

(Rs. in Lacs)

	Freehold Land [Refer (a) below]	Leasehold Land	Leasehold Improvement	Buildings [Refer (a) below]	Plant and Equipments	Railway Wagons #	Railway Sidings	Furniture and Fixtures	Office Equipments	Computers	Vehicles	Total
Gross Carrying Amount												
As at March 31, 2018	18,686.16	335.61	-	6,066.84	5,654.43	-	309.20	290.88	63.12	233.45	193.85	31,833.54
Others - Adjustment pursuant to Scheme of Amalgamation	4,734.83	19,724.09	70.94	1,645.98	1,355.31	691.68	38.50	60.84	6.55	24.39	26.40	28,379.51
Additions	-	-	-	327.90	1,622.89	-	61.62	9.45	58.32	33.40	98.66	2,212.24
Disposals	-	-	-	-	-	-	-	-	-	-	40.23	40.23
As at March 31, 2019	23,420.99	20,059.70	70.94	8,040.72	8,632.63	691.68	409.32	361.17	127.99	291.24	278.68	62,385.06
Additions	-	-		954.62	316.59	-	-	20.80	30.41	24.46	13.43	1,360.31
Disposals	-	-		181.91	-	-	-	-	-	-	15.58	197.49
As at March 31, 2020	23,420.99	20,059.70	70.94	8,813.43	8,949.22	691.68	409.32	381.97	158.40	315.70	276.53	63,547.88
Accumulated Depreciation & Impairment												
As at March 31, 2018	-	12.98	-	566.37	2,010.98	-	77.26	70.77	60.68	114.88	53.90	2,967.82
Others - Adjustment pursuant to Scheme of Amalgamation	-	487.08	49.06	457.89	281.69	49.01	11.26	23.18	6.55	15.84	7.92	1,389.48
Charge for the year	-	166.21	3.21	273.77	756.41	-	23.54	38.13	37.77	19.28	37.36	1,355.68
Disposals	-	-	-	-	-	-	-	-	-	-	32.23	32.23
As at March 31, 2019	-	666.27	52.27	1,298.03	3,049.08	49.01	112.06	132.08	105.00	150.00	66.95	5,680.75
Charge for the year	-	166.13	3.21	227.13	617.22	-	12.51	39.31	7.70	99.79	35.58	1,208.58
Disposals	-	-	-	9.25	-	-	-	-	-	-	6.12	15.37
As at March 31, 2020	-	832.40	55.48	1,515.91	3,666.30	49.01	124.57	171.39	112.70	249.79	96.41	6,873.96
Impairment												
As at March 31, 2018	-	-	-	-		-	-	-	-	-	-	-
Others - Adjustment pursuant to Scheme of Amalgamation	-	-	-	-	107.36	-	-	-	-	-	-	107.36
As at March 31, 2019	-	-	-	-	107.36	-	-	-	-	-	-	107.36
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2020	-	-	-	-	107.36	-	-	-	-	-	-	107.36
Net Carrying Amount												
As at March 31, 2019	**23,420.99**	**19,393.43**	**18.67**	**6,742.69**	**5,476.19**	**642.67**	**297.26**	**229.09**	**22.99**	**141.24**	**211.73**	**56,596.95**
As at March 31, 2020	**23,420.99**	**19,227.30**	**15.46**	**7,297.52**	**5,175.56**	**642.67**	**284.75**	**210.58**	**45.70**	**65.91**	**180.12**	**56,566.56**

a) The title deeds of immovable properties, as disclosed above are held in the name of the Company (including erstwhile companies pre amalgamation), except for the following:

Particulars	No. of Cases		Gross Carrying Amount (Rs. in Lacs)		Net Carrying Amount (Rs. in Lacs)		Remarks
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	
Freehold Land	2	2	14,144.61	14,144.61	14,144.61	14,144.61	Original copy of title deeds not available with the Company. The Company has photocopy of the same.
Freehold Land	1	1	3,391.29	3,391.29	3,391.29	3,391.29	Title deeds not in the name of the Company
Freehold Land	1	-	97.96	-	97.96	-	Title deed not found
Buildings	-	1	-	181.91	-	173.67	Registration of title deeds is pending
Buildings	1	2	117.04	572.04	105.12	532.32	Title deeds not in the name of the Company

b) The Company, based on technical evaluation, has revised estimated useful life of Plant & Equipment, Building and Railway Siding during the previous year being effective from January 01, 2019. As a result, the depreciation expense and profit before tax for the year ended March 31, 2019 is lower by Rs. 141.42 Lacs (Plant & Equipment - Rs. 91.06 lacs, Railway Siding - Rs. 4.16 lacs, Building - 46.20 lacs).

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

d) Refer Note 35 for disclosure of contractual commitments for acquisition of Property, Plant and Equipment other than Railway Wagons

e) Refer Note 14 for information on Property, Plant and Equipment pledged as security by the Company.

Erstwhile Titagarh Capital Private Limited (TCPL)(since merged with the Company) had given 887 wagons to erstwhile Cimmco Limited (since merged with the Company) which in turn has sub-leased those Wagons to Indian Railways. Due to various disputes matter was referred to the sole Arbitration of Hon'ble Mr. Justice (Retd.) S.S.Nijjar. The sole Arbitrator vide its award dated 03/07/2019 has restricted the Indian Railways for further using the Wagons and allowed the repossession of said Wagons by TCPL (since merged with the Company) being the sole and beneficial owner of said wagons.

The realisable value of 887 wagons as per management estimate is estimated to be more than the book value of Rs. 642.67 Lacs.

3.2 Intangible Assets **(Rs. in Lacs)**

	Other Intangible Assets				
	Computer Software	**Brand**	**Design and Drawings**	**Prototype**	**Total**
Gross Carrying Amount					
As at March 31, 2018	174.03	227.79	1,298.22	-	1,700.04
Others - Adjustment pursuant to Scheme of Amalgamation	53.73	-	-	880.39	934.12
Additions	169.80	-	258.24	-	428.04
Disposals	-	-	-	-	-
As at March 31, 2019	397.56	227.79	1,556.46	880.39	3,062.20
Additions	295.36	-	-	-	295.36
Disposals	-	-	-	-	-
As at March 31, 2020	692.92	227.79	1,556.46	880.39	3,357.56
Accumulated Amortisation					
As at March 31, 2018	105.83	28.47	228.84	-	363.14
Others - Adjustment pursuant to Scheme of Amalgamation	26.94	-	-	396.17	423.11
Charge for the year	40.72	28.47	187.20	-	256.39
Disposals	-	-	-	-	-
As at March 31, 2019	173.49	56.94	416.04	396.17	1,042.64
Charge for the year	116.72	56.95	431.64	-	605.31
Disposals	-	-	-	-	-
As at March 31, 2020	290.21	113.89	847.68	396.17	1,647.95
Impairment					
As at March 31, 2018	-	-	-	-	-
Others - Adjustment pursuant to Scheme of Amalgamation	22.54			484.22	506.76
As at March 31, 2019	22.54	-	-	484.22	506.76
Charge for the year	-	-	-	-	-
As at March 31, 2020	22.54	-	-	484.22	506.76
Net Carrying Amount					
As at March 31, 2019	**201.53**	**170.85**	**1,140.42**	**-**	**1,512.80**
As at March 31, 2020	**380.17**	**113.90**	**708.78**	**-**	**1,202.85**

a) The management, has revised estimated useful life of Brand and Design & Drawings effective from January 01, 2020. As a result, the depreciation expense and profit before tax for the year ended March 31, 2020 is higher by Rs. 260.64 Lacs (Brand - Rs. 28.47 lacs, Design & Drawings effective - Rs. 232.17 lacs).

3.3 Investment Properties **(Rs. in Lacs)**

	Freehold Land
Carrying Amount as at March 31, 2018	-
Others - Adjustment pursuant to Scheme of Amalgamation	821.24
Carrying Amount as at March 31, 2019	**821.24**
Additions/(Deletion)	-
Carrying Amount as at March 31, 2020	**821.24**

The original title deeds in respect of above Investment Properties are not traceable. However, the Company has the photo copy of the same.

Information regarding Investment Properties

The Company's Investment Properties consists of two parcels of land situated at Bharatpur and Malanpur respectively. As at March 31, 2020, fair Valuation of the two properties is estimated to be Rs. 977.55 Lacs (March 31, 2019: Rs. 919.09 Lacs). These valuations are based on valuations performed by an independent valuer who holds recognised and relevant professional qualifications. The fair value was derived using the market comparable approach based on recent market prices and the fair value measurement categorised within Level-3.

The Company has no restrictions on the realisability of its Investment Properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements. There is no income earned or expenditure incurred by the Group in relation to the Investment Properties.

Significant Increase/(Decrease) in circle rate of land will result in significant higher/(lower) fair valuation of properties.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2020 and March 31, 2019 are as shown below:

Significant unobservable inputs	**Sensitivity of the input to Fair Value**
For 5% change in Circle Rate for Land owned by the erstwhile Cimmco Ltd (since merged with the company)	5% Increase (Decrease) in the Circle Rate would result in Increase (Decrease) in fair value by Rs 48.88 Lacs (March 31, 2019: Rs 45.95 Lacs)

3.4 Capital Work-in-Progress **(Rs. In Lacs)**

	As at March 31, 2020	**As at March 31, 2019**
Total	**-**	**1,622.62**

a) Capital work in progress as on March 31, 2020 Rs. Nil Lacs (March 31, 2019 are in respect of Plant and Equipment Rs. 981.13 Lacs and Building Rs. 641.49 Lacs).

3.5 Intangible Assets under Development **(Rs. In Lacs)**

	As at March 31, 2020	**As at March 31, 2019**
Total	**-**	**241.76**

a) Intangible assets under development as on March 31, 2020 Rs. NIL [March 31, 2019 are in respect of new accounting software]

NOTE TO ACCOUNTS *(Contd.)*

4 Investments (Non-current)

	No of Shares/Units As at March 31, 2020	2019	Face value per share/ unit (Rs.)	As at March 31, 2020 Rs. In Lacs	As at March 31, 2019 Rs. In Lacs
Investment in Equity Shares					
In Subsidiary Companies (Unquoted) (at Cost)					
Titagarh Singapore Pte Limited (*) & (**) (a) [Net of Rs. 12,449.05 Lacs impairment (March 31, 2019: Rs. 5,874.54 Lacs)]. (Also Refer Note-30)	2,00,00,000	2,00,00,000	USD 1	384.81	6,959.32
Titagarh Wagons AFR** (a) [Net of Rs. 4,883.89 Lacs impairment (March 31, 2019: Rs. 4,883.89 Lacs)].	70,00,500	70,00,500	EURO 1	-	-
Titagarh Firema S.p.A* (a) [Net of Rs. 6933.80 Lacs impairment (March 31, 2019: Rs. Nil Lacs)]. (Also Refer Note- 30)	70,62,353	1,80,000	EURO 1	7,098.85	127.75
In Joint Venture (Unquoted) (at Cost)					
Matiere Titagarh Bridges Pvt Ltd	7,54,882	7,54,882	10.00	75.49	75.49
Titagarh Mermec Private Limited	5,000	-	10.00	0.50	-
In Others (Quoted) (at FVTPL) '(b)					
Orissa Sponge Iron & Steel Limited #	550	550	10	0.05	0.05
Arshiya Limited	8,98,562	-	2	60.83	-
In Others (Unquoted) (at FVTPL) '(b)					
Titagarh Enterprises Limited	49,32,940	49,33,000	10	2,746.28	2,752.97
Traco International Investment Private Limited	6,85,000	6,85,000	10	18.32	24.22
Titagarh Industries Limited	50,000	50,000	10	32.20	31.02
Continental Valves Limited	-	1,60,000	10	-	30.09
				10,417.33	**10,000.91**
Investment in Tax Free Bonds (Quoted) (at amortised cost)					
7.40% India Infrastructure Finance Company Limited***		1,40,000	1,000	-	1,481.41
7.04% Indian Railways Finance Corporation Limited***		50	10,00,000	-	508.16
7.38% Indian Railways Finance Corporation Limited***		100	10,00,000	-	1,106.55
7.39% National Highway Authority of India***		1,80,000	1,000	-	1,960.46
7.39% National Highway Authority of India***		50	10,00,000	-	526.24
8.67% Power Finance Corporation Limited***		20,000	1,000	-	236.68
				-	**5,819.50**
National Savings Certificate (at Amortised Cost) (Unquoted) @				0.20	0.20
				10,417.53	**15,820.61**
Total - Non Current Investments					
Aggregate amount of quoted investments				60.88	0.05
Aggregate amount of unquoted investments				10,356.65	15,820.56
Aggregate market value of quoted investments				60.88	0.05
Aggregate amount of impairment in the value of Investments				24,266.74	10,758.43

Quotations not available, since suspended due to penal reason.

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

NOTE TO ACCOUNTS *(Contd.)*

Name of the Subsidiary	No of Shares/Units As at March 31, 2020	2019	Face value per share/ unit (Rs.)	Amount Pledged March 31, 2020 Rs. In Lacs (Refer note d below)	Amount Pledged March 31, 2019 Rs. In Lacs (Refer note d below)
Titagarh Singapore Pte Limited	-	2,00,00,000	USD 1	-	12,833.86
Titagarh Wagons AFR	44,99,995	63,00,450	EURO 1	3,139.42	4,395.50
				3,139.42	**17,229.36**

*Represents following shares pledged/to be pledged with the banks for Term Loan taken by the Company: (Also refe Note 14(c))

Name of the Subsidiary	No of Shares/Units As at March 31, 2020	2019	Face value per share/ unit (Rs.)	Amount Pledged March 31, 2020 Rs. In Lacs (Refer note d below)	Amount Pledged March 31, 2019 Rs. In Lacs (Refer note a below)
Titagarh Singapore Pte Limited	2,00,00,000	-	USD 1	11,758.28	-
Titagarh Firema S.p.A	70,62,353	-	EURO 1	12,299.99	-
				24,058.27	**-**

***All the units are pledged against the working capital loan taken by Titagarh Wagons Limited during the year ended March 31, 2019.

@ Pledged with the Commercial Tax Officer, Bharatpur as Security Deposit

Notes:

(a) Valued at exchange rate prevailing on the date of transaction Also refer note 38.

(b) Refer Note 42 for determination of fair values.

(c) Refer Note 43 for credit risk and market risk on investments.

(d) Amount shown as gross investment value.

5 Trade Receivables (At Amortised Cost)

(Unsecured, considered good unless stated otherwise)	Non-Current		Current	
	As at March 31, 2020 Rs. In Lacs	As at March 31, 2019 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs	As at March 31, 2019 Rs. In Lacs
Trade Receivables				
Secured, Considered Good	-	-	-	24.56
Unsecured, Considered Good	142.99	269.17	17,035.95	19,216.11
Unsecured, Considered Doubtful	117.67	117.63	463.53	729.38
Having Significant Increase in Credit Risk	-	-	-	-
Credit impaired	-	-	1,676.59	1,522.64
	260.66	**386.80**	**19,176.07**	**21,492.69**
Less: Loss Allowances [Refer Note 43(II) (c)]	117.67	117.63	2,140.12	2,252.02
Less: Liquidated Damages [Refer note 43(II) (c)]	-	-	1,151.50	688.98
Total	**142.99**	**269.17**	**15,884.45**	**18,551.69**

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

b) Refer Note 14 for information on trade receivables pledged as security by the Company and Note 43 for information about credit risk and market risk on trade receivables.

c) Trade Receivables- Considered Good and Credit Impaired include dues from related parties of Rs. 1.40 Lacs and Rs.1,676.59 Lacs (March 31, 2019 Rs. Nil Lacs and Rs.1,522.64 Lacs respectively). Refer Note 41 for details.

NOTE TO ACCOUNTS *(Contd.)*

6 Loans and Deposits (At Amortised Cost)

(Unsecured, Considered Good unless stated otherwise)

	Non-Current		Current	
	As at March 31, 2020 Rs. In Lacs	**As at March 31, 2019 Rs. In Lacs**	**As at March 31, 2020 Rs. In Lacs**	**As at March 31, 2019 Rs. In Lacs**
Loans to Related Parties [Refer (a) below]				
Considered Good	-	-	2,491.49	-
Having Significant Increase in Credit Risk	-	-	-	-
Credit Impaired	-	-	-	-
	-	**-**	**2,491.49**	**-**
Less: Loss Allowances	-	-	-	-
	-	**-**	**2,491.49**	**-**
Security Deposits				
Considered Good	358.24	150.03	753.31	374.72
Considered Doubtful	66.72	64.45	40.75	-
Having Significant Increase in Credit Risk	-	-	-	-
Credit Impaired	-	-	-	-
	424.96	**214.48**	**794.06**	**374.72**
Less: Loss Allowances	66.72	64.45	40.75	-
	358.24	**150.03**	**753.31**	**374.72**
Total	**358.24**	**150.03**	**3,244.80**	**374.72**

Notes:

(a) Loans to Related Parties are non-derivative financial assets receivable on demand which generate a fixed interest income for the Company. Also Refer Note 41.

7 Other Financial Assets

(Unsecured, Considered Good unless stated otherwise)

	Non-Current		Current	
	As at March 31, 2020 Rs. In Lacs	**As at March 31, 2019 Rs. In Lacs**	**As at March 31, 2020 Rs. In Lacs**	**As at March 31, 2019 Rs. In Lacs**
Measured at Amortised Cost				
Bank Deposits with Remaining Maturity of More than Twelve Months #	4,278.61	20.23	-	-
Claims Receivables [Refer (a) below]	-	-	2,361.23	2,361.23
Receivable from Related Parties (Refer Note 41)				
Considered Good	-	-	186.81	200.48
Considered Doubtful	-	-	235.93	235.93
	-	-	422.74	436.41
Less: Provision for Doubtful Recoverable from Related Parties	-	-	235.93	235.93
	-	-	186.81	200.48
Interest Accrued on				
Fixed Deposits with Banks and Tax Free Bonds	-	-	135.70	176.93
Loans to Subsidiaries (Refer Note 41)				

NOTE TO ACCOUNTS *(Contd.)*

Considered Good	-	-	8.46	5.34
Considered Doubtful	-	-	139.97	139.97
	-	-	148.43	145.31
Less: Provision for Doubtful Interest Accrued on Loan to Subsidiaries	-	-	139.97	139.97
	-	-	8.46	5.34
Unbilled Revenue	-	-	4,610.61	6,373.13
Subsidy Receivable [Refer (b) below]	-	-	1,044.78	1,568.59
Charges Recoverable				
Considered Good	-	-	385.94	1,261.82
Considered Doubtful	-	-	40.88	24.48
	-	-	426.82	1,286.30
Less: Provision for Doubtful Charges Recoverable	-	-	40.88	24.48
	-	-	385.94	1,261.82
Total	**4,278.61**	**20.23**	**8,733.53**	**11,947.52**

Includes deposits held as Margin money whose receipts are lying with banks as security against loans, guarantees/letters of credits issued by them as mentioned below:

(a) The erstwhile Cimmco Ltd (since merged with the Company) had taken on lease 1,200 wagons from four lessors and given the same on sub-lease for a period of ten years to Indian Railways under four separate Sub-Lease Agreements, one dated May 28, 1997 and the other three dated October 20, 1997. During the subsistence of the sub-lease, erstwhile Cimmco Ltd (since merged with the Company) had initiated arbitration proceedings against Indian Railways in respect of disputes relating to the amount of sub-lease rentals for the first seven years of primary lease, considering the terms and conditions of the agreement. The Arbitrator, vide its award dated February 3, 2016 had rejected the claim of erstwhile Cimmco Ltd (since merged with the Company) for the aforesaid period, however had noted that the amount of sub-lease rental paid by the Indian Railways for balance three years of the primary sub-lease period was not justified keeping in view the terms of the agreement. The award also states the basis of interest to be charged. Accordingly, considering the arbitration award which is reaffirmed by the High Court of Delhi vide its order dated March 15, 2019, and based on legal advice obtained, erstwhile Cimmco Ltd (since merged with the Company) had recognized an income of Rs. 2,361.23 Lacs in the previous year being the differential sub-lease rental receivables of earlier years Rs. 898.32 lakhs (disclosed under "Revenue from Operations") and interest thereon of Rs.1,462.91 lakhs (disclosed under "Other Income").

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

8 Tax Assets (Net)

	Non-Current		Current	
	As at March 31, 2020 Rs. In Lacs	**As at March 31, 2019 Rs. In Lacs**	**As at March 31, 2020 Rs. In Lacs**	**As at March 31, 2019 Rs. In Lacs**
Advance Tax (Including Tax Deducted at Source and Net of Provision for Tax)	2,914.51	2,848.69	-	-
(Net of provision for tax Rs. 20,841.32 Lacs; March 31, 2019 Rs. 6,984.59)				
	2,914.51	**2,848.69**	**-**	**-**

NOTE TO ACCOUNTS *(Contd.)*

9 Other Assets

(Unsecured, considered good unless stated otherwise)	Non-current		Current	
	As at March 31, 2020 Rs. In Lacs	**As at March 31, 2019 Rs. In Lacs**	**As at March 31, 2020 Rs. In Lacs**	**As at March 31, 2019 Rs. In Lacs**
Capital Advances	199.96	58.55	-	-
Security Deposits	317.60	308.11	-	-
Advances Recoverable in Cash or in Kind				
Considered Good - Related Parties [Refer (a) below]	-	-	45.31	34.50
Considered Good - Others	2.55	4.20	2,018.85	6,650.26
Considered Doubtful - Others	88.40	88.40	100.74	43.00
	90.95	92.60	2,164.90	6,727.76
Less: Provision for doubtful advances - To Others	88.40	88.40	100.74	43.00
	2.55	4.20	2,064.16	6,684.76
Balance with Government Authorities				
Considered Good	-	-	10,806.34	12,083.53
Considered doubtful	-	-	103.18	141.67
	-	-	10,909.52	12,225.20
Less: Provision for doubtful balances	-	-	103.18	141.67
	-	-	10,806.34	12,083.53
Prepaid expenses	469.26	119.73	573.60	367.00
Total	**989.37**	**490.59**	**13,444.10**	**19,135.29**

a) Represents recoverable from Officers of the Company. Also Refer Note 41.

(Rs. in Lacs)

	As At March 31, 2020	**As At March 31, 2019**
10 Inventories		
(Valued at lower of cost and net realisable value)		
Raw materials and components [Includes Goods in transit Rs. Nil lacs (March 31, 2019: Rs 336.38 lacs]	10,515.26	20,545.91
Work in progress	7,035.71	7,720.03
Finished goods	912.85	1,214.33
Saleable scrap	981.17	621.03
Stores and spares	1,129.39	1,482.13
Total	**20,574.38**	**31,583.43**

a) Refer Note 14 for information on inventories pledged as security by the Company.

b) Work in progress includes project work in progress of Rs. 956.16 Lacs (March 31, 2019- Rs Nil)

c) Write-downs of inventories to net realisable value amounted to Rs 24.65 lacs (March 31, 2019: Rs 265.98 lacs).

NOTE TO ACCOUNTS *(Contd.)*

(Rs. in Lacs)

		As At March 31, 2020	As At March 31, 2019
11	**Cash and Bank Balances**		
	11.1 Cash and cash equivalents		
	Balances with banks:		
	On current accounts	969.12	188.39
	Deposits with original maturity of less than three months #	48.45	20.82
	Cash on hand	12.54	16.73
		1,030.11	**225.94**
	11.2 Other Bank Balances		
	Balances with Banks:		
	On Unpaid Dividend Accounts	19.26	18.59
	Deposits #	2,689.75	2,062.68
		2,709.01	**2,081.27**
	Total	**3,739.12**	**2,307.21**

Includes deposits held as Margin money whose receipts are lying with banks as security against loans, guarantees/letters of credits issued by them.

12 Equity Share Capital

	As at March 31, 2020		As at March 31, 2019	
	No. of shares in lacs	Rs. In Lacs	No. of shares in lacs	Rs. In Lacs
Authorised Shares				
Equity Shares of Rs. 2/- (March 31, 2019: Rs. 2/-) each (Refer Note 48)	12,905.00	25,810.00	12,905.00	25,810.00
Preference Shares of Rs. 10/- each (Refer Note 48)	1,270.00	12,700.00	1,270.00	12,700.00
		38,510.00		**38,510.00**
Issued, Subscribed and Paid-up Shares				
Equity Shares of Rs. 2/- (March 31, 2018: Rs. 2/-) each, fully paid-up	1,156.06	2,312.12	1,155.28	2,310.56
	1,156.06	**2,312.12**	**1,155.28**	**2,310.56**

NOTE TO ACCOUNTS *(Contd.)*

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

	2019-20		2018-19	
	No. of shares in lacs	Rs. In Lacs	No. of shares in lacs	Rs. In Lacs
Equity Shares				
At the beginning of the year	1,155.28	2,310.56	1,155.00	2,310.01
Shares Issued Pursuant to the Employee Stock Option Scheme @	0.78	1.56	0.28	0.55
Outstanding at the end of the year	**1,156.06**	**2,312.12**	**1,155.28**	**2,310.56**

@ During the year, 78,250 equity shares (March 31, 2019: 27,500 equity shares) of Rs 2 each were issued and allotted to the eligible employees of the Company under the Employee Stock Option (ESOP) Scheme.

b) **Shares reserved for issue under Employee Stock Options**

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

c) **Terms and Rights attached to Equity Shares**

The Company has only one class of equity shares having a par value of Rs. 2/- (March 31, 2019: Rs. 2/-) per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) **Details of Shareholders holding more than 5% shares in the Company**

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs 2/- (March 31, 2019: Rs. 2/-) each fully paid				
Titagarh Capital Management Services Private Limited	2,16,70,165	**18.74%**	2,16,70,165	**18.76%**
Savitri Devi Chowdhary	1,24,66,034	**10.78%**	1,81,16,035	**15.68%**
Rashmi Chowdhary	1,28,16,105	**11.09%**	1,28,16,105	**11.09%**
HDFC Trustee Company Limited - HDFC Capital Builder Fund	61,51,556	**5.32%**	1,07,42,012	**9.30%**

As per records of the Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownership of shares.

(Rs. in Lacs)

	As At March 31, 2020	As At March 31, 2019
13 Other Equity		
- Reserves and Surplus		
a. Securities Premium Account		
Premium received on Equity Shares issued are recognised in the Securities Premium Account. This reserve may be utilised in accordance with the provisions of Section 52 of the Act.		
Balance as per the Last Financial Statements	40,632.78	40,596.60
Premium on Issue of Equity Shares Pursuant to ESOP Scheme [Refer Note 12(a)]	33.02	11.62
Transfer from ESOPs Outstanding Account on Exercise and Lapse	74.70	24.56
	40,740.50	**40,632.78**

NOTE TO ACCOUNTS *(Contd.)*

(Rs. in Lacs)

		As At March 31, 2020	As At March 31, 2019
b.	**General Reserve** (as per the Last Financial Statements) (Refer Note 13.1)		
	Balance as per the last financial statements	5,411.39	5,411.39
	Movement during the year	-	-
		5,411.39	**5,411.39**
c.	**Reserve Fund under Section 45-IC of the Reserve Bank of India Act, 1934**		
	According to Section 45-IC of the Reserve Bank of India Act, 1934, every NBFC shall create a Reserve Fund and transfer therein a sum not less than twenty per cent of its Net Profit every year as disclosed in the Statement of Profit and Loss and before dividend is declared.		
	Balance as at the beginning of the year	10.32	10.32
	Movement during the year	-	-
	Balance as at the end of the year	**10.32**	**10.32**
d.	**Capital Reserve**		
	Balance as at the beginning of the year	6,526.38	9.18
	Arisen Pursuant to the Scheme of Amalgamation (Refer Note 48)	351.93	6,517.20
	Balance as at the end of the year	**6,878.31**	**6,526.38**
	Capital Reserve represents amount transferred from transferor company pursuant to Scheme of Amalgamation		
e.	**Employee Stock Options (ESOPs) Outstanding Account (Refer Note 33)**		
	Employee Stock Options Outstanding Account relates to stock options granted by the Company to employees under the Company's ESOP Scheme. This Account is transferred to Securities Premium Account or Retained Earnings on exercise or lapse of vested options.		
	Balance as per the last financial statements	353.95	273.87
	Recognition of Share Based Payment (Refer Note 33)	67.81	133.01
	Transfer from ESOPs Outstanding Account on Exercise and Lapse	(171.93)	(52.93)
		249.83	**353.95**
f.	**Retained Earnings**		
	Balance as per the Last Financial Statements	34,284.16	40,111.16
	Adjustment to retained earnings from adoption of Ind AS 115	-	90.61
		34,284.16	**40,201.77**
	Profit / (Loss) for the Year	(7,992.49)	(5,530.20)
	Item of Other Comprehensive Income recognised directly in Retained Earnings		
	-Remeasurements Losses on Defined Benefit Plan (Net of Tax)	(11.75)	1.35
	Transfer from ESOPs Outstanding Account on Options Lapsed	97.23	28.37
	Final Dividend for the Year ended March 31, 2019 [Refer Note 44(b)]	346.83	-
	Final Dividend for the Year ended March 31, 2018 [Refer Note 44(b)]	-	346.58
	Dividend Distribution Tax on above	71.29	70.55
	Net surplus in the statement of profit and loss	**25,959.03**	**34,284.16**
g.	**Share Application Money Pending Allotment**	-	15.47

NOTE TO ACCOUNTS *(Contd.)*

(Rs. in Lacs)

	As At March 31, 2020	As At March 31, 2019
h. Equity Share Merger Account (Refer Note 48)		
Balance as per the Last Financial Statements	61.11	-
Arisen Pursuant to the Scheme of Amalgamation	13.30	61.11
	74.41	**61.11**
Total Other Equity	**79,323.79**	**87,295.56**

13.1 General Reserve:- Under the erstwhile Indian Companies Act, 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatory transfer a specified percentage of the net profit to general reserve has been withdrawn though the Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

14 Borrowings

	Non-Current		Current	
	As at March 31, 2020 Rs. In Lacs	As at March 31, 2019 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs	As at March 31, 2019 Rs. In Lacs
Secured				
Indian Rupee Loan from bank	14,748.98	8,570.81	100.31	763.08
Less: Amount disclosed under financial Liabilities	-	-	(100.31)	(763.08)
	14,748.98	8,570.81	-	-
Cash Credits and Working Capital Demand Loans	-	-	6,330.59	20,611.04
	-	-	6,330.59	20,611.04
	14,748.98	**8,570.81**	**6,330.59**	**20,611.04**

Notes:

(a) Term Loan of Rs. 9,023.35 lacs (March 31, 2019: Rs. NIL) carries interest @ 10.20% to 11.25% p.a (March 31, 2019: NIL) linked to 1 year MCLR and is repayable in 8 quarterly installments starting from April 2020 to October 2023.

Above term loan is secured by of first charge over Immovable property (including land) at Gwalior and Bhind Districts, Madhya Pradesh owned by the Company and exclusive security interest of 100% share of TSPL and TFA. The loan is further subservient charge over movable fixed assets of the borrower.

(b) Term Loan of Rs. 5,825.94 lacs (March 31, 2019: Rs. 9,333.89 lacs) carries interest @ 9.85% to 11.75% p.a (March 31, 2019: 9.2% to 9.85%) linked to 1 year MCLR and is repayable in 22 quarterly installments starting from September 2018 to September 2023.

Above term loan is secured by a first pari-passu charge by way of mortgage upon all fixed assets including land and building, plant and machinery and other movable/immovable assets at Company's Bharatpur Plant. The loan is further secured by the second charge on the Company's current assets relating to Bharatpur Plant.

(c) Cash Credits and Working Capital Demand Loans of Rs. 2,918.19 Lacs (March 31, 2019 : Rs. 17,593.04 Lacs) are secured by first charge on the Company's current assets, present and future and by way of collateral charge on Property, Plant and Equipment of the Company except at Bharatpur Plant, both present and future and investment in equity shares of Titagarh Enterprises Limited, Traco International Investment Private Limited and Titagarh Industries Limited. All the mortgages and charges created in favour of the above lenders rank pari passu with consortium member banks.

(d) Cash Credits and Working Capital Demand Loans of Rs. 3,412.40 Lacs (March 31, 2019 : Rs. 3,018.00 Lacs) are secured by first charge on the Company's current assets relating to Bharatpur Plant, present and future and by way of collateral charge on Property, Plant and Equipment of the Company's at Bharatpur Plant, both present and future. All the mortgages and charges created in favour of the above lenders rank pari passu with other member banks.

NOTE TO ACCOUNTS *(Contd.)*

(e) Cash Credits is repayable on demand and carry an interest rate ranging between 8.80 % to 12.45 % p.a. linked with MCLR.

(f) Working Capital Demand Loans carry interest at Bank's MCLR plus spread ranging from 0.85 % to 2.8% p.a (effectively 8.2 % to 10.5 % p.a.) and are repayable within six months.

(g) Refer Note 43 for information about market risk and liquidity risk on borrowings.

15 Provisions

	Non-current		Current	
	As at March 31, 2020 Rs. In Lacs	**As at March 31, 2019 Rs. In Lacs**	**As at March 31, 2020 Rs. In Lacs**	**As at March 31, 2019 Rs. In Lacs**
Provisions for Employee Benefits :				
Gratuity [Refer Note 32 (i)]	349.29	313.51	119.87	117.34
Leave Benefits [Refer Note 32 (iii)]	-	-	137.98	137.00
	349.29	**313.51**	**257.85**	**254.34**
Other Provisions:				
Warranties [Refer (a) below for movement]	-	-	249.39	221.10
Litigations, Claims and Contingencies [Refer (a) below for movement] & [43(I)(i)]	-	-	422.88	462.76
Contingency Provision against Standard Assets	-	-	-	4.84
	-	**-**	**672.27**	**688.70**
Total	**349.29**	**313.51**	**930.12**	**943.04**

a) **Movement of provisions for warranty, litigation, claims and contingencies and contingency against standard assets are as follows:**

	Warranties		Litigation Claims and Contingencies	
	March 31, 2020 Rs. In Lacs	**March 31, 2019 Rs. In Lacs**	**March 31, 2020 Rs. In Lacs**	**March 31, 2019 Rs. In Lacs**
At the beginning of the year	221.10	180.59	462.76	412.13
Made during the year	124.29	301.22	220.70	50.63
Utilized during the year	(96.00)	(260.71)	(173.23)	-
Unused amounts reversed during the year	-	-	(87.35)	-
At the end of the year	**249.39**	**221.10**	**422.88**	**462.76**

	Contingency against Standard Assets	
	March 31, 2020 Rs. In Lacs	**March 31, 2019 Rs. In Lacs**
At the beginning of the year	4.84	1.25
Made during the year	-	3.59
Utilized during the year	-	-
Unused amounts reversed during the year	(4.84)	-
At the end of the year	**-**	**4.84**

NOTE TO ACCOUNTS *(Contd.)*

Information about individual provisions and significant estimates

(i) Warranties

Provision is made for estimated warranty Claims in respect of products sold which are under warranty at the end of the reporting period. Management estimates the provision based on contractual terms, historical warranty claims information and any recent trends that may suggest future claims could differ from historical amounts.

(ii) Litigation, claims and contingencies

The amounts represent best possible estimates of pending litigations / claims filed by vendors, customers, labours etc and probable claims arising out of certain tax matters and corporate guarantee provided by the company. The timing and probability of outflow and expected reimbursements, if any, with regard to these matters depends on the ultimate outcome of the legal process or settlement / conclusion of the matter with the relevant authorities / customers / vendors etc.

(iii) Contingency against standard assets

Provision made for standard assets at 0.25 percent of the balance of such assets as at year end based on The Reserve Bank of India Master Directions in the erstwhile Titagarh Capital Private Limited (since merged with the company).

(Rs. in Lacs)

		As At March 31, 2020	As At March 31, 2019
16	**Current Tax Liabilities**		
	Provision for Income Tax	22.90	106.41
	(Net of Advance tax and TDS Rs. Nil Lacs; March 31, 2019 Rs. 9,642.93 Lacs)		
	Total	**22.90**	**106.41**
17	**Deferred Tax Assets/(Liabilities)**		
	Deferred tax liabilities		
	Arising out of temporary difference in depreciable and non-depreciable assets	(6,329.91)	(7,002.81)
	Unrealised gain on FVTPL equity securities	(294.81)	(332.85)
	Gross Deferred tax liabilities	**(6,624.72)**	**(7,335.66)**
	Deferred tax assets		
	Provision for fall in value of Investment	4,998.95	-
	Provision for Doubtful Debts and Advances	744.28	954.51
	Provision for Liquidated Damages	289.81	252.16
	Provision for Litigations, Claims and Contingencies	750.54	161.71
	Provision for Employee Benefits	176.17	212.27
	Fair Valuation of Derivative Instruments - Foreign Exchange Forward Contracts	-	15.63
	MAT Credit Entitlement	-	839.85
	Unabsorbed Depreciation	-	571.08
	Carried Forward Business Losses	85.17	2,199.54
	Gross Deferred tax assets	**7,044.92**	**5,206.75**
	Net Deferred Tax Assets / (Liabilities)	**420.20**	**(2,128.91)**

NOTE TO ACCOUNTS *(Contd.)*

The movement in deferred tax assets and liabilities during the year ended March 31, 2020 and March 31, 2019:

	As at April 1, 2018 Deferred tax asset/(Liability)	Credit/ (Charge) in Statement of Profit and Loss #	As at March 31, 2019 Deferred tax asset/(Liability)	Credit/ (Charge) in Statement of Profit and Loss #	As at March 31, 2020 Deferred tax asset/(Liability)
Arising out of Temporary Differences in Depreciable Assets	(7,062.33)	59.52	(7,002.81)	672.90	(6,329.91)
Unrealised Gain on FVTPL Equity Investments	(242.25)	(90.60)	(332.85)	38.04	(294.81)
Total Deferred Tax Liabilities	**(7,304.58)**	**(31.08)**	**(7,335.66)**	**710.94**	**(6,624.72)**
Provision for fall in value of Investment	-	-	-	4,998.95	4,998.95
Provision for Doubtful Debts and Advances	228.71	725.80	954.51	(210.23)	744.28
Provision for Warranties and Liquidated Damages	186.12	66.04	252.16	37.65	289.81
Provision for Litigations, Claims and Contingencies	-	161.71	161.71	588.83	750.54
Provision for Employee Benefits	164.94	47.33	212.27	(36.10)	176.17
Fair Valuation of Derivative Instruments - Foreign Exchange Forward Contracts	40.46	(24.83)	15.63	(15.63)	-
Carried Forward Business Losses	370.49	1,829.05	2,199.54	(2,114.37)	85.17
Unabsorbed Depreciation	229.84	341.24	571.08	(571.08)	-
MAT Credit Entitlement	703.51	136.34	839.85	(839.85)	-
Total Deferred Tax Assets	**1,924.07**	**3,282.68**	**5,206.75**	**1,838.17**	**7,044.92**
Net Deferred Tax Assets / (Liabilities)	**(5,380.51)**	**3,251.60**	**(2,128.91)**	**2,549.11**	**420.20**

Includes income tax impact on remeasurement gains/(losses) on defined benefit plan amounting to Rs. (3.95 Lacs) [March 31, 2019 Rs. 0.73 Lacs] included in Other Comprehensive Income and impact of IND AS 115 of Rs. Nil Lacs [March 31, 2019 Rs. (9.73)].

(Rs. in Lacs)

		As At March 31, 2020	As At March 31, 2019
18	**Trade Payables (At Amortised Cost)**		
	Trade Payables		
	Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 37)	158.31	80.12
	Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	21,043.15	33,451.83
		21,201.46	**33,531.95**

(a) Trade Payables include dues to related parties of Rs. 812.82 Lacs (March 31, 2019 Rs. 52.30 Lacs). Refer Note 41 for details.

(b) Refer Note 43 for information about market risk and liquidity risk on trade payables.

NOTE TO ACCOUNTS *(Contd.)*

(Rs. in Lacs)

		As At March 31, 2020	As At March 31, 2019
19	**Other Financial Liabilities**		
	Current Maturity of Long Term Debts [Refer Note 14(a) & (b)] #	100.31	763.08
	Measured at Fair Value through Profit and Loss		
	Derivative Instruments at Fair Value through Profit and Loss:	-	44.72
	Foreign Exchange Forward Contracts [Refer (a) below]		
	Measured at amortised cost		
	Interest accrued and due on borrowings	220.22	253.25
	Interest Free Deposits from Dealers	-	60.52
	Investor education and protection fund will be credited by following amounts (as and when due)		
	Unpaid dividends	19.26	18.59
	Others		
	Employee Related Liabilities	136.95	266.38
	Payable for Purchase of Property, Plant and Equipment :-		
	Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises. (Refer Note 37)	12.31	24.55
	Other Liabilities	2,574.65	94.31
	Total	**3,063.70**	**1,525.40**

This amount refers to the amortisation value of upfront processing fees paid to bank in respect of long term loan.

(a) While the Company entered into foreign exchange forward contracts with the intention of reducing the foreign exchange risk of expected sales and purchases, these contracts are not designated in hedge relationships and are measured at Fair Value through Profit and Loss.

20 Other Liabilities

	Non-current		Current	
	As at March 31, 2020 Rs. In Lacs	As at March 31, 2019 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs	As at March 31, 2019 Rs. In Lacs
Advances from Customers	14,406.29	-	879.75	6,756.52
Statutory Dues	-	-	147.57	209.78
Other Liabilities	-	-	15.92	15.91
	14,406.29	**-**	**1,043.24**	**6,982.21**

(Rs. in Lacs)

		For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
21	**Revenue from Operations**		
	Revenue from Contract with Customers:-		
	Sale of products		
	Finished Goods	1,40,403.47	91,213.58
	Raw Materials and Components	7,277.59	11,280.44
	Other operating revenues		
	Scrap sales	291.31	753.34
	Subsidy Income	331.01	1,568.59
	Export Entitlement (MEIS Benefit, etc.)	24.52	175.94
	Claims in respect of lease rentals [Refer note 7(a)]	-	898.32
	Others	93.59	150.83
	Total	**1,48,421.49**	**1,06,041.04**

Revenue from operation includes revenue from contract with customers under IND AS 115 amounting to Rs. 147,681.06 Lacs (March 31, 2019 Rs 102,494.02 Lacs). The details of which are given below:-

	March 31, 2020 Rs. In Lacs	March 31, 2019 Rs. In Lacs
Revenue recognised at a point in time	1,38,074.96	82,016.71
Revenue recognised over time	9,606.10	20,477.31
	1,47,681.06	**1,02,494.02**

Reconciliation of revenue recognised with contract price:

	March 31, 2020 Rs. In Lacs	March 31, 2019 Rs. In Lacs
Contract price	1,45,003.47	99,721.61
Adjustment for:		
Liquidated Damages	(1,410.55)	(486.76)
Escalation	4,088.14	3,259.17
Revenue from operations	**1,47,681.06**	**1,02,494.02**

(Rs. in Lacs)

		For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
22	**Other Income**		
22.1	**Interest Income**		
	From Financial Assets at Amortised Cost		
	Bank Deposits	392.36	549.36
	Loans to Subsidiaries	119.57	159.41
	Others [Refer Note 7(b)]	-	1,462.91
	From Income Tax Authorities	1.70	106.87
		513.63	**2,278.55**

NOTE TO ACCOUNTS *(Contd.)*

(Rs. in Lacs)

		For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
22.2	**Others**		
	Unspent Liabilities / Provisions No Longer Required Written Back	552.52	244.51
	Net Gain on Disposal of Property, Plant and Equipment	18.00	-
	Commission Income on Guarantees, etc.	107.56	184.96
	Other Non-operating Income	180.88	55.81
		858.46	**485.28**
22.3	**Other Gains / (Losses)**		
	Fair Value Gain / (Loss) on Investment in Equity Securities at FVTPL	(89.86)	416.46
	Foreign Exchange Fluctuations and Fair Value Gain / (Loss) on Derivatives Not Designated as Hedges *	193.63	258.58
	Net gain on sale of investments	237.74	-
		341.51	**675.04**
	Total	**1,713.60**	**3,438.87**

* Includes unrealised Fair Value (Gain)/ Loss on Derivatives Not Designated as Hedges Rs. Nil Lacs [March 31, 2019: (Rs.44.72 Lacs)]

			For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
23	**Cost of Raw Materials and Components Consumed**			
	Inventories at the beginning of the year		20,545.91	9,696.90
	Add: Purchases		97,158.25	90,306.07
			1,17,704.16	**1,00,002.97**
	Less: Inventories at the end of the year		10,515.26	20,545.91
	Cost of raw materials and components consumed		**1,07,188.90**	**79,457.06**
24	**Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap**			
	Inventories at the beginning of the year			
	Finished Goods		1,214.33	2,401.04
	Work-in-Progress		7,720.03	4,243.58
	Saleable Scrap		621.03	242.98
		(A)	**9,555.39**	**6,887.60**
	Inventories at the end of the year			
	Finished Goods		912.85	1,214.33
	Work-in-Progress		7,035.71	7,720.03
	Saleable Scrap		981.17	621.03
		(B)	**8,929.73**	**9,555.39**
	Adjustment of Ind AS 115	(C)	-	(1,151.36)
	(Increase) / Decrease	**(A-B+C)**	**625.66**	**(3,819.15)**

NOTE TO ACCOUNTS *(Contd.)*

(Rs. in Lacs)

		For the Year Ended March 31, 2020		For the Year Ended March 31, 2019
25	**Employee Benefits Expense**			
	Salaries, Wages and Bonus		2,888.51	2,657.18
	Employee Stock Option Expenses (Refer Note 33)		67.81	133.01
	Contribution to Provident and Other Funds [Refer Note 32 (ii)]		230.57	205.81
	Gratuity Expense [Refer Note 32 (i)]		70.89	71.45
	Staff Welfare Expenses		228.36	194.97
	Total		**3,486.14**	**3,262.42**
26	**Finance Costs**			
	Interest Expenses on Financial Liabilities Carried at Amortised Cost - Borrowings, etc.		5,471.71	3,268.87
	Bank charges		1,031.21	668.65
	Total		**6,502.92**	**3,937.52**
27	**Depreciation and Amortisation**			
	Depreciation of Property, Plant & Equipments (refer note 3.1)		1,208.58	1,355.68
	Amortisation of Intangible Assets (refer note 3.2)		605.31	256.39
	Total		**1,813.89**	**1,612.07**
28	**Other Expenses**			
	Consumption of stores and spares	5,924.91		4,104.59
	Job Processing and other machining charges (including contract labour charges)	8,737.20		6,933.06
	Power and Fuel	4,048.90		2,961.11
	Design and development expenses	332.58		222.29
	Repairs			
	Plant and machinery	447.67		609.98
	Buildings	77.18		63.93
	Others	46.00		20.18
	Rent and Hire charges	616.49		310.50
	Rates and Taxes	141.55		151.29
	Insurance	113.03		88.61
	Security Services	142.97		139.71
	Freight and forwarding charges [Net of Recovery Rs. Nil Lacs (March 31, 2019 Rs. 64.20 lacs)]	-		490.67
	Advertising and sales promotion	107.29		176.00
	Brokerage and commission	208.85		722.26

NOTE TO ACCOUNTS *(Contd.)*

(Rs. in Lacs)

		For the Year Ended March 31, 2020		For the Year Ended March 31, 2019
Travelling and conveyance		432.30		496.39
Legal and professional fees		933.35		819.52
Directors sitting fees		33.88		42.65
Payment to Auditors				
As auditors				
Audit fee	32.00		27.00	
Limited review	12.00		12.00	
Other Certification services	22.75		4.01	
Reimbursement of expenses	6.81	73.56	5.46	48.47
Warranty Claims	96.00		260.71	
Less: Adjusted with provision	96.00	-	260.71	-
Provision for warranties		124.29		301.22
Irrecoverable debts/ advances written off	249.36		1,022.33	
Less: Adjusted with provision	-	249.36	42.37	979.96
Goodwill written-off		24.85		-
Provision for doubtful debts and advances		495.34		354.43
Corporate Social Responsibility expenses (Refer Note 28.1)		34.57		32.19
Miscellaneous expenses		885.86		921.44
Total		**24,231.98**		**20,990.45**

28.1 Corporate Social Responsibility Expenses

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
(a) Amount required to be spent during the year	-	30.73
(b) Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above (fully paid)	34.57	32.19
Total	**34.57**	**32.19**

29 Income Tax Expense / (Benefit)

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
(A) Amount recognised in the Statement of Profit and Loss		
Current Tax	-	136.34
Current Tax - Pertaining to earlier year	687.81	-
Deferred Tax	(2,545.16)	(3,262.06)
Total Income Tax Expense Recognised in Profit and Loss	**(1,857.35)**	**(3,125.72)**
(B) Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable		
Accounting Profit / (Loss) before Tax	(9,849.84)	(8,655.92)
At India's Statutory Income Tax Rate of 25.168% (March 31, 2019: 34.944%)	**(2,479.01)**	**(3,024.72)**

NOTE TO ACCOUNTS *(Contd.)*

(Rs. in Lacs)

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Adjustments:		
Expenses not allowed as deductions	32.62	3,377.28
Income not taxable	(88.79)	(238.97)
Impact of lower tax rate (Capital Gains tax rate) on the fair valuation of land and investment in equity shares through FVTPL	24.04	(96.46)
Adjustment for change in tax rate	205.33	14.95
Adjustment of change in tax rate of Deferred Tax Assets	637.47	-
MAT Credit written-off	839.84	-
Recognition of Deferred Tax / Adjustment relating to earlier years	2,469.54	(2,897.79)
Others	216.31	(260.01)
	1,857.35	**(3,125.72)**

Section 115BAA has newly been inserted in the Income Tax Act, 1961 vide Taxation Laws (Amendment) Ordinance, 2019 (subsequently enacted on December 11, 2019 as The Taxation Laws (Amendment) Act, 2019) which provides a domestic company with an irrevocable option to pay tax at a lower rate of 22% (effective rate of 25.168%) for any previous year relevant to the assessment year beginning on or after April 1, 2020. The lower rate shall be applicable subject to certain conditions, including that the total income should be computed without claiming specific deduction or exemptions. MAT would be inapplicable to companies opting to apply the lower tax rate. The Company has elected to exercise the option of lower tax rate permitted under new tax rate regime during the quarter and year ended March 31, 2020 and has accordingly re-measured the tax liabilities.

30 Exceptional Item		
Impairment in value of investment of Subsidiary Companies	13,508.31	10,758.43
Provision for Corporate Guarantee and related cost given to ICICI Bank UK for Titagarh Wagon AFR	2,627.13	-
Provision for Doubtful Debt for Financial and Non Financial Assets of Subsidiary Company	-	1,937.03
	16,135.44	**12,695.46**

Note:

Exceptional items represents the following:

i) Expenses of Rs. 2,627.13 lacs (March 31, 2019 Rs Nil) provided against the obligations in respect of guarantee given in favour of a bank in respect of a secured working capital facility obtained by Titagarh Wagons AFR (TWA).

ii) Impairment in the value of investment in equity shares of subsidiary companies, Titagarh Firema S.p.a of Rs. 6,933.80 lacs, Titagarh Wagon AFR of Rs. Nil (March 31, 2019 Rs. 4,883.89 lacs) and Titagarh Singapore Pte Ltd of Rs. 6,574.51 lacs (March 31, 2019 Rs. 5,874.54 lacs) which in turn holds equity shares in Titagarh Firema S.p.a and Titagarh Wagon AFR. Also there is an impairment provision in respect of certain trade and other receivables of Rs. Nil (March 31, 2019 Rs. 1,937.03 lacs) from TWA.

(Rs. in Lacs)

		For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
31	**Earnings/(Loss) Per Equity Share**		
(A)	**Basic**		
(i)	Number of Equity Shares at the Beginning of the Year *	11,85,83,540	11,82,53,757
(ii)	Number of Equity Shares at the End of the Year *	11,93,26,639	11,85,83,540
(iii)	Weighted Average Number of Equity Shares Outstanding during the year	11,91,95,524	11,83,66,210
(iv)	Face Value of Each Equity Share (Rs)	2.00	2.00
(v)	Profit / (Loss) after Tax Available for Equity Shareholders		
	From Continuing Operation (Rs. in Lacs)	(7,992.49)	(5,530.20)
(vi)	Basic Earnings/(Loss) per Equity Share (Rs.) [(v)/(iii)] #		
	From Continuing Operation	(6.71)	(4.67)
(B)	**Diluted**		
(i)	Dilutive Potential Equity Shares on account of Employee Stock Options Outstanding	36,336	2,69,940
(ii)	Weighted Average Number of Equity Shares Outstanding during the year for Diluted Earnings per Equity Share	11,92,31,860	11,86,36,150
(iii)	Diluted Earnings/(Loss) per Equity Share (Rs) [A(v)/B(ii)] #		
	From Continuing Operation	(6.71)	(4.67)
	# Basic and Diluted earning per share are same as the potential dilutive equity shares are anti-dilutive.		
	* Includes 3,720,470 (Previous year - 3,055,624) equity share to be issued pursuant to the scheme of amalgamation.		

(Rs. in Lacs)

	Gratuity (Funded)		Gratuity (Unfunded)	
	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
32 Employee Benefits:				
(i) Post-employment Defined Benefit Plans:				
Gratuity				
The Company in India has a defined benefit gratuity plan which is unfunded (except for one unit where it is administered through a trust and funded with a bank through its special deposit scheme with State Bank of Bikaner and Jaipur). Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972.				
The following tables sets forth the particulars in respect of the gratuity plan.				
Statement of Profit and Loss				
Net Employee Benefits Expense recognised in the Employee Cost				
Current Service Cost	5.30	5.01	35.19	33.55
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	4.12	4.76	26.28	28.13
Total	**9.42**	**9.77**	**61.47**	**61.68**

NOTE TO ACCOUNTS *(Contd.)*

(Rs. in Lacs)

	Gratuity (Funded)		Gratuity (Unfunded)	
	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Expenses Recognised in Other Comprehensive Income (OCI)				
Remeasurements (Gains) / Losses	2.04	(10.57)	13.66	8.49
Total	**2.04**	**(10.57)**	**13.66**	**8.49**
Net Liability Recognised in Balance Sheet				
Benefit liability				
Present value of Defined Benefit Obligation	120.40	118.95	395.43	368.58
Fair value of Plan Assets	46.67	56.68	-	-
Net Liability	**73.73**	**62.27**	**395.43**	**368.58**
Bifurcation of Net Liability at the end of the year as per revised Schedule III of the Companies Act, 2013				
Current Liability (Short term)	23.24	16.08	96.63	101.26
Non-Current Liability (Long term)	50.49	46.19	298.80	267.32
	73.73	**62.27**	**395.43**	**368.58**
Changes in the Present Value of the Defined Benefit Obligation are as follows:				
Opening Defined Benefit Obligation	118.95	119.52	368.58	333.44
Current Service Cost	5.30	5.01	35.19	33.55
Interest Cost	7.87	9.08	26.28	28.13
Past Service Cost	-	-	-	-
Benefits Paid	(17.87)	(20.68)	(48.28)	(35.03)
Remeasurement (Gains)/ Losses				
Financial Assumptions Changes	0.96	4.28	2.03	12.16
Demographic Assumptions	4.53	3.91	22.60	18.56
Experience Variance	0.66	(2.17)	(10.97)	(22.23)
Closing Defined Benefit Obligation	**120.40**	**118.95**	**395.43**	**368.58**
Changes in the Fair Value of Plan Assets are as follows:				
Fair value of plan assets at the beginning of the year	56.68	56.91		
Return on Plan Assets	4.11	(4.55)		
Benefits Paid	(17.87)	-		
Investment Income	3.75	4.32		
Fair Value of Plan Assets at the end of the year	**46.67**	**56.68**		
The major categories of Plan Assets as a percentage of the Fair Value of Total Plan Assets are as follows:				
Special Deposit Scheme with State Bank of Bikaner and Jaipur	100%	100%		
Maturity Profile of the Defined Benefit Obligation				
Weighted Average Duration of the Defined Benefit Obligation	2 years	4 years	3/4 years	4 years
Expected Benefit Payments for the year ending				
Not later than 1 year	69.90	72.75	96.64	32.97
Later than 1 year and not later than 5 years	53.86	56.41	231.85	29.03
Later than 5 year and not later than 10 years	5.98	2.15	119.31	28.52
More than 10 years	31.51	0.64	62.94	26.91

(Rs. in Lacs)

	Gratuity (Funded)		Gratuity (Unfunded)	
	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
The principal assumptions used in determining gratuity obligation are shown below:				
Discount Rate	5.50%	6.60%	5.50-5.60%	7.05-7.55%
Rate of increase in Salary	6.44%	5.00%	3.00-4.80%	5.00%

Assumptions regarding future mortality experience are based on mortality tables of Indian Assured Lives Mortality (2006-2008) published by the Institute of Actuaries of India.

The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The Company expects to contribute Rs.77.53 Lacs (March 31, 2019 Rs.65.44 Lacs) to the funded gratuity plans during the next financial year.

A quantitative sensitivity analysis of impact on defined benefit obligations for significant assumption on the gratuity plan is as shown below:

(Rs. in Lacs)

Sensitivity level	Gratuity (Funded)				Gratuity (Unfunded)			
	As at March 31, 2020		As at March 31, 2019		As at March 31, 2020		As at March 31, 2019	
	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 1%)	122.76	118.13	120.86	117.09	412.35	379.83	385.73	352.87
Salary Growth Rate (-/+1%)	118.13	122.76	117.04	120.86	379.83	411.81	352.73	385.36

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(ii) Post-employment Defined Contribution Plans:

(A) **Provident Fund and Employee State Insurance Scheme (ESI)**

Certain categories of employees of the Company receive benefits from a provident fund and ESI, a defined contribution plan. Both the employee and employer make monthly contributions to a government administered fund at specified percentage of the covered employee's qualifying salary. The Company have no further obligations under the plan beyond its monthly contributions.

The amounts paid to Defined Contribution Plans are as follows:

(Rs. in Lacs)

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Provident Fund	190.47	164.45
ESI	29.29	37.78
Total	**219.76**	**202.23**

(iii) Leave Benefits

The Company provides for accumulation of leave by its employees. The employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash in lieu thereof as per the Company's policy. The Company records a provision for leave benefits in the period in which the employee renders the services that increases this entitlement. This is an unfunded plan.

NOTE TO ACCOUNTS *(Contd.)*

The total provision recorded by the Company towards these benefits as at year end was Rs. 137.98 lacs (March 31, 2019: Rs. 137.00 lacs). The amount of the provision is presented as current, since the Company does not have an unconditional right to defer settlement for any of these benefits. However, based on past experience, the Company does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

Rs. in Lacs

	As at March 31, 2020	As at March 31, 2019
Leave provision not expected to be settled within the next 12 months	87.37	85.46

(iv) Risk Exposure

Through its defined benefit plans, the Company is exposed to some risks, the most significant of which are detailed below:

(a) **Discount Rate Risk**

The Company is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of the liability.

(b) **Salary Growth Risks**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

(c) **Demographic Risk**

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Company are exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

33 Employee Stock Option Plan (ESOP)

The Company provides share-based payment schemes to its employees. On September 11, 2014, the shareholders, by way of a special resolution passed at the Annual General Meeting, approved the issue of shares to eligible employees under Employee Stock Option Scheme (Scheme 2014). The Scheme has been approved by the authorized Compensation Committee pursuant to a resolution passed at its meeting held on March 4, 2015. According to the Scheme 2014, the employee selected by the ESOS Compensation Committee from time to time will be entitled to the stock options. The total number of options granted should not exceed 25,00,000 options and will be granted in one or more tranches over a period of 5 years. Each option, when exercised, will be converted into 1 equity share of Rs 2 each fully paid up.

Tranche 1 - First Allotment

a)	Vesting period	As stated below
	Exercise period	Within a period of 6 months from the date of vesting
	Grant Date	March 4, 2015
	Exercise price	Rs 44.20
	Market price at March 4, 2015	Rs 135.60
	The vesting schedule of the options is as follows:	
	At the end of first year from the date of grant	10%
	At the end of second year from the date of grant	15%
	At the end of third year from the date of grant	25%
	At the end of fourth year from the date of grant	50%

NOTE TO ACCOUNTS *(Contd.)*

The movement of the option is summarised below:

(Rs. in Lacs)

	For the Year Ended March 31, 2020		For the Year Ended March 31, 2019	
	No. of Options	**Weighted Average Exercise Price (WAEP) (Rs)**	**No. of Options**	**Weighted Average Exercise Price (WAEP) (Rs)**
Outstanding at the beginning of the year	1,27,500	44.20	1,71,250	44.20
Granted during the year	-	-	-	-
Lapsed during the year	77,500	44.20	12,500	44.20
Forfeited during the year	-	44.20	21,250	44.20
Exercised during the year	47,500	44.20	10,000	44.20
Outstanding at the end of the year	2,500	44.20	1,27,500	44.20
Exercisable at the end of the year	2,500	44.20	1,27,500	44.20

The weighted average fair value of the option as on the grant date is Rs. 97.36 (March 31, 2019: Rs.102.55) and weighted average contractual life of the option as at March 31, 2020 is 1.60 years (March 31, 2019: 3.95 years).The weighted average fair value of stock options granted was Rs. 2.44 lacs (March 31, 2019: Rs. 130.76 lacs). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

The share prices on the date of exercise are:

Date of Exercise	**Share Price (Rs.)**
September 12, 2018	87.20

	Grant Date-March 4, 2015			
Share price (Rs)	135.60	135.60	135.60	135.60
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	7.70%	7.70%	7.70%	7.70%
Expected volatility	67.00%	58.00%	51.00%	47.00%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

Tranche 1 - Second Allotment

b)	Vesting period	As stated below
	Exercise period	Within a period of 6 months from the date of vesting
	Grant Date	May 19, 2017
	Exercise price	Rs 44.20
	Market price at May 19, 2017	Rs 122.80

The vesting schedule of the options is as follows:

At the end of first year from the date of grant	10%
At the end of second year from the date of grant	15%
At the end of third year from the date of grant	25%
At the end of fourth year from the date of grant	50%

NOTE TO ACCOUNTS *(Contd.)*

The movement of the option is summarised below:

	For the Year Ended March 31, 2020		For the Year Ended March 31, 2019	
	No. of Options	**Weighted Average Exercise Price (WAEP) (Rs)**	**No. of Options**	**Weighted Average Exercise Price (WAEP) (Rs)**
Outstanding at the beginning of the year	1,03,500	44.20	1,15,000	-
Granted during the year	-	-	-	44.20
Lapsed during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	17,250	44.20	11,500	-
Outstanding at the end of the year	86,250	44.20	1,03,500	44.20
Exercisable at the end of the year	-	44.20	-	-

The weighted average fair value of the option as on the grant date is Rs. 90.05 (March 31, 2019: Rs 89.10 Lacs) and weighted average contractual life of the option as at March 31, 2020 is 3.67 years (March 31, 2019: 3.39 years).The weighted average fair value of stock options granted was Rs. 61.73 Lacs (March 31, 2019: Rs 53.75 lacs). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

The share prices on the date of exercise are:

Date of Exercise	Share Price (Rs.)
June 6, 2018	95.80

	Grant Date-May 19, 2017			
Share price (Rs)	122.80	122.80	122.80	122.80
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	6.70%	6.70%	6.70%	6.70%
Expected volatility	35.68%	47.71%	54.92%	55.08%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

Tranche 2 - First Allotment

c)	Vesting period	As stated below
	Exercise period	Within a period of 6 months from the date of vesting
	Grant Date	May 19, 2017
	Exercise price	Rs 44.20
	Market price at May 19, 2017	Rs 122.80

The vesting schedule of the options is as follows:

At the end of first year from the date of grant	2%
At the end of second year from the date of grant	10%
At the end of third year from the date of grant	28%
At the end of fourth year from the date of grant	60%

NOTE TO ACCOUNTS *(Contd.)*

The movement of the option is summarised below:

	For the Year Ended March 31, 2020		For the Year Ended March 31, 2019	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	3,06,250	44.20	3,82,500	-
Granted during the year	-	-	-	44.20
Lapsed during the year	17,000	44.20	1,600	-
Forfeited during the year	20,550	44.20	69,200	-
Exercised during the year	13,500	44.20	5,450	-
Outstanding at the end of the year	2,55,200	44.20	3,06,250	44.20
Exercisable at the end of the year	-	44.20	-	-

The weighted average fair value of the option as on the grant date is Rs. 90.09 (March 31, 2019: Rs 89.51) and weighted average contractual life of the option as at March 31, 2020 is 3.68 years (March 31, 2018: 3.51).The weighted average fair value of stock options granted was Rs. 181.90 Lacs (March 31, 2019: 155.82 lacs). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

The share prices on the date of exercise are:

Date of Exercise	**Share Price (Rs.)**
June 20, 2018	96.35
September 12, 2018	87.20

	Grant Date-May 19, 2017			
Share price (Rs)	122.80	122.80	122.80	122.80
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	6.70%	6.70%	6.70%	6.70%
Expected volatility	35.68%	47.71%	54.92%	55.08%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

Tranche 2 - Second Allotment

d)	Vesting period	As stated below
	Exercise period	Within a period of 6 months from the date of vesting
	Grant Date	November 9, 2017
	Exercise price	Rs 44.20
	Market price at November 9, 2017	Rs 146.75

The vesting schedule of the options is as follows:

At the end of first year from the date of grant	2%
At the end of second year from the date of grant	10%
At the end of third year from the date of grant	28%
At the end of fourth year from the date of grant	60%

NOTE TO ACCOUNTS *(Contd.)*

The movement of the option is summarised below:

	For the Year Ended March 31, 2020		For the Year Ended March 31, 2019	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	29,400	44.20	55,000	-
Granted during the year	-	-	-	44.20
Lapsed during the year	-	-	-	-
Forfeited during the year	24,500	44.20	25,000	-
Exercised during the year	-	44.20	600	-
Outstanding at the end of the year	4,900	44.20	29,400	44.20
Exercisable at the end of the year	500	44.20	-	-

The weighted average fair value of the options as on the grant date is Rs. 112.20 (March 31, 2019: Rs 112.20) and weighted average contractual life of the option as at March 31, 2020 is 3.51 years (March 31, 2019: 3.51 years).The weighted average fair value of stock options granted was Rs. 3.81 Lacs (March 31, 2019: Rs 13.66 Lacs). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

The share prices on the date of exercise are:

Date of Exercise	Share Price (Rs.)
December 12, 2018	74.70

	Grant Date-November 9, 2017			
Share price (Rs)	146.75	146.75	146.75	146.75
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	6.50%	6.50%	6.50%	6.50%
Expected volatility	35.68%	47.71%	54.92%	55.08%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

The expected life of the stock Option is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

During the year ended the Company recorded an employee compensation expense of Rs. 67.81 Lacs (March 31, 2019 : Rs 133.01 lacs) in the Statement of Profit and loss.

34 Disclosures Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(Rs. in Lacs)

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Loans to Subsidiaries :		
(i) Titagarh Wagons AFR		
Balance as at year end	-	-
Maximum amount outstanding at any time during the year	-	2,015.96
[Titagarh Wagons AFR has utilised the loan for meeting working capital requirements with an average rate of interest Nil [March 31, 2019 : 4% p.a]		

NOTE TO ACCOUNTS *(Contd.)*

(Rs. in Lacs)

		For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
ii)	**Titagarh Singapore Pte. Ltd.**		
	Balance as at year end	2,491.49	-
	Maximum amount outstanding at any time during the year	4,742.03	-
	[Titagarh Singapore Pte. Ltd has utilised the loan for meeting working capital requirements with an average rate of interest 4% [March 31, 2019 : NIL]		
(iii)	**Titagarh Firema S.p.a**		
	Balance as at year end	-	-
	Maximum amount outstanding at any time during the year	-	4,844.62
	[Titagarh Firema S.p.a has utilised the loan for meeting working capital requirements with an average rate of interest 4% [March 31, 2019 : 4%]		

(Rs. in Lacs)

		As at March 31, 2020	As at March 31, 2019
35	**Commitments**		
a)	Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	77.70	196.20
b)	Corporate Guarantees given / Standby Letter of Credit Issued #	-	1,06,115.16
	The above includes following amounts backed by security as under:		
	Pledge of Investments in Subsidiary Companies (Refer Note 4)	-	21,212.76
	[Value of Investments in books carried at cost as at March 31, 2020 Rs. 3,139.42 Lacs (March 31, 2019 Rs. 17,229.36 Lacs) - Refer Note 4]		
	# While the actual value of corporate guarantee given to bank for Titagarh Wagons AFR is Rs.3,488.10 Lacs. Since, the company has already created a provision of Rs. 2,491.49 Lacs, which is the maximum liability against the said corporate gaurantee, amount of corporate guarantee has been shown as Nil.		
36	**Contingent Liabilities**		
(i)	**Claims against the Company not acknowledged as debt**		
	Disputed claims contested by the Company and pending at various courts/arbitration*	3,199.96	3,720.24
	Matters under appeal with:		
	Sales tax authorities	2,608.49	1,350.81
	Income tax authorities	3,063.80	316.06
	Customs and Excise Authorities	15,258.62	21,646.86
	Custom Duty on import of equipments and spare parts under EPCG scheme	1,190.54	1,193.25
		25,321.31	**28,227.22**

* Includes Rs 1360.45 Lacs (March 31, 2019: 1,360.45 Lacs) which in terms of BIFR order, even if decided against the Company, would stand at Rs 136.04 Lacs (March 31, 2019 : Rs 136.04 Lacs) only.

In respect of above cases based on favourable decisions in similar cases/legal opinions taken by the Company/discussions with the solicitors etc., the management is of the opinion that it is possible, but not probable, that the action will succeed and accordingly no provision for any liability has been made in the financial statements.

In respect of above contingent liabilities, it is not practicable for the Company to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Company does not expect any reimbursements in respect of the above.

NOTE TO ACCOUNTS *(Contd.)*

(ii) Further:

(a) Erstwhile Cimmco Limited (Since merged with the Company) had prior to year 2000, obtained certain advance licenses for making duty free import of inputs subject to fulfillment of export obligation (EO) within the specified time limit/ extended time limit (as extended pursuant to sanctioned scheme of BIFR) from the date of issuance of such licenses. However, in absence of complete list of licenses along with the imports made against each license, the amount of contingent liability towards custom duty saved on unfulfilled export obligations and penal interest if any, is presently unascertainable.

(b) SBI Caps has raised a claim of Rs. 1,128.95 lacs on erstwhile Cimmco Limited (since merged with the Company) on account of disallowance of depreciation by the income tax authorities on the wagons leased by SBI Caps to erstwhile Cimmco Limited (since merged with the Company) which in turn has been sub leased to Indian Railways. The same pertains to the assessment year 1998-99 to 2004-05 (period prior to change of management in terms of the BIFR order) and the matter is pending with ITAT Mumbai. As per the separate lease agreements entered between SBI CAPS, erstwhile Cimmco Limited (since merged with the Company) and Indian Railways, any claims, charges, duties taxes and penalties as may be levied by the Government or any other authority pertaining to leased wagons shall be borne by the Indian Railways. Considering the above terms contained in the above agreements and also favourable ITAT judgments regarding the admissibility of the depreciation on the leased assets the Company believes that there would not be any liability that would crystallise on account of the above.

(Rs. in Lacs)

		As at March 31, 2020	As at March 31, 2019
37	**Information relating to Micro and Small Enterprises (MSEs):**		
(i)	The Principal amount and Interest due thereon remaining unpaid to any supplier at the end of the accounting year		
	Principal	158.31	80.12
	Interest	2.39	-
(ii)	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.		
	Principal	-	-
	Interest	-	-
(iii)	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
(iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.		
	Principal	208.27	645.86
	Interest	3.76	2.52
(v)	The amount of interest accrued and remaining unpaid at the end of the accounting year	6.15	2.52
	The above particulars, as applicable, have been given in respect of MSEs to the extent they could be identified on the basis of the information available with the Company.		

NOTE TO ACCOUNTS *(Contd.)*

38 List of Subsidiaries and Joint Venture of the Company

The Company has following Subsidiaries and Joint Venture for which the Company prepares Consolidated Financial Statements as per Ind AS 110 “Consolidated Financial Statements”. Investment in these subsidiaries and Joint Ventures has been recognised at cost.

Name of the Subsidiary	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest	
		March 31, 2020	March 31, 2019
Titagarh Singapore Pte. Limited (TSPL)	Singapore	100%	100%
Titagarh Wagons AFR (TWA) *	France	100%	100%
Titagarh Firema S.p.A (TFA) **	Italy	100%	90%

*The Company holds 100% equity in TWA together with a wholly owned subsidiary company, TSPL.

On 4th June 2019, the commercial court of Paris has approved the start of Rehabilitation Procedure and from said date, Parent Company was no longer in control of TWA, under French law. The Commercial Court of Paris vide its judgement dated August 13, 2019 has approved a plan for transfer of business and assets of TWA to another bidder and ordered for liquidation of TWA. Currently TWA is under liquidation.

**The Company holds 100% equity in TFA together with a wholly owned subsidiary company, TSPL.

Particulars		Proportion of Ownership / Interest	
Name of the Joint Venture	Country of Incorporation	March 31, 2020	March 31, 2019
Titagarh Mermec Private Limited @	India	50%	50%
Matiere Titagarh Bridges Pvt Ltd. #	India	50%	50%

Matiere Titagarh Bridges Pvt Ltd has become a wholly owned susidiary of the Company w.e.f. 14th July, 2020 by acquiring balance 7,548,820 equity shares from Matiere SAS, France.

@ A new Company Titagarh Mermec Private Limited. was incorporated in the previous year with equal stakes of Titagarh Wagons Limited and Mermec S.p.A, Italy for development and manufacture of cost effective diagnostic solutions for signalling and safety for Indian railways. As on March 31, 2019 payment towards equity investment was yet to be made by the Company which has been made in the current year.

39 Assets Pledged as Security for Working Capital Loans Availed by the Subsidiaries Companies

The foreign subsidiaries of the Company has been sanctioned with a working capital facility, Term Loan facility and Derivative facility aggregating to Rs. Nil (Euro Nil) [March 31, 2019: Rs 21,057.35 Lacs (Euro 27.1 million)] which is secured by the following assets of the Company:

Share of Titagarh Singapore Pte Limited and Titagarh Wagon AFR.

The total working capital facility, Term loan and derivative facility that has been drawn out of the above sanctioned facility as on March 31, 2020 is Rs Nil (Euro Nil) [March 31, 2019 is Rs 12,685.69 Lacs (Euro 16.32 million)]

40 SEGMENT INFORMATION

The Company’s Board of Directors, being the chief operating decision maker examines the Company’s performance on the basis of its business and has identified following reportable segments:-

a) Wagons & Coaches – Consists of manufacturing of wagons, coaches, bogies, couplers and crossings as per customer specification.

b) Specialised Equipments & Bridges - Consists of bailey / other modular bridges, nuclear biological shelters and other defence related products

c) Shipbuilding - Consists of manufacturing of barges, research vessels and other fabrication of blocks

d) Others - Consists of miscellaneous business like heavy earth moving machineries, etc which comprises of less than 10% revenue on individual basis.

Segment performance is evaluated based on profit or loss and is measured consistently with Profit or Loss in the Standalone Financial Statements. Also, the Company’s borrowings (include finance costs), income taxes, investments and derivative instruments are managed at head office and are not allocated to operating segments.

NOTE TO ACCOUNTS *(Contd.)*

Segment Revenue is measured in the same way as in the Statement of Profit and Loss.

Segment Assets and Liabilities are measured in the same way as in the standalone financial statements. These asset and liabilities are allocated based on the operations of the segment and physical location of assets.

Information about operating segments

For the year ended March 31, 2020

(Rs. in Lacs)

	Wagons & Coaches	Specialised Equipments & Bridges	Shipbuilding	Others	Total
Revenue from operations					
Segment revenue (external)	**1,43,789.09**	**2,112.33**	**2,520.07**	**-**	**1,48,421.49**
Segment profit	**14,284.95**	**345.82**	**318.21**	**-**	**14,948.98**
Unallocated (income) / expenses					
Finance Costs					6,502.92
Interest Income					(513.63)
Depreciation and Amortisation Expense					20.00
Other Corporate Income					(1,199.97)
Other Corporate Expenses					19,989.50
Profit / (Loss) before taxes					**(9,849.84)**
Tax expenses / (Credit)					(1,857.35)
Profit / (Loss) for the year					**(7,992.49)**
Material Non-cash (Income) / Expenses:					
Depreciation and Amortisation Expense	1,713.89	30.00	50.00	20.00	1,813.89
Provision for Doubtful Debts and Advances	222.33	59.54	-	213.47	495.34
Unspent liabilities / provisions no longer required written back	549.88	-	2.14	-	552.02
Segment assets	**97,647.28**	**3,689.36**	**3,112.32**	**479.88**	**1,04,928.84**
Unallocated assets					
Investments					10,417.53
Cash and cash equivalents					1,030.11
Other bank balances					2,709.01
Deferred Tax Assets (Net)					420.20
Tax Assets (Net)					2,914.51
Other unallocated assets					21,312.28
Total assets					**1,43,732.48**
Segment liabilities	**35,928.26**	**1,102.86**	**268.17**	**13.75**	**37,313.04**
Unallocated liabilities					
Deferred Tax Liabilities (Net)					-
Borrowings					21,079.57
Tax Liabilities					22.90
Other unallocated liabilities					3,681.06
Total liabilities					**62,096.57**

NOTE TO ACCOUNTS *(Contd.)*

For the year ended March 31, 2019

(Rs. in Lacs)

	Wagons & Coaches	Specialised Equipments & Bridges	Shipbuilding	Others	Total
Revenue from Operations					
Segment Revenue (External)	**85,501.96**	**7,352.70**	**13,151.65**	**34.73**	**1,06,041.04**
Segment Profit	**4,207.06**	**981.91**	**3,195.69**	**(271.73)**	**8,112.93**
Unallocated (Income) / Expenses					
Finance Costs					3,937.52
Interest Income					(2,278.55)
Depreciation and Amortisation Expense					52.89
Other Corporate Income					(1,160.32)
Other Corporate Expenses					16,217.31
Profit / (Loss) before Taxes					**(8,655.92)**
Tax Expenses / (Credit)					(3,125.72)
Profit / (Loss) for the Year					**(5,530.20)**
Material Non-cash (Income) / Expenses:					
Depreciation and Amortisation Expense	1,230.39	60.14	186.46	135.08	1,612.07
Provision for Doubtful Debts and Advances	316.96	37.47	-	-	354.43
Unspent liabilities / provisions no longer required written back	125.12	-	-	119.39	244.51
Segment Assets	**1,15,756.61**	**4,792.26**	**7,672.36**	**1,010.91**	**1,29,232.14**
Unallocated Assets					
Investments					15,820.61
Cash and Cash Equivalents					225.94
Other Bank Balances					2,081.27
Tax Assets (Net)					2,848.69
Other Unallocated Assets					14,110.75
Total Assets					**1,64,319.40**
Segment Liabilities	**38,711.62**	**1,664.53**	**1,093.40**	**158.89**	**41,628.44**
Unallocated Liabilities					
Deferred Tax Liabilities (Net)					2,128.91
Borrowings					29,181.85
Current Tax Liabilities					106.41
Other Unallocated Liabilities					1,667.67
Total Liabilities					**74,713.28**

Entity-wide Disclosures:-

(a) The Company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown below:-

The following table shows the distribution of the Company's sales by geographical market:

(Rs. in Lacs)

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
India	1,46,888.60	99,514.56
Rest of the World	1,532.89	6,526.48
Total	**1,48,421.49**	**1,06,041.04**

NOTE TO ACCOUNTS *(Contd.)*

Non-current operating assets

(b) All non-current assets (excluding Financial Assets) of the Company are located in India

(c) Total revenue from external customers includes sales to Indian Railways of Rs 92,529.68 lacs (March 31, 2019: Rs 54,339.01 lacs) and to GATX India Pvt Ltd of Rs. Nil lacs (March 31, 2019 : Rs 15,779.60 lacs) which represents more than 10% of the total revenue from external customers of the Company.

41 RELATED PARTY DISCLOSURES

Names of related parties and related party relationship

Related parties where control exists:

Subsidiary Companies:	Titagarh Singapore Pte Limited
	Titagarh Firema S.p.A, Italy (erstwhile Titagarh Firema Adler S.p.A)
	Titagarh Wagons AFR (Refer Note 38)
Joint Venture Company:	Matiere Titagarh Bridges Pvt Ltd
	Titagarh Mermec Private Limited (Jointly controlled Entity w.e.f. May 17, 2018)

Other related parties with whom transactions have taken place during the period:

Key Management Personnel (KMPs):	Mr. J P Chowdhary – Executive Chairman
	Mr. Umesh Chowdhary – Vice Chairman & Managing Director
	Mr. Prithish Chowdhary - Vice President (w.e.f. July 08, 2019)
	Mr. Dharmendar Nath Davar - Independent Director (upto September 13,2019)
	Mr. Manoj Mohanka - Independent Director
	Mrs. Rashmi Chowdhary - Non-Executive Director
	Mr. Ramsebak Bandyopadhyay - Independent Director
	Mr. Atul Ravishanker Joshi - Independent Director
	Mr. Sunirmal Talukdar - Independent Director (upto October 13, 2018; Re-appointed w.e.f. December 10, 2019)
	Mr. Sudipta Mukherjee - Director (Whole-Time Director)
	Mr. Anil Agarwal - Chief Financial Officer (upto May 28, 2019), Director (Finance) & Chief Financial Officer (w.e.f. May 29, 2019)
	Mr. Dinesh Arya - Company Secretary
	Mr. Vinod Kumar Sharma (w.e.f. August 29, 2019 to February 28, 2020)
	Dr. G.B. Rao - Independent Director [Erstwhile Cimmco Ltd (since merged with the Company)]
	Mr. J.K.Shukla - Independent Director [Erstwhile Cimmco Ltd (since merged with the Company)]
	Mr. Kanwar Satya Brata Sanyal - Independent Director [Erstwhile Cimmco Ltd (since merged with the Company)]
	Mr. Matblubul Jamil Zillay Mowla - Independent Director [Erstwhile Cimmco Ltd (since merged with the Company)]
	Mr. Nandan Bhattacharya - Independent Director [Erstwhile Cimmco Ltd (since merged with the Company)]
	Mr. Nikhil Kumar Barat- Independent Director [Erstwhile Titagarh Capital Private Limited (since merged with the Company)] (from August 3, 2019)
	Mr. R.N.Tiwari - Director [Erstwhile Cimmco Ltd (since merged with the Company)] (till February 24, 2019)
Close member of the family of KMPs:	Ms. Savitri Devi Chowdhary, Wife of Mr. J P Chowdhary
	Ms. Rashmi Chowdhary, Wife of Mr. Umesh Chowdhary
	Ms. Vinita Bajoria, Daughter of Mr. J P Chowdhary
	Ms. Sumita Kandoi, Daughter of Mr. J P Chowdhary

	Mrs. Bimla Devi Kajaria, Mother of Mrs. Rashmi Chowdhary
Enterprises over which KMP/ Shareholders/ Close family members have significant influence:	Titagarh Capital Management Services Private Limited Titagarh Enterprises Limited Titagarh Industries Limited Traco International Investment Private Limited

Details of transactions between the Company and related parties and outstanding balances as at the year end are given below:

(Rs. in Lacs)

Nature of transactions	Year	Subsidiary Companies	Joint ventures	Enterprise over which KMP/ shareholders/ relatives have significant influence	KMP	Relatives of KMP	Total
In relation to the Statement of Profit and Loss							
Sale of Products							
Titagarh Wagons AFR	2019-20	153.95	-	-	-	-	153.95
	2018-19	-	-	-	-	-	-
Other Income							
Matiere Titagarh Bridges Pvt Ltd	2019-20	-	2.75	-	-	-	2.75
	2018-19	-	3.54	-	-	-	3.54
Interest Income on Loans to Subsidiaries							
Titagarh Wagons AFR	2019-20	-	-	-	-	-	-
	2018-19	58.15	-	-	-	-	58.15
Titagarh Firema S.p.A	2019-20	-	-	-	-	-	-
	2018-19	101.26	-	-	-	-	101.26
Titagarh Singapore Pte Limited	2019-20	119.66	-	-	-	-	119.66
	2018-19	-	-	-	-	-	-
Corporate Guarantee Commission							
Titagarh Singapore Pte Limited	2019-20	23.16	-	-	-	-	23.16
	2018-19	58.77	-	-	-	-	58.77
Titagarh Wagons AFR	2019-20	-	-	-	-	-	-
	2018-19	8.34	-	-	-	-	8.34
Titagarh Firema S.p.A	2019-20	84.88	-	-	-	-	84.88
	2018-19	92.14	-	-	-	-	92.14
Purchase of Raw Materials and Components							
Titagarh Firema S.p.A	2019-20	751.99	-	-	-	-	751.99
	2018-19	-	-	-	-	-	-

(Rs. in Lacs)

Reimbursement of Expenses received							
Matiere Titagarh Bridges Pvt Ltd	2019-20	-	9.24	-	-	-	9.24
	2018-19	-	-	-	-	-	-
Titagarh Enterprises Limited	2019-20	-	-	19.57	-	-	19.57
	2018-19	-	-	24.88	-	-	24.88
Titagarh Firema S.p.A	2019-20	-	-	-	-	-	-
	2018-19	157.92	-	-	-	-	157.92

NOTE TO ACCOUNTS *(Contd.)*

Reimbursement of Expenses paid							
Titagarh Singapore Pte Limited	2019-20	52.21	-	-	-	-	52.21
	2018-19	-	-	-	-	-	-
Rent paid							
Titagarh Enterprises Limited	2019-20	-	-	513.30	-	-	513.30
	2018-19	-	-	246.76	-	-	246.76
Warranty Claims							
Titagarh Wagons AFR	2019-20	-	-	-	-	-	-
	2018-19	241.09	-	-	-	-	241.09
Dividend paid							
Ms. Savitri Devi Chowdhary	2019-20	-	-	-	-	54.35	54.35
	2018-19	-	-	-	-	54.35	54.35
Ms. Rashmi Chowdhary	2019-20	-	-	-	38.45	-	38.45
	2018-19	-	-	-	38.45	-	38.45
Mr. J P Chowdhary	2019-20	-	-	-	0.47	-	0.47
	2018-19	-	-	-	0.47	-	0.47
Mr. Umesh Chowdhary	2019-20	-	-	-	0.23	-	0.23
	2018-19	-	-	-	0.23	-	0.23
Ms. Vinita Bajoria	2019-20	-	-	-		*	*
	2018-19	-	-	-		*	*
Ms. Sumita Kandoi	2019-20	-	-	-		*	*
	2018-19	-	-	-		*	*
Mr. Anil Kumar Agarwal	2019-20	-	-	-	0.17	-	0.17
	2018-19	-	-	-	0.08	-	0.08
Mr. Dinesh Arya	2019-20	-	-	-	0.09	-	0.09
	2018-19	-	-	-	0.04	-	0.04
Mr. Sudipta Mukherjee	2019-20	-	-	-	0.04	-	0.04
	2018-19	-	-	-	0.04	-	0.04
Titagarh Capital Management Services Private Limited	2019-20	-	-	65.01	-	-	65.01
	2018-19	-	-	65.01	-	-	65.01
Bimla Devi Kajaria	2019-20	-	-	-	-	*	*
	2018-19	-	-	-	-	0.01	0.01

*Amounts are below the rounding off norm adopted by the Company.

Remuneration (Excluding Employee Stock Option Expense) [Refer (b) below]							
Mr. J P Chowdhary	2019-20	-	-	-	257.28	-	257.28
	2018-19	-	-	-	257.28	-	257.28
Mr. Umesh Chowdhary	2019-20	-	-	-	257.28	-	257.28
	2018-19	-	-	-	257.28	-	257.28
Mr. Prithish Chowdhary	2019-20	-	-	-	16.33	-	16.33
	2018-19	-	-	-	-	-	-
Ms. Vinita Bajoria	2019-20	-	-	-	-	27.64	27.64
	2018-19	-	-	-	-	27.64	27.64

Mr. Anil Kumar Agarwal	2019-20	-	-	-	58.51	-	58.51
	2018-19	-	-	-	58.51	-	58.51
Mr. Dinesh Arya	2019-20	-	-	-	25.59	-	25.59
	2018-19	-	-	-	25.59	-	25.59
Mr. Sudipta Mukherjee	2019-20	-	-	-	36.14	-	36.14
	2018-19	-	-	-	36.14	-	36.14
Mr. R.N. Tiwari	2019-20	-	-	-	-	-	-
	2018-19	-	-	-	21.80	-	21.80
Employee Stock Option Expense							
Mr. Anil Kumar Agarwal	2019-20	-	-	-	11.23	-	11.23
	2018-19	-	-	-	20.25	-	20.25
Mr. Sudipta Mukherjee	2019-20	-	-	-	11.23	-	11.23
	2018-19	-	-	-	20.25	-	20.25
Mr. Dinesh Arya	2019-20	-	-	-	6.74	-	6.74
	2018-19	-	-	-	11.44	-	11.44
Legal and Professional Fees							
Mr. Dharmendar Nath Davar	2019-20	-	-	-	1.70	-	1.70
	2018-19	-	-	-	1.20	-	1.20
Sitting Fees to Directors							
Mr. Dharmendar Nath Davar	2019-20	-	-	-	1.40	-	1.40
	2018-19	-	-	-	4.50	-	4.50
Mr. Manoj Mohanka	2019-20	-	-	-	7.20	-	7.20
	2018-19	-	-	-	8.50	-	8.50
Mr. Atul Ravishanker Joshi	2019-20	-	-	-	4.60	-	4.60
	2018-19	-	-	-	5.30	-	5.30
Mr. Ramsebak Bandyopadhyay	2019-20	-	-	-	6.80	-	6.80
	2018-19	-	-	-	7.90	-	7.90
Mrs. Rashmi Chowdhary	2019-20	-	-	-	2.40	-	2.40
	2018-19	-	-	-	1.20	-	1.20
Mr. Sunirmal Talukdar	2019-20	-	-	-	1.20	-	1.20
	2018-19	-	-	-	2.95	-	2.95
Ms. Vinita Bajoria	2019-20	-	-	-	-	1.00	1.00
	2018-19	-	-	-	-	1.20	1.20
Mr. Vinod Kumar Sharma	2019-20	-	-	-	1.20	-	1.20
	2018-19	-	-	-	-	-	-
Mr. Anil Kumar Agarwal	2019-20	-	-	-	0.30	-	0.30
	2018-19	-	-	-	0.40	-	0.40
Mr. Dinesh Arya	2019-20	-	-	-	0.25	-	0.25
	2018-19	-	-	-	0.40	-	0.40
Dr. G.B. Rao	2019-20	-	-	-	1.20	-	1.20
	2018-19	-	-	-	1.20	-	1.20
Mr. J. K.Shukla	2019-20	-	-	-	2.60	-	2.60
	2018-19	-	-	-	3.20	-	3.20
Mr. Kanwar Satya Brata Sanyal	2019-20	-	-	-	1.00	-	1.00
	2018-19	-	-	-	1.20	-	1.20
Mr. Matlubul Jamil Zillay Mowla	2019-20	-	-	-	2.40	-	2.40
	2018-19	-	-	-	2.20	-	2.20
Mr. Nandan Bhattacharya	2019-20	-	-	-	-	-	-
	2018-19	-	-	-	2.50	-	2.50

NOTE TO ACCOUNTS *(Contd.)*

Mr. Nikhil Kumar Barat	2019-20	-	-	-	0.33	-	0.33
	2018-19	-	-	-	-	-	-
Loans given							
Titagarh Singapore Pte Limited	2019-20	4,727.89	-	-	-	-	4,727.89
	2018-19	-	-	-	-	-	-
Security Deposit Given							
Titagarh Enterprises Limited	2019-20	-	-	207.64	-	-	207.64
	2018-19	-	-	57.10	-	-	57.10
Investments made							
Titagarh Firema S.p.A	2019-20	13,904.90	-	-	-	-	13,904.90
	2018-19	-	-	-	-	-	-
Titagarh Wagons AFR	2019-20	-	-	-	-	-	-
	2018-19	2,019.29	-	-	-	-	2,019.29
Titagarh Mermec Private Limited	2019-20	-	0.50	-	-	-	0.50
	2018-19	-	-	-	-	-	-

(Rs. in Lacs)

Loans Refunded							
Titagarh Singapore Pte. Ltd.	2019-20	2,361.00	-	-	-	-	2,361.00
	2018-19	-	-	-	-	-	-
Titagarh Firema S.p.A	2019-20	-	-	-	-	-	-
	2018-19	4,837.33	-	-	-	-	4,837.33
Titagarh Wagons AFR	2019-20	-	-	-	-	-	-
	2018-19	2,019.29	-	-	-	-	2,019.29
Corporate Guarantees / Standby Letter of Credit / Put Options Given							
Titagarh Firema S.p.a	2019-20	-	-	-	-	-	-
	2018-19	77,702.40	-	-	-	-	77,702.40
Corporate Guarantees / Standby Letter of Credit / Put Options Released							
Titagarh Wagons AFR	2019-20	-	-	-	-	-	-
	2018-19	161.24	-	-	-	-	161.24
Titagarh Firema S.p.a	2019-20	83,050.00	-	-	-	-	83,050.00
	2018-19	10,642.13	-	-	-	-	10,642.13
Titagarh Singapore Pte. Ltd.	2019-20	26,384.55	-	-	-	-	26,384.55
	2018-19	9,123.04	-	-	-	-	9,123.04
Balances outstanding as at the year end							
Trade Receivables							
Titagarh Wagons AFR #	2019-20	1,676.59	-	-	-	-	1,676.59
	2018-19	1,522.64	-	-	-	-	1,522.64
Matiere Titagarh Bridges Pvt.Ltd	2019-20	-	1.40	-	-	-	1.40
	2018-19	-	-	-	-	-	-
Trade Payables							
Titagarh Wagons AFR	2019-20	-	-	-	-	-	-
	2018-19	31.73	-	-	-	-	31.73
Titagarh Enterprises Limited	2019-20	-	-	60.83	-	-	60.83
	2018-19	-	-	20.57	-	-	20.57
Titagarh Firema S.p.a	2019-20	751.99	-	-	-	-	751.99
	2018-19	-	-	-	-	-	-

NOTE TO ACCOUNTS *(Contd.)*

Loans to Related Parties							
Titagarh Singapore Pte. Ltd.	2019-20	2,491.49	-	-	-	-	2,491.49
	2018-19	-	-	-	-	-	-
Interest Accrued on Loans							
Titagarh Wagons AFR	2019-20	139.97	-	-	-	-	139.97
	2018-19	139.97	-	-	-	-	139.97
Titagarh Singapore Pte. Ltd.	2019-20	8.46	-	-	-	-	8.46
	2018-19	-	-	-	-	-	-
Titagarh Firema S.p.a	2019-20	-	-	-	-	-	-
	2018-19	7.77	-	-	-	-	7.77
Receivable from Related Parties							
Titagarh Wagons AFR #	2019-20	235.93	-	-	-	-	235.93
	2018-19	235.93	-	-	-	-	235.93
Titagarh Singapore Pte. Ltd.	2019-20	-	-	-	-	-	-
	2018-19	11.47	-	-	-	-	11.47
Titagarh Firema S.p.a	2019-20	161.30	-	-	-	-	161.30
	2018-19	187.06	-	-	-	-	187.06
Matiere Titagarh Bridges Pvt Ltd	2019-20	-	25.51	-	-	-	25.51
	2018-19	-	1.96	-	-	-	1.96
Advances Recoverable in Cash or Kind							
Mr. Anil Kumar Agarwal	2019-20	-	-	-	30.00	-	30.00
	2018-19	-	-	-	34.50	-	34.50
Mr. Sudipta Mukherjee	2019-20	-	-	-	15.31	-	15.31
	2018-19	-	-	-	-	-	-
Advances from Customers							
Matiere Titagarh Bridges Pvt Ltd	2019-20	-	41.05	-	-	-	41.05
	2018-19	-	41.05	-	-	-	41.05
Employee Related Liabilities							
Mr. J P Chowdhary	2019-20	-	-	-	-	-	-
	2018-19	-	-	-	12.10	-	12.10
Mr. Umesh Chowdhary	2019-20	-	-	-	-	-	-
	2018-19	-	-	-	12.14	-	12.14
Ms. Vinita Bajoria	2019-20	-	-	-	-	-	-
	2018-19	-	-	-	-	1.56	1.56
Mr. Anil Kumar Agarwal	2019-20	-	-	-	-	-	-
	2018-19	-	-	-	1.88	-	1.88
Mr. Dinesh Arya	2019-20	-	-	-	-	-	-
	2018-19	-	-	-	1.23	-	1.23
Mr. Sudipta Mukherjee	2019-20	-	-	-	-	-	-
	2018-19	-	-	-	1.99	-	1.99
Security Deposit							
Titagarh Enterprises Limited	2019-20	-	-	321.84	-	-	321.84
	2018-19	-	-	114.20	-	-	114.20

Full provision has been made against these receivables

NOTE TO ACCOUNTS *(Contd.)*

Details of transactions between the Company and related parties and outstanding balances as at the year end are given below:

(Rs. in Lacs)

Nature of transactions	Year	Subsidiary Companies	Joint ventures	Enterprise over which KMP/ shareholders/ relatives have significant influence	KMP	Relatives of KMP	Total
Investments							
Titagarh Wagons AFR	2019-20	-	-	-	-	-	-
[Net of Rs. 4,883.89 Lacs impairment (March 31, 2019: Rs. 4,883.89 Lacs)].	2018-19	-	-	-	-	-	-
Titagarh Singapore Pte. Ltd. (Refer notes 14(a))	2019-20	384.81	-	-	-	-	384.81
[Net of Rs. 12,449.05 Lacs impairment (March 31, 2019: Rs. 5,874.54 Lacs)].	2018-19	6,959.32	-	-	-	-	6,959.32
Titagarh Firema S.p.a (Refer notes 14(a))	2019-20	7,098.85	-	-	-	-	7,098.85
[Net of Rs. 6933.80 Lacs impairment (March 31, 2019: Rs. Nil Lacs)].	2018-19	127.75	-	-	-	-	127.75
Matiere Titagarh Bridges Pvt Ltd	2019-20	-	75.49	-	-	-	75.49
	2018-19	-	75.49	-	-	-	75.49
Titagarh Enterprises Limited	2019-20	-	-	2,746.28	-	-	2,746.28
	2018-19	-	-	2,752.97	-	-	2,752.97
Traco International Investment Private Limited	2019-20	-	-	18.32	-	-	18.32
	2018-19	-	-	24.22	-	-	24.22
Titagarh Industries Limited	2019-20	-	-	32.20	-	-	32.20
	2018-19	-	-	31.02	-	-	31.02
Titagarh Mermec Private Limited	2019-20	-	0.50	-	-	-	0.50
	2018-19	-	-	-	-	-	-
Commitments - Corporate Guarantees / Standby Letter of Credit / Put Options Outstanding [Also Refer Note 35 (b)]							
Titagarh Wagons AFR (Refer Note 35)	2019-20	-	-	-	-	-	-
	2018-19	3,263.50	-	-	-	-	3,263.50
Titagarh Singapore Pte. Ltd.	2019-20	-	-	-	-	-	-
	2018-19	25,149.26	-	-	-	-	25,149.26
Titagarh Firema S.p.a	2019-20	-	-	-	-	-	-
	2018-19	77,702.40	-	-	-	-	77,702.40

Notes:

a) Terms and conditions of transactions with related parties

The sales / services to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest-free (except loans given) and settlement occurs in cash. The Company has recorded impairment amounting to Rs. 13,508.31 Lacs relating to investment pertaining to subsidiary company Titagarh Firema SPA and Titagarh Singapore Pte Limited [March 31, 2019 Rs. 12,695.46 Lacs relating to investment / other receivable pertaining to subsidiary company Titagarh Wagons AFR] (Refer Note -30). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

b) Compensation of Key managerial Personnel

(Rs. in Lacs)

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Short-term employee benefits	607.79	613.70
Contribution to provident and other funds	43.34	42.90
Share-based payment transactions	29.20	51.94
	680.33	**708.54**

The remuneration to key managerial personnel does not include provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Company as a whole.

42 Fair Values

(i) Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the standalone financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

The Company's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between level 1 and level 2 fair value measurements during the year ended March 31, 2020 and March 31, 2019.

The following table provides the fair value measurement hierarchy of the Company's assets

(Rs. in Lacs)

		Level 1	Level 2	Level 3	Total
Quantitative disclosures fair value measurement hierarchy for Assets:	**Date of Valuation**				
Assets measured at Fair Value:					
Investments	March 31, 2020	60.83	-	2,796.85	2,857.68
	March 31, 2019	-	-	2,838.35	2,838.35
Total Financial Assets		**60.83**	**-**	**5,635.20**	**5,696.03**
Quantitative disclosures Fair Value measurement hierarchy for Liabilities:					
Liabilities measured at Fair Value:					
Liability for Derivatives	March 31, 2020	-	-	-	-
	March 31, 2019	-	44.72	-	44.72
Total Financial Liabilities		**-**	**44.72**	**-**	**44.72**

(ii) Fair value measurements using significant unobservable inputs (Level 3)

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy -(FVTPL assets in unquoted equity shares/units valued using Discounted Cash Flow method) together with a quantitative sensitivity analysis as at March 31, 2020 and March 31, 2019 are as shown below:

(Rs. in Lacs)

	March 31, 2020	March 31, 2019
Significant Unobservable Input - Weighted Average Cost of Capital		
Impact of 1% Increase	(233.68)	(245.06)
Impact of 1% Decrease	315.07	336.59
Significant Unobservable Input - Circle Rate for land owned by the respective Investee Company		
Impact of 5% Increase	58.89	68.59
Impact of 5% Decrease	(58.89)	(68.59)

NOTE TO ACCOUNTS *(Contd.)*

(iii) Reconciliation of fair value measurement of financial instruments classified as FVTPL assets:

Particulars	(Rs. in Lacs) Investment in unquoted equity shares
Closing Balance as on March 31, 2018	**2,421.89**
Re-measurement recognised in Statement of Profit and Loss	416.46
Closing Balance as on March 31, 2019	**2,838.35**
Addition during the period	139.28
Deletion during the period	(30.09)
Re-measurement recognised in Statement of Profit and Loss	(89.86)
Closing Balance as on March 31, 2020	**2,857.68**

(iv) **Fair value of financial assets and liabilities**

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2019.

The methods and assumptions were used to estimate the fair values:

(a) The fair value of foreign exchange forward contracts is determined using forward exchange rates at the Balance Sheet date.

(b) The management assessed that the fair values of remaining financial assets and liabilities at amortised cost approximate to their carrying amounts largely due to the short-term maturities of these instruments.

(c) For financial assets / liabilities carried at fair value, the carrying amounts are equal to their fair values.

(d) Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimate technique. Therefore, for substantially all financial instruments, the fair value estimates are not necessarily indicative of the amounts that the Company could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

43 Financial Risk Management Objectives and Policies

The Company's financial liabilities comprise short-term borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Company's operations. The Company's financial assets include trade and other receivables, cash and cash equivalents, investments, loans and deposits and other financial assets.

The Company's Board of Directors ensures that risks are identified, measured and managed in accordance with Risk Management Policy of the Company and also reviews these risks and related risk management policy, which are summarised below.

I) Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: foreign currency risk and other price risk, such as equity price risk and interest rate risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, borrowings, loan to foreign subsidiaries, other receivables etc.

(i) Foreign currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities, borrowings and loans to subsidiaries. Such foreign currency exposures are primarily hedged by the Company through use of foreign exchange forward contracts. The Company has a treasury team which continuously monitors the foreign exchange fluctuations on a continuous basis and advises the management of any material adverse effect on the Company, and any additional remedial measures to be taken.

NOTE TO ACCOUNTS *(Contd.)*

The Company's foreign currency exposure at the end of the reporting period are as follows:

(Rs. in Lacs)

PARTICULARS	March 31, 2020			March 31, 2019		
	NPR	**USD**	**EURO**	**NPR**	**USD**	**EURO**
Financial Assets						
Trade Receivables #	408.07	565.40	-	35.51	1,206.58	1,371.00
Other Financial Assets #	-	25.00	2,661.25	-	-	582.00
Derivative Assets						
Foreign Exchange Forward Contracts	-	-	-	-	(603.48)	-
Net exposure to Foreign Currency Risk (Assets)	**408.07**	**590.40**	**2,661.25**	**35.51**	**603.10**	**1,953.00**
Financial Liabilities						
Trade Payables	-	-	886.68	-	1,033.39	552.15
Provision	-	-	2,559.26	-	-	-
Other Liabilities	-	-	15.41	-	-	-
Derivative Liabilities						
Foreign Exchange Forward Contracts	-	-	-	-	(1,031.21)	(197.21)
Net Exposure to Foreign Currency Risk (Liabilities)	**-**	**-**	**3,461.35**	**-**	**2.18**	**354.94**
Net Exposure to Foreign Currency Risk (Assets less Liabilities)	**408.07**	**590.40**	**(800.10)**	**35.51**	**600.92**	**1,598.06**

The above balances does not include balances pertaining to Titagarh Wagon AFR (TWA) which has been fully provided for by the management

Foreign Currency Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD Euro and NPR exchange rates, with all other variables held constant. The impact on the Company's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Company's exposure to foreign currency changes for all other currencies is not material.

	Changes in Euro rate	Foreign currency (Payable) / Receivable (net)	Effect on Profit before Tax	Changes in USD rate	Foreign currency (Payable) / Receivable (net)	Effect on Profit before Tax	Changes in NPR rate	Foreign currency (Payable) / Receivable (net)	Effect on Profit before Tax
	%	Rs in Lacs	Rs in Lacs	%	Rs in Lacs	Rs in Lacs	%	Rs in Lacs	Rs in Lacs
March 31, 2020	5%	(800.10)	(40.00)	5%	590.40	29.52	5%	408.07	20.40
	-5%		40.00	-5%		(29.52)	-5%		(20.40)
March 31, 2019	5%	1,598.06	79.90	5%	600.92	30.05	5%	35.51	1.78
	-5%		(79.90)	-5%		(30.05)	-5%		(1.78)

(ii) Equity price risks

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

The Company only invests in the equity shares of the subsidiaries, joint ventures and some of the group companies as part of the Company's overall business strategy and policy. The Company manages the equity price risk through placing limits on individual and total equity investment in each of the subsidiaries, joint ventures and group companies based on the respective business plan of each of the companies. Reports on the investment portfolio along with the financial performance of the subsidiaries, joint ventures and group companies are submitted to the Company's management on a regular basis. The Company's Board of Directors reviews and approves all investment decisions.

The Company's investment in quoted equity instruments (other than subsidiaries) is not material. For sensitivity analysis of Company's investments in equity instruments, Refer Note 42(ii).

(iii) Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to risk of changes in market interest rates relates primarily to the Company's debt interest obligation. Further the Company engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings. The Company continuously monitor the situation and takes remedial actions if required.

The Company's investments in bonds and term deposits with bank are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Interest rate risk exposure

The exposure of the Company's borrowings to interest rate changes at the end of the reporting period are as follows:

(Rs. in Lacs)

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Variable Rate Borrowings	21,179.88	29,944.93
Total Borrowings	**21,179.88**	**29,944.93**

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(Rs. in Lacs)

Particulars	**Impact on Profit before Tax**	
	March 31, 2020	**March 31, 2019**
Interest Rates - Increase by 100 basis points *	(211.80)	(299.45)
Interest Rates - Decrease by 100 basis points*	211.80	299.45

* Holding all other variables constant and on the assumption that amount outstanding as at reporting dates were utilised for full financial year.

II) Credit Risks

Credit Risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables and loans / deposits) and from its investing activities (primarily deposits with banks). The Company's maximum exposure to credit risk for the components of the Balance Sheet as at March 31, 2020 and March 31, 2019 is their carrying amounts except for the financial guarantees. The Company's maximum exposure to financial guarantees is given in Note 35(b).

(a) Trade and Other Receivables

Customer credit risk is managed by the Company through established policy and procedures and control relating to customer credit risk management. Trade receivable are non-interest bearing. The Company has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.The Company uses specific identification method in determining the allowance for credit losses of trade receivable considering historical credit loss experience and is adjusted for forward looking information.Receivables are deemed to be past due or impaired with reference to the Company's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions.

(b) Other Financial Assets and Deposits

Credit Risk from Balances with Banks, deposits, etc is managed by the Company's finance department. Investments of Surplus funds are made only with approved counterparties in accordance with the Company's policy.

(c) Reconciliation of Impairment Provision **(Rs. in Lacs)**

Particulars	**Loan and Deposits**	**Other Financial Assets**	**Trade Receivable**
Opening Balance as at March 31, 2018	64.45	3,122.01	618.74
Provision made during the year ended March 31, 2019	-	375.90	1,815.50

Provision written back during the year ended March 31, 2019	-	(3,097.53)	(64.59)
Closing Balance as at March 31, 2019	**64.45**	**400.38**	**2,369.65**
Provision made during the year ended March 31, 2020	46.65	40.88	345.94
Provision adjusted with corresponding receivable balance during the year ended March 31, 2020	-	(24.48)	(362.01)
Provision written back during the year ended March 31, 2020	(3.63)	-	(95.79)
Closing Balance as at March 31, 2020	**107.47**	**416.78**	**2,257.79**

The impairment provision as disclosed above are based on assumptions about risk of default and expected credit loss rates. The Company uses judgement in making these assumptions based on the Company's past history, counter party's ability to pay, existing market conditions as well as forward looking estimates at the end of each reporting period.

Movement of Liquidated Damages:

Particulars	Liquidated Damages
Opening Balance as at March 31, 2019	**664.12**
Provision made during the year ended March 31, 2019	486.76
Provision utilized during the year ended March 31, 2019	(461.90)
Closing Balance as at March 31, 2019	**688.98**
Provision made during the year ended March 31, 2020	1,410.55
Provision utilised / reversed during the year ended March 31, 2020	(948.03)
Closing Balance as at March 31, 2020	**1,151.50**

III) Liquidity Risks

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to dynamic nature of the underlying businesses, Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.The Company has obtained fund and non-fund based working capital lines from various banks. The Company invests its surplus funds in bank fixed deposits, which carry no market risk. Management monitors the Company's net liquidity position through rolling forecasts on the basis of expected cash flows.The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credits, bank loans among others.

Maturity profile of Financial Liabilities

Maturity profile of all financial liabilities is as under:

(Rs. in Lacs)

Particulars	**Upto 1 Year**	**2-3 years**	**More than 3 years**	**Total**
As at March 31, 2020				
Non-derivative Financial Liabilities				
Borrowings*	8,513.37	10,328.71	8,043.86	26,885.94
Trade Payables	21,201.46	-	-	21,201.46
Other Financial Liabilities	2,743.17	-	-	2,743.17
Derivative Financial Liabilities				
Foreign Exchange Forward Contracts	-	-	-	-
Total Financial Liabilities	**32,458.00**	**10,328.71**	**8,043.86**	**50,830.57**
As at March 31, 2019				
Non-derivative Financial Liabilities				
Borrowings*	21,987.48	4,243.59	6,707.94	32,939.01
Trade Payables	33,531.95	-	-	33,531.95
Other Financial Liabilities	464.35	-	-	464.35
Derivative Financial Liabilities				
Foreign Exchange Forward Contracts	44.72	-	-	44.72
Total Financial Liabilities	**56,028.51**	**4,243.59**	**6,707.94**	**66,980.03**

NOTE TO ACCOUNTS *(Contd.)*

* Includes transaction cost adjustment on borrowings and contractual interest payment based on interest rate prevailing at the end of the reporting period.

44 Capital Management

(a) Risk Management

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

The Company monitors capital on the basis of the net debt to equity ratio. Net debt are borrowings as reduced by cash and cash equivalents. The Company is not subject to any externally imposed capital requirements.

The following table summarises the capital of the Company:

(Rs. in Lacs)

	As at March 31, 2020	As at March 31, 2019
Total Borrowings	21,179.88	29,944.93
Less: Cash and Cash Equivalents	1,030.11	225.94
Net Debt	**20,149.77**	**29,718.99**
Equity	**81,635.91**	**89,606.12**
Total Capital (Equity + Net Debt)	**1,01,785.68**	**1,19,325.11**
Net Debt to Equity Ratio	**24.68%**	**33.17%**

(b) Dividends on Equity Shares

(Rs. in Lacs)

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Dividend Declared and Paid during the year		
Final Dividend for the year ended March 31, 2019 of Rs. 0.30 (March 31, 2018 - Rs. 0.30) per fully paid share	346.83	346.58
Dividend Distribution Tax on above	71.29	70.55
Proposed Dividend Not recognised at the End of the Reporting Period		
In addition to the above dividend, since year end the directors have recommended the payment of final dividend of Rs. NIL (March 31, 2019 - Rs. 0.30) per fully paid share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	-	346.58
Dividend Distribution Tax on above	-	70.56

45 Debt Reconciliation

This section sets out an analysis of debt and the movement in debt during the year.

(Rs. in Lacs)

Particulars	**March 31, 2020**	**March 31, 2019**
Non- current Borrowings	14,748.98	8,570.81
Current Maturities of Long-term Debt	100.31	763.08
Current Borrowings	6,330.59	20,611.04
Interest Accrued and due on borrowings	220.22	253.25
Total	**21,400.10**	**30,198.18**

Particulars	Non- current Borrowings	Current Borrowings	Total
Debt as at March 31, 2018	**8,188.70**	**10,889.74**	**19,078.44**
Finance Costs	882.30	3,055.22	3,937.52
Cash Flows	-		
Proceeds from Long-term Borrowings from Banks	3,350.00	-	3,350.00
Repayment of Long-term Borrowings from Banks	(2,204.81)	-	(2,204.81)
Short-term Borrowings - Receipts/(Payments)	-	9,745.31	9,745.31
Finance Costs Paid	(882.30)	(2,825.98)	(3,708.28)
Debt as at March 31, 2019	**9,333.89**	**20,864.29**	**30,198.18**
Finance Costs	2,400.81	4,102.11	6,502.92
Less: Finance cost Capitalised in Inventory	(820.41)	-	(820.41)
Cash Flows			
Proceeds from Long-term Borrowings from Banks	10,815.65	-	10,815.65
Repayment of Long-term Borrowings from Banks	(5,477.56)	-	(5,477.56)
Short-term Borrowings - Receipts/(Payments)	-	(14,280.45)	(14,280.45)
Finance Costs Paid	(1,403.09)	(4,135.14)	(5,538.23)
Debt as at March 31, 2020	**14,849.29**	**6,550.81**	**21,400.10**

46 Change in accounting policy

Effective April 1, 2018, the Company has adopted IND AS 115 “Revenue from Contracts with Customers” using the modified retrospective approach which is applied to contracts that were not completed as of April 1, 2018. The comparatives for the year ended March 31, 2018 have not been restated and accordingly the results for the year ended March 31, 2019 are not comparable with the above periods reported. As a result of adoption of the new standard, an amount of Rs 90.61 lacs (net of tax), has been adjusted against retained earnings as on April 1, 2018. Further, the change in the timing of revenue recognition for certain contracts has following impact on Statement of Profit and Loss for the year ended March 31, 2019 :

(Rs. in Lacs)

Particulars	Year Ended March 31, 2020	Year Ended March 31, 2019
Increase/(Decrease) in Revenue from Operations	-	3,989.19
Decrease/(Increase) in Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap.	-	(3,516.43)
(Increase) / Decrease in Loss before tax	-	472.76
(Increase) / Decrease in Tax expense	-	(165.20)
(Increase) / Decrease in Loss for the period and Total comprehensive income	-	307.56
(Increase) / Decrease in Loss Per Equity Share (of Rs 10/- each) (Not Annualised) - Basic and Diluted (Rs.)	-	0.27

Also refer note 21 “Revenue from operation” and note 5 “Trade receivable”.

(Rs. in Lacs)

	As at March 31, 2020	As at March 31, 2019
47 Assets and liabilities related to contract with customers		
Contract Assets		
Unbilled Revenue	4,610.61	6,373.13
Total Contract assets	**4,610.61**	**6,373.13**
Contract Liabilities		
Advance from customers	15,286.04	6,756.52
Total Contract liabilities	**15,286.04**	**6,756.52**

NOTE TO ACCOUNTS *(Contd.)*

Revenue recognised in relation to contract liability		
Revenue recognised that was included in the contract liability balance at the beginning of the period	6,148.63	10,986.76

Trade receivables in respect of contract with customers has been included in Note-5

48 Scheme of Amalgamation

The Hon'ble National Company Law Tribunal, Kolkata Bench by an order dated September 30, 2020 has sanctioned the Scheme of Amalgamation (the "Scheme") filed by Titagarh Wagons Limited (the Company or the Parent Company) and it's subsidiary Cimmco Limited (Cimmco), and its wholly owned subsidiary Titagarh Capital Private Limited (TCPL) for amalgamation of aforesaid subsidiaries with the Parent Company with effect from April 1, 2019, being the appointed date as per the Scheme. The certified true copy of the said Order has been received and filed with the Ministry of Company Affairs on October 2, 2020. The effect of amalgamation as per “pooling of interest method” has been considered in the books retrospectively and the figures for the corresponding year ended March 31, 2019 have been restated as if the merger had occurred from the beginning of the comparative period in the financial statements, i.e. April 1, 2018 as per the requirements of Indian Accounting Standard (IND AS) 103 and in accordance with the accounting treatment specified in the Scheme. Accordingly, the figures for the year ended March 31, 2019 and March 31, 2020 include the results of the Company and its two erstwhile subsidiaries namely Cimmco and TCPL. The amalgamation has resulted in recognition of Capital Reserve of Rs. 6,301.09 lacs as at April 1, 2018. In terms of the Scheme, the Company is required to issue 13 equity share of face value of Rs. 2/- each of the Company for every 24 Equity Shares of face value of Rs. 10/- each held in Cimmco by its non-controlling shareholders as on the record date stated therein. Pending allotment of such shares to the non-controlling shareholders of Cimmco on the date of these financial results, nominal value of such shares have been disclosed under “Other Equity” and have been considered for computing the basic and diluted earnings/ (loss) per equity share with effect from April 1, 2018.

The details of Assets and Liabilities transferred before elimination of inter company balances from Cimmco Ltd & Titagarh Capital Pvt Ltd (TCPL) and accounting adjustments are as under:

		As at April 1, 2018 (Rs. In Lacs)	
Non-current Assets	**Cimmco**	**TCPL**	**Total**
Property, Plant and Equipment	26,240.00	1035.49	27,275.48
Capital work-in-progress	112.30	-	112.30
Goodwill	-	24.85	24.85
Investment Properties	821.24	-	821.24
Intangible Assets (Other than Goodwill)	4.25	-	4.25
Intangible assets under development	-	-	-
Financial assets			
(i) Investments	0.25	-	0.25
(ii) Trade Receivables	83.57	-	83.57
(iii) Loans	50.61	1,295.89	1,346.50
(iv) Others Financial Assets	854.81	-	854.81
Deferred tax assets (Net)	-	-	-
Deferred Tax Assets (Net)	-	-	-
Non-current Tax Assets	14.51	44.79	59.30
Other Non-current Assets	50.00	-	50.00
TOTAL - NON-CURRENT ASSETS	**28,231.54**	**2,401.02**	**30,632.56**
Current assets			
Inventories	4,232.80	-	4,232.80
Financial assets			
(i) Trade receivables	1,775.86	-	1,775.86
(ii) Cash and cash equivalents	74.66	15.46	90.12
(iii) Other Bank Balances	286.97	-	286.97
(iv) Loans & Deposits	-	500.00	500.00
(v) Other Financial Assets	660.28	2.17	662.45

NOTE TO ACCOUNTS *(Contd.)*

Other current assets	1,030.84	-	1,030.84
TOTAL - CURRENT ASSETS	**8,061.41**	**517.63**	**8,579.04**
TOTAL - ASSETS (A)	**36,292.95**	**2,918.65**	**39,211.60**
LIABILITIES			
Non-current liabilities			
Financial Liabilities			
Borrowings	9,552.92	-	9,552.92
Provisions	22.83	-	22.83
Deferred tax liabilities (Net)	2,412.44	-	2,412.44
TOTAL - NON-CURRENT LIABILITIES	**11,988.19**	**-**	**11,988.19**
Current liabilities			
Financial Liabilities			
(i) Borrowings	1,449.43	500.00	1,949.43
(ii) Trade payables	2,336.74	2.00	2,338.74
(iii) Others Financial Liabilities	2,355.74	42.02	2,397.76
Other Current liabilities	1,682.16	0.94	1,683.10
Provisions	321.86	1.46	323.32
TOTAL - CURRENT LIABILITIES	**8,145.93**	**546.42**	**8,692.35**
TOTAL LIABILITIES (B)	**20,134.12**	**546.42**	**20,680.54**
Balance in Statement of Profit & Loss (C)	1,782.26	(1,652.63)	129.63
Investment by TWL as at April 1, 2018 (D)	8,002.70	4,042.57	12,045.27
Net Assets Transferred to TWL (E=A-B-C-D)	**6,373.87**	**(17.71)**	**6,356.16**
Less: Shares to be Issued pursuant to Amalgamation(F)			55.07
Net Amount Transferred to Capital Reserve (G=E-F)			**6,301.09**
Add: Investment by TWL sold during FY 2018-19 (H)			200.55
Add: Profit on Sale of Investment			21.60
Less: Further shares to be Issued pursuant to amalgamation due to Sales of Investment by TWL during FY 2018-19 (I)			6.04
Net Amount Transferred to Capital Reserve as at 31st March, 2019 (G+H-I)			**6,517.20**
Effect of Amalgamation in FY 2019-20:			
Investment by TWL sold during the year (A)			440.16
Less: Loss on sale of Investment			74.93
Less: Further shares to be Issued pursuant to amalgamation due to Sales of Investment by TWL during the year (B)			13.30
Net Amount Transferred to Capital Reserve as at 31st March, 2020 (A-B)			**351.93**

Pursuant to the aforesaid Scheme, the Authorised Share Capitals of Cimmco and TCPL as on the Appointed Date stand merged with the Authorised Share Capital of the Company. Accordingly, the Authorised Share Capital of the Company stands increased to Rs. 3,85,10,00,000/- (Rupees Three hundred eighty five crore ten lakhs only) divided into 1,29,05,00,000 Equity Shares of Rs. 2/- each and 12,70,00,000 preference shares of Rs. 10/- each. However, there is an inadvertent typographical error in the amount of Authorised Share Capital in numeric figures as set out in Clause 17.1 of the Scheme, while the amount of Authorised Share Capital has been correctly recorded in words and also the division/classification of revised Authorised Share Capital does not reflect the above figures. While filing the certified copy of the Order with the Ministry of Corporate Affairs (MCA) on October 2, 2020, the Company has stated the correct amount of Authorised Share Capital therein.

49 The Company has evaluated the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/ Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In

NOTE TO ACCOUNTS *(Contd.)*

the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Financial Statements.

51 Research and Development expenditure of revenue nature recognised in Profit and Loss during the year amounts to Rs. 7.10 Lacs (March 31, 2019 : 21.17 Lacs).

52 Due to the impact of Covid-19 pandemic and also the time taken in passing of the final order by the Hon'ble National Company Law Tribunal ("NCLT") sanctioning the Scheme of Amalgamation of two subsidiaries namely, Cimmco Limited and Titagarh Capital Private Limited with the Company ("Scheme"), the financial statement/results for the year ended March 31, 2020 ("FS") could not be approved within the stipulated date of July 31, 2020 (extended timeline by SEBI). While the Scheme was approved by the shareholders and creditors of the Company by a resolution passed on April 29, 2020, the final hearing on the confirmation petition filed on May 11, 2020 took place on August 17, 2020 and thereafter on September 7, 2020 order was reserved and the final order approving the Scheme was passed and uploaded on September 30, 2020, the certified copy whereof was received by the Company on October 01, 2020. Since the appointed date as per the Scheme was April 1, 2019, for sake of due clarity for the benefit of shareholders and investors, the Company decided to wait for publishing the FS till receipt of final order so that effect of amalgamation can be taken in FS. BSE and NSE on August 18, 2020 wrote to the Company to pay fine of Rs. 80,000 upto the said date to each for delay in submission of FS and the Company has in reply sought waiver of the same and their response is awaited. For this delay, the Company has represented to the SEBI in August, 2020 and September, 2020 and applied for extension of time till October 15, 2020 for submission of FS, the response to which is awaited. Pending response, necessary provision has been considered in the FS.

53 Due to the lockdown imposed by the Central and State Governments as part of pre-emptive measures to combat the COVID-19 pandemic, the operations of the Company were temporarily suspended from March 24, 2020. The operations were resumed in phased manner from May, 2020. As at balance sheet date, the Company has made detailed assessment of the recoverability of the carrying values of its assets like property, plant and equipment, investments, trade receivables etc, its liquidity position including ability to pay its debt obligations and effectiveness of internal financial controls as at the balance sheet date, and has concluded that other than the impairment of investments which has been recorded in the financial results in respect of subsidiaries as stated in Note 4 and Note 30 there are no other adjustments which are required to be considered in the financial statement. However, given the uncertainties associated with its nature and duration, the eventual outcome of the impact of COVID-19 pandemic may be different from those estimated as on the date of approval of these financial results and the Company continues to closely monitor the situation including any material changes to future economic conditions and consequential impact, if any on its financial results.

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

Pramit Agrawal
Partner
Membership No. 099903

Place : Gurgaon
Date : October 08, 2020

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

J P Chowdhary
Executive Chairman
DIN: 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652

Atul Joshi
Director
DIN: 03557435

Manoj Mohanka
Director
DIN: 00128593

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
DIN: 01501767

Dinesh Arya
Company Secretary

Place: Kolkata / Mumbai
Date: October 08, 2020

Independent Auditor's report

To the Members of Titagarh Wagons Limited

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

1. We have audited the accompanying consolidated financial statements of Titagarh Wagons Limited (hereinafter referred to as the "Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and joint ventures (refer Note 1(a) to the attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2020 and the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Equity and the consolidated Cash Flows Statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").

2. In our opinion and to the best of our information and according to the explanations given to us, except for the indeterminate effect as laid out in the Basis for Qualified Opinion Section of our Report below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at March 31, 2020, of consolidated total comprehensive income (comprising of profit and other comprehensive income), consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Qualified opinion

3. We draw your attention to Note 51 to the consolidated financial statements which states that the Group did not consolidate the financial results of Titagarh Wagons AFR (TWA) for the period from April 1, 2019 to June 4, 2019 in absence of financial information of TWA for that period for reasons mentioned in Note 51, as the Group did not have control over TWA from June 4, 2019 onwards, which has resulted in non-compliance with Ind AS 110 'Consolidated Financial Statements' for the year ended March 31, 2020. Further, the assets and liabilities of TWA were derecognized as at March 31, 2019 as against June 4, 2019, the date of loss of control. The consequential impact of the aforesaid matters on the financial results is presently not ascertainable.

4. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, and jointly controlled entities in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 18 of the Other Matters paragraph below, other than the unaudited financial statements/ financial information as certified by the management and referred to in sub-paragraph 19 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of matter paragraph

5. (a) We draw your attention to Note 50 to the consolidated financial statements, regarding the approval of the Scheme of Amalgamation between the Company and two of its subsidiaries (the 'Scheme') received from the National Company Law Tribunal vide its Order dated September 30, 2020, with appointed date of April 1, 2019. Further, there is a typographical error in the amount of Authorised Share Capital in numeric figures as set out in Clause 17.1 of the Scheme, while the amount of Authorised Share Capital has been correctly recorded in words and the division/classification of revised Authorised Share Capital does not reflect the correct amount. While filing the certified copy of the Order with the Ministry of Corporate Affairs (MCA) on October 2, 2020, the Company has stated the correct amount of Authorised Share Capital therein.

   (b) We draw your attention to Note 52 to the consolidated financial statements which explains the delay in filing of the results for the year ended March 31, 2020 with Stock Exchanges as required by Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/106 dated June 24, 2020 and consequential penalty thereof till the date of the filing of same as per Circular no. SEBI/HO/CFD/CMD/CIR/P/2018/77 dated May 3, 2018.

   (c) We draw your attention to Note 53 to the consolidated financial statements which explains the uncertainties and management's assessment of the financial impact due to lockdown / restrictions related to the Covid-19 pandemic imposed by the Governments, for which definitive assessment of the impact is dependent upon future economic conditions.

   (d) The following Emphasis of Matter (as reproduced) has been communicated to us by the auditors of Titagarh Firema Spa, a subsidiary of the Holding Company, vide their report dated July 2, 2020:

We point out that the special purpose financial information has been prepared on going concern basis as described in the paragraph "Significant Matters" of "Memorandum of Work Performed". Our opinion is not modified in respect of this matter.

Paragraph "Significant Matters" of "Memorandum of Work Performed" as described above corresponds to Note 47 in the consolidated financial statements.

Our opinion is not modified in respect of these matters.

Key Audit matter

6. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assessment of impairment of Property, Plant and Equipment of the Holding Company (Refer to Note 2.2 - "Property, Plant and Equipment", Refer Note 2.33 - "Critical Estimates and Judgements - Estimation of Expected Useful Lives of Property, Plant and Equipment and Intangible Assets", Note 3.1 - "Property, Plant and Equipment") Property, plant and equipment of the Holding Company represents 39% of total assets on the standalone balance sheet. If these were to be impaired, it would have a significant impact on the reported loss and the balance sheet position of the Company. Impairment assessment requires judgements and estimates towards future results of business including key assumptions like discount rate, growth rate etc. The carrying value of assets of the Holding Company is considered to be a key audit matter as the amount involved is significant and judgements inherent in impairment review.	Our audit procedures in respect of the Holding Company included the following: • Understanding and evaluating the design and operating effectiveness of controls for identification and assessment of any potential impairment, including determining the carrying amount. • Assessed the appropriateness of the methodology used in the impairment model, and the underlying assumptions used such as future levels of operations, discount rate etc and considered historical performance vis-à-vis budgets. In doing this assessment, we have involved auditors' experts, as appropriate. • Checked the mathematical accuracy of the impairment model. • Performed sensitivity analysis and evaluated whether any reasonably foreseeable change in assumptions could lead to impairment of Property, Plant and Equipment; and • Evaluated the adequacy of the disclosures made in the consolidated financial statements. Based on the above procedures performed, we noted that the Holding Company's assessment of impairment of property, plant and equipment is reasonable.

Other Information

7. The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report but does not include the consolidated financial statements and our auditor's report thereon.

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

9. In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us (Refer paragraph 18 below), we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

10. The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows and changes in equity of the Group including its joint ventures in accordance

with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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

12. The respective Board of Directors of the companies included in the Group and its joint ventures are responsible for overseeing the financial reporting process of the Group and its joint ventures.

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

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

14. As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
    - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
    - Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its joint ventures to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.
    - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
    - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

15. We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

16. 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.

17. From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

18. We did not audit the financial statements/financial information of two subsidiaries whose financial statements/ financial information reflect total assets of Rs 97,319.45 lacs and net assets of Rs 13,042.38 lacs as at March 31, 2020, total revenue of Rs. 28,695.12 lacs, total comprehensive income (comprising of loss and other comprehensive income) of Rs. (7,426.11) lacs and net cash flows amounting to Rs (7,779.80) lacs for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of total comprehensive income (comprising of loss and other comprehensive income) of Rs. (9.68) lacs for the year ended March 31, 2020 as considered in the consolidated financial statements, in respect of a joint venture whose financial statements/ financial information have not been audited by us. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management, and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of these subsidiaries and joint venture and our report in terms of sub-section (3) of Section 143 of the Act including report on Other Information insofar as it relates to the aforesaid subsidiaries and joint venture, is based solely on the reports of the other auditors.

19. Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

20. As required by Section 143(3) of the Act, we report, to the extent applicable, that:

    (a) We have sought and except as described in the Basis for Qualified Opinion Section of our Report above, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

    (b) In our opinion, except as described in the Basis for Qualified Opinion Section of our Report above, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

    (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including other comprehensive income), Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account and records maintained for the purpose of preparation of the consolidated financial statements.

    (d) In our opinion, except as described in the Basis for Qualified Opinion Section of our Report above, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act.

    (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2020 taken on record by the Board of Directors of the Holding Company and its joint ventures incorporated in India, none of the directors of the Holding Company and it joint ventures is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

    (f) With respect to maintenance of accounts and other matters connected therewith, reference is made to our comment in paragraph 20(b) above.

    (g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Group and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

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

   (i) The consolidated financial statements disclose the impact, if any, of pending litigations on the consolidated financial position of the Group and its joint ventures - Refer Note 17.1 and Note 37 to the consolidated financial statements;

   (ii) Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts as at March 31, 2020.

   (iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund, as applicable by the Holding Company. During the year ended March 31, 2020, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by its joint ventures incorporated in India.

   (iv) The reporting on disclosures relating to Specified Bank Notes is not applicable to the Group for the year ended March 31, 2020.The Group and its jointly controlled entities incorporated as public companies in India, havepaid/ provided for managerial remuneration in accordance with the requisite approvals mandated by theprovisions of Section 197 read with Schedule V to the Act.

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

Pramit Agrawal
Partner
Membership Number 099903

Place: Gurugram
Date: October 8, 2020
UDIN: 20099903AAAALL7770

Annexure A to Independent Auditors' Report

Referred to in paragraph 20(g) of the Independent Auditors' Report of even date to the members of Titagarh Wagons Limited on the consolidated financial statements for the year ended March 31, 2020

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

1. In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2020, we have audited the internal financial controls with reference to financial statements of Titagarh Wagons Limited (hereinafter referred to as "the Holding Company") as of that date. Reporting under clause (i) of sub section 3 of Section 143 of the Act in respect of the adequacy of the internal financial controls with reference to financial statements is not applicable to two joint ventures incorporated in India namely Maitere Titagarh Private Limited and Titagarh Mermec Private Limited, pursuant to MCA notification GSR 583(E) dated 13 June 2017.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the ICAI and the Standards on Auditing deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

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

Inherent Limitations of Internal Financial Controls with reference to financial statements

7. Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be

detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

8. In our opinion, the Holding Company have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. Also refer paragraph 5 of our report.

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

Pramit Agrawal
Partner
Membership Number 099903

Place: Gurugram
Date: October 8, 2020
UDIN: 20099903AAAALL7770

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2020

(Rs. in Lacs)

Particulars	Notes	As at March 31, 2020	As at March 31, 2019
I. ASSETS			
Non-current Assets			
a) Property, Plant and Equipment	4.1	82,535.06	88,474.52
b) Capital Work-in-progress	4.4	-	3,323.92
c) Investment Properties	4.3	821.24	821.24
d) Other Intangible Assets	4.2	3,805.52	4,172.54
e) Goodwill		-	24.85
f) Intangible Assets Under Development	4.5	-	241.76
g) Investments Accounted for Using the Equity Method	3(b)	29.81	39.49
h) Financial Assets			
i) Investments	5	2,857.88	8,658.05
ii) Trade Receivables	6	142.99	269.17
iii) Loans and Deposits	8	358.24	306.34
iv) Other Financial Assets	7	4,278.61	20.23
i) Deferred Tax Assets (Net)	18	3,983.52	3,469.76
j) Non-current Tax Assets (Net)	9	2,914.51	2,848.70
k) Other Non-current Assets	10	989.37	466.64
Total Non-current Assets		**1,02,716.75**	**1,13,137.21**
Current Assets			
a) Inventories	11	37,629.30	52,126.01
b) Financial Assets			
i) Trade Receivables	6	25,232.23	34,406.82
ii) Cash and Cash Equivalents	12.1	2,897.18	9,865.25
iii) Other Bank Balances	12.2	2,709.01	2,081.27
iv) Loans and Deposits	8	4,957.56	4,569.77
v) Other Financial Assets	7	31,588.39	27,098.63
c) Other Current Assets	10	19,440.54	28,340.77
Total Current Assets		**1,24,454.21**	**1,58,488.52**
TOTAL - ASSETS		**2,27,170.96**	**2,71,625.73**
II. EQUITY AND LIABILITIES			
EQUITY			
a) Equity Share Capital	13	2,312.12	2,310.56
b) Other Equity	14	74,349.18	79,307.01
Equity Attributable to Owners of Titagarh Wagons Limited		76,661.30	81,617.57
Non-controlling Interests	3 (b)	7,886.73	7,262.14
Total Equity		**84,548.03**	**88,879.71**
LIABILITIES			
Non-current Liabilities			
a) Financial Liabilities			
i) Borrowings	15	55,346.44	57,558.77
ii) Other Financial Liabilities	16	-	1,800.23
b) Provisions	17.1	349.29	313.51
c) Deferred Tax Liabilities (Net)	18	-	2,879.69
d) Other Non-current Liabilities	20	14,406.29	-
Total Non-current Liabilities		**70,102.02**	**62,552.20**
Current Liabilities			
a) Financial Liabilities			
i) Borrowings	15	17,526.89	29,439.73
ii) Trade Payables	19		
a) total outstanding dues of micro and small enterprises		158.31	80.12
b) total outstanding dues of creditors other than (ii)(a) above		34,957.18	53,435.60
iii) Other Financial Liabilities	16	3,564.20	7,486.29
b) Other Current Liabilities	20	6,469.40	17,712.62
c) Provisions	17.1	9,822.04	11,938.64
d) Current Tax Liabilities (Net)	17.2	22.90	100.82
Total Current Liabilities		**72,520.92**	**1,20,193.82**
TOTAL - LIABILITIES		**1,42,622.93**	**1,82,746.02**
TOTAL - EQUITY AND LIABILITIES		**2,27,170.96**	**2,71,625.73**

The accompanying Notes form an integral part of the Consolidated Balance Sheet.

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

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

J P Chowdhary
Executive Chairman
DIN: 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652

Pramit Agrawal
Partner
Membership No. 099903

Atul Joshi
Director
DIN: 03557435

Manoj Mohanka
Director
DIN: 00128593

Place : Gurgaon
Date : October 08, 2020

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
DIN: 01501767

Dinesh Arya
Company Secretary

Place: Kolkata / Mumbai
Date: October 08, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

FOR THE YEAR ENDED 31ST MARCH 2020

(Rs. in Lacs)

Particulars	Notes	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Income			
Revenue from Operations	21	1,76,632.43	1,55,928.84
Other Income	22	3,402.20	3,262.70
Total Income		**1,80,034.63**	**1,59,191.54**
Expenses			
Cost of Raw Materials and Components Consumed	23	1,19,229.77	99,976.62
Changes in Inventories of Finished Goods, Work-in-progress, Trading Goods and Saleable Scrap	24	(4,080.53)	(6,395.26)
Employee Benefits Expense	25	15,177.44	17,612.75
Finance Costs	26	8,827.29	6,517.76
Depreciation and Amortisation Expense	27	2,912.68	2,399.10
Other Expenses	28	34,212.01	36,399.16
Total Expenses		**1,76,278.66**	**1,56,510.13**
Profit before Share of Net Loss of Joint Ventures Accounted for Using the Equity Method, Exceptional Items and Tax		**3,755.97**	**2,681.41**
Share of Net Loss of Joint Ventures Accounted for Using the Equity Method	3 (d)	(10.18)	(3.64)
Profit before Exceptional Items and Tax		**3,745.79**	**2,677.77**
Exceptional Items	29	-	784.53
Profit before Tax from continuing operations		**3,745.79**	**1,893.24**
Tax Expense	30 (A)		
Current Tax			
Pertaining to profit for the current year		-	182.95
Adjustment of Tax relating to Earlier Years		871.36	-
Deferred Tax Charge / (Credit)		(2,921.91)	(3,482.63)
Total Tax Expense		**(2,050.55)**	**(3,299.68)**
Profit for the Year from continuing operations		**5,796.34**	**5,192.92**
Discontinued operations	51		
Profit / (Loss) from discontinued operations before tax		**(9,410.55)**	**(7,442.65)**
Tax expense of discontinued operations		**-**	**(2.88)**
Loss from discontinued oeprations		**(9,410.55)**	**(7,445.53)**
Profit / (Loss) for the Year		**(3,614.21)**	**(2,252.61)**
Attributable to:			
Owners of Titagarh Wagons Limited		(3,418.82)	(2,852.31)
Non-controlling Interests		(195.39)	599.70
Other Comprehensive Income			
Item that will not be Reclassified to Profit or Loss in Subsequent Periods:			
Remeasurement Gain / (Losses) on Defined Benefit Plans	32(i)	(15.70)	2.08
Income Tax on above	30 (B)	3.95	(0.73)
Item that will be Reclassified to Profit or Loss in Subsequent Periods:			
Exchange Differences on Translation of Foreign Operations		540.03	(726.58)
Other Comprehensive Income for the Year (Net of Tax)		**528.28**	**(725.23)**
Attributable to:			
Owners of Titagarh Wagons Limited		527.67	(726.50)
Non-controlling Interests		0.61	1.27
Total Comprehensive Income for the Year		**(3,085.93)**	**(2,977.84)**
Attributable to:			
Owners of Titagarh Wagons Limited		(2,891.15)	(3,578.81)
Non-controlling Interests		(194.78)	600.97
Attributable to owners of Titagarh Wagons Limited arising from:			
Continuing operations		6,324.62	4,467.69
Discontinued operations		**(9,410.55)**	**(7,445.53)**
Earnings/(Loss) per Equity Share[Nominal Value per Share Rs. 2/- (March 31, 2018: Rs 2/-)]	31		
For continuing operations			
Basic (In Rs.)		5.18	3.98
Diluted (In Rs.)		5.18	3.97
For discontinued operations			
Basic (In Rs.)		(8.14)	(6.45)
Diluted (In Rs.)		(8.14)	(6.45)
For continuing and discontinued operations			
Basic (In Rs.)		(2.96)	(2.47)
Diluted (In Rs.)		(2.96)	(2.47)

The accompanying Notes are an integral part of the Consolidated Statement of Profit and Loss.

This is the Consolidated Statement of Profit and Loss referred to in our Report of even date.

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

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

J P Chowdhary
Executive Chairman
DIN: 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652

Pramit Agrawal
Partner
Membership No. 099903

Atul Joshi
Director
DIN: 03557435

Manoj Mohanka
Director
DIN: 00128593

Place : Gurgaon
Date : October 08, 2020

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
DIN: 01501767

Dinesh Arya
Company Secretary

Place: Kolkata / Mumbai
Date: October 08, 2020

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

FOR THE YEAR ENDED 31st MARCH 2020 **(Rs. in Lacs)**

Particulars	**For the Year Ended March 31, 2020**	For the Year Ended March 31, 2019
A. CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before Tax from:		
Continuing Operations	3,745.79	1,893.24
Discontinued Operations	(9,410.55)	(7,442.65)
Profit/(Loss) before Tax	(5,664.76)	(5,549.41)
Adjustments for:		
Depreciation and Amortisation Expense	2,912.68	3,614.79
Finance Costs	8,827.29	6,837.59
Employee Stock Option Expenses	67.81	133.02
Contingency Provision Created / (Written Back) against Standard Assets	-	3.59
Unrealised Foreign Exchange (Gain) / Loss	(13.48)	(0.19)
Goodwill Written-off	24.85	-
Fair Value (Gain) / Loss on Derivatives Not Designated as Hedges	-	231.70
Irrecoverable Debts/ Advances Written Off (Net)	249.36	979.96
Provision for Doubtful Debts and Advances	495.34	354.43
Net (Gain) / Loss on Disposal of Property, Plant and Equipment	(18.00)	3.35
Fair Value Gain on Investment in Equity Securities at FVTPL	89.86	(416.46)
Share of Loss of a Joint Venture's	10.18	3.64
Net Gain on Sale of Investments	(237.74)	-
Unspent Liabilities / Provisions No Longer Required Written Back	(552.02)	(244.51)
Exceptional Item-Impairment of Discontinued Operation	9,410.55	1,625.56
Exceptional Item-Impairment of Goodwill on Consolidation	-	377.40
Interest Income Classified as Investing Cash Flows	(392.36)	(2,012.29)
Operating Profit/(Loss) before Changes in Operating Assets and Liabilities	**15,209.56**	**5,942.17**
Decrease in Non-current and Current Financial and Non-financial Liabilities and Provisions	(9,334.40)	(19,508.79)
(Increase) / Decrease in Trade Receivables	4,393.14	(8,120.72)
(Increase) / Decrease in Inventories	7,363.08	(7,881.44)
(Increase) / Decrease in Non-current and Current Financial and Non-financial Assets	(1,238.57)	19,233.49
Cash From / (Used in) Operations	**16,392.81**	**(10,335.29)**
Income Taxes Paid (Net of Refunds)	(1,019.37)	(2,104.15)
Net Cash From / (Used in) Operating Activities	**15,373.44**	**(12,439.44)**
B. CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for Acquisition of Property, Plant and Equipment including Capital Work-in-Progress and Intangible Assets	(3,550.91)	(6,326.93)
Proceeds from Disposal of Property, Plant and Equipment	1,100.12	4.65
Proceeds from Sale of Investments	5,948.05	-
Fixed Deposits Made	(6,845.74)	(6,850.71)
Fixed Deposits Matured	1,960.29	6,301.99
Investment in a Joint venture	(0.50)	-
Dividend of Earlier Years	3.01	-
Interest Received	430.58	2,032.16
Net Cash From / (Used in) Investing Activities	**(955.10)**	**(4,838.84)**
C. CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Issue of Equity Shares Pursuant to Employee Stock Option Scheme	19.11	12.17
Transactions with Non-controlling Interests	365.23	200.54
Proceeds from Long-term Borrowings	10,987.38	41,172.90
Repayment of Long-term Borrowings	(15,833.88)	(4,051.29)
Short-term Borrowings - Receipts/(Payments)	(9,346.95)	(9,245.86)
Proceeds from Share Application money received pending for Allotment	-	15.47
Finance Costs Paid	(8,481.72)	(6,325.29)
Dividend Paid (including Dividend Distribution Tax)	(417.44)	(413.57)
Net Cash From / (Used in) Financing Activities	**(22,708.27)**	**21,365.07**
D. Exchange Differences on Translation of Foreign Currency Cash and Cash Equivalents	**1,321.86**	**(61.77)**
Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C+D)	**(6,968.07)**	**4,025.02**
Cash and Cash Equivalents - Opening Balance (Refer Note 12.1)	9,865.25	5,840.23
Cash and Cash Equivalents - Closing Balance (Refer Note 12.1)	**2,897.18**	**9,865.25**
E. The above Cash flow includes following related to discontinued operation		
Net Cash Used in Operating Activities	**-**	**(3,770.08)**
Net Cash Used in Investing Activities	**-**	**(1,249.22)**
Net Cash Generated from Financing Activities	**-**	**2,151.66**
	-	**(2,867.63)**

(a) The above Consolidated Cash Flow Statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.
(b) Refer Note 44 for Debt Reconciliation.
The accompanying Notes form an integral part of the Consolidated Cash Flow Statement.

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

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

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

J P Chowdhary
Executive Chairman
DIN: 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652

Pramit Agrawal
Partner
Membership No. 099903

Atul Joshi
Director
DIN: 03557435

Manoj Mohanka
Director
DIN: 00128593

Place : Gurgaon
Date : October 08, 2020

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
DIN: 01501767

Dinesh Arya
Company Secretary

Place: Kolkata / Mumbai
Date: October 08, 2020

Consolidated Statement of Changes in Equity for the year ended March 31, 2020

A) Equity Share Capital (Refer Note 13) **(Rs. in Lacs)**

Particulars	Number in Lacs	Amount
Balance as at March 31, 2018	**1,155.00**	**2,310.01**
Issue of Equity Shares Pursuant to Employee Stock Option Scheme during the year (Refer Note 13)	0.28	0.55
Balance as at March 31, 2019	**1,155.28**	**2,310.56**
Issue of Equity Shares Pursuant to Employee Stock Option Scheme during the year (Refer Note 13)	0.78	1.56
Balance as at March 31, 2020	**1,156.06**	**2,312.12**

B) Other Equity

Particulars	Reserves and Surplus (Refer Note 14)									Other Reserve (Refer Note 14) Foreign Currency Translation Reserve	Total Other Equity	Non-controlling Interests	Total
	Securities Premium Account	General Reserve	Capital Reserve	Reserve Fund	Legal Reserve	Employee Stock Options Outstanding Account	Share Application Money Pending Allotment	Equity Share Merger Account	Retained Earnings				
Balance as at March 31, 2018	**40,596.60**	**5,411.39**	**9.18**	**15.62**	**55.33**	**273.87**	**15.47**	**-**	**34,058.91**	**2,735.79**	**83,172.16**	**6356.16**	**89,528.32**
-Change in accounting policy (as per impact of Ind AS 115) [Refer Note 45]	-	-	-	-	-	-	-	-	90.61	-	90.61	-	90.61
Restated balance as at April 1, 2018	**40,596.60**	**5,411.39**	**9.18**	**15.62**	**55.33**	**273.87**	**15.47**	**-**	**34,149.52**	**2,735.79**	**83,262.77**	**6,356.16**	**89,618.93**
Profit/(Loss) for the Year	-	-	-	-	-	-	-	-	(2,852.31)	-	(2,852.31)	599.70	(2,252.61)
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	-	-	-	0.08	(726.58)	(726.50)	1.27	(725.23)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(2,852.23)**	**(726.58)**	**(3,578.81)**	**600.97**	**(2,977.84)**
<u>Transactions with Owners in their Capacity as Owners:</u>													
Premium on Issue of Equity Shares Pursuant to Employee Stock Option (ESOP) Scheme	11.62	-	-	-	-	-	-	-	-	-	11.62	-	11.62
Transfer from ESOPs Outstanding Account on Exercise and Lapse	24.56	-				(52.93)	-	-	28.37		-	-	-
Recognition of Share Based Payment	-	-	-	-	-	133.02	-	-	-	-	133.02	-	133.02
Transactions with Non-controlling Interests [Refer Note 3(c)]	-	-	-	-	-	-	-		(104.46)	-	(104.46)	305.01	200.55
Final Dividend for the Year ended March 31, 2018	-	-	-	-	-	-	-	-	(346.58)	-	(346.58)	-	(346.58)
Dividend Distribution Tax on above	-	-	-	-	-	-	-	-	(70.55)	-	(70.55)	-	(70.55)
Balance as at March 31, 2019	**40,632.78**	**5,411.39**	**9.18**	**15.62**	**55.33**	**353.96**	**15.47**	**-**	**30,804.07**	**2,009.21**	**79,307.01**	**7,262.14**	**86,569.15**
Profit/(Loss) for the Year	-	-	-	-	-	-	-	-	(3,418.82)	-	(3,418.82)	(195.39)	(3,614.21)
Other Comprehensive Income (Net of Tax)	-	-	-	-	-	-	-	-	(12.36)	(684.42)	(696.78)	0.61	(696.17)
Total Comprehensive Income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(3,431.18)**	**(684.42)**	**(4,115.60)**	**(194.78)**	**(4,310.38)**
Transfer of Discontinued Operation	-	-	-	-	(55.33)	-	-	-	-	-	(55.33)		(55.33)
<u>Transactions with Owners in their Capacity as Owners:</u>													
Premium on Issue of Equity Shares Pursuant to ESOP Scheme	33.02	-	-	-	-	-	-	-	-	-	33.02		33.02
Transfer from ESOPs Outstanding Account on Exercise and Lapse	74.70	-	-	-	-	(171.93)	-	-	97.23	-	-		-
Recognition of Share Based Payment	-	-	-	-	-	67.81	-	-	-	-	67.81		67.81
Transactions with Non-controlling Interests [Refer Note 3(c)]	-	-	-	-	-	-	-		(454.14)	-	(454.14)	819.37	365.23
Final Dividend for the Year ended March 31, 2019	-	-	-	-	-	-	-	-	(346.83)	-	(346.83)		(346.83)
Dividend Distribution Tax on above	-	-	-	-	-	-	-	-	(71.29)	-	(71.29)		(71.29)
Shares Issued	-	-	-	-	-	-	(15.47)	-	-	-	(15.47)		(15.47)
Balance as at March 31, 2020	**40,740.50**	**5,411.39**	**9.18**	**15.62**	**-**	**249.84**	**-**	**-**	**26,597.86**	**1,324.79**	**74,349.18**	**7,886.73**	**82,235.91**

The accompanying Notes form an integral part of the Standalone Financial Statement

1 **Group Background**

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

The Parent Company, its subsidiaries (collectively referred to as 'the Group') and two joint ventures are mainly engaged in the manufacturing and selling of Freight Wagons, Passenger Coaches, Metro Trains, Train Electricals, Steel Castings, Specialised Equipments & Bridges, Ships, Engineering Goods, Tractors and other products as detailed under segment information in Note 39.

The consolidated financial statements were approved and authorised for issue in accordance with the resolution of the Parent Company's Board of Directors on October 8, 2020.

(a) The consolidated financial statements comprise the financial statements of the Parent Company, its wholly owned subsidiary companies and two joint ventures as detailed below.

Name of the Subsidiary	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest		Principal Business Activities
		March 31, 2020	March 31, 2019	
Titagarh Singapore Pte. Limited (TSPL)	Singapore	100%	100%	Special purpose vehicle for holding investments in the foreign subsidiaries, raising finance for the off shore business providing management services
Titagarh Firema S.p.A (formerly Titagarh Firema Adler S.p.A) (TFA) *	Italy	100%	100%	Engaged in manufacture of passenger trains, metros, hi-speed trains, train electrical, locomotives etc.
Titagarh Wagons AFR (TWA) **	France	100%	100%	Engaged in manufacture of freight wagons

*The Parent Company holds 100% (March 31, 2019: 100%) equity in TFA together with a wholly owned subsidiary company, TSPL.

**The Parent Company holds 100% (March 31, 2019: 100%) equity in TWA together with a wholly owned subsidiary company, TSPL. On 4th June 2019, the commercial court of Paris has approved the start of Rehabilitation Procedure and from said date, Parent Company was no longer in control of TWA, under French law. The Commercial Court of Paris vide its judgement dated August 13, 2019 has approved a plan for transfer of business and assets of TWA to another bidder and ordered for liquidation of TWA. Currently TWA is under liquidation.

Name of the Joint Venture	Principal Place of Business / Country of Incorporation	Proportion of Ownership Interest		Principal Business Activities
		March 31, 2020	March 31, 2019	
Matiere Titagarh Bridges Pvt Ltd #	India	50%	50%	Engaged in designing, marketing and manufacturing of metallic bridges including Unibridges
Titagarh Mermec Private Limited @	India	50%	50%	Engaged in development and manufacture of cost effective diagnostic solutions for signalling and safety

Matiere Titagarh Bridges Pvt Ltd has become a wholly owned susidiary of the Company w.e.f. 14th July, 2020 by acquiring balance 7,548,820 equity shares from Matiere SAS, France.

@ A new Company Titagarh Mermec Private Limited. was incorporated in the previous year with equal stakes of Titagarh Wagons Limited and Mermec S.p.A, Italy for development and manufacture of cost effective diagnostic solutions for signalling and safety for Indian railways. As on March 31, 2019 payment towards equity investment was yet to be made by the Company which has been made in the current year.

(b) Refer Note 3 for further details of interest in other entities.

2 Significant Accounting Policies

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

2.1 Basis of Preparation

(i) Compliance with Indian Accounting Standards

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

(ii) Historical Cost Convention

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

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

(iii) Current versus Non-current Classification

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

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

b) held primarily for the purpose of trading,

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

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

All other assets are classified as non-current.

A liability is classified as current when:

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

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

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

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

All other liabilities are classified as non-current.

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

(iv) Rounding of Amounts

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

2.2 Principles of Consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Changes in Ownership Interests

The group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised within equity.

(iii) Goodwill Arising on Consolidation

Goodwill is initially recognised at cost and is subsequently measured at cost less impairment losses, if any. Goodwill is tested for impairment annually or more frequently when there is an indication that it may be impaired. An impairment loss for goodwill is recognised in profit or loss and is not reversed in subsequent periods.

(iv) Joint Arrangements:

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has only one joint venture.

Joint Venture

Interests in joint ventures are accounted for using the equity method, after initially being recognised at cost in the consolidated balance sheet.

(v) Equity Method

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the group's share of the post-acquisition profits or losses of the investee in profit and loss, and the group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint venture are recognised as a reduction in the carrying amount of the investment.

When the group's share of losses in an equity-accounted investments equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the group and its joint venture are eliminated to the extent of the group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in 2.5 below.

2.3 Property, Plant and Equipment

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

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

Depreciation Method, Estimated Useful Lives and Residual Values

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

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

Particulars	Useful Life
Factory Buildings / Other Buildings	30 / 35 / 60 / 65 years
Plant and Equipment's	15 / 20 / 30 years
Railway Sidings	15 / 30 years
Furniture and Fixtures	10 years
Office Equipment's	5 years
Computers	3 years
Vehicles	8 years

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

Leasehold improvement are amortised on straight - line basis over the primary lease period (ranging from 2 to 10 years) or their estimated useful lives, whichever is shorter.

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

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

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

2.4 Intangible Assets

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

<u>Computer Software</u>

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

<u>Brand and Design and Drawings</u>

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

<u>Prototype</u>

The Group had developed prototype for tractors which was capitalised.

<u>Patents</u>

Patents acquired are capitalised as intangible assets when it is probable that associated future economic benefits would flow to the Group.

<u>Research and Development</u>

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

<u>Amortisation Method and Period</u>

Computer Software and Brand and Design and Drawings are amortised on a pro-rata basis using the straight-line method over its estimated useful life of 5 years.

Prototype are amortised on a pro-rata basis using the straight-line method over its estimated useful life of 10 years (until impaired).Amortisation method and useful lives are reviewed periodically including at each financial year end.

2.5 Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Group, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

2.6 Impairment of Non-financial Assets

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

2.7 Inventories

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

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

2.8 Leases

Till March 31, 2019

As a Lessee

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

With effective from April 1, 2019:

As a Lessee

From 1 April 2019, Leases are recognised as right of use assets and a correspondence liability at the date at which the leased asset is available for use by the Group. Contract may contain both lease and non lease components. The Group allocates the consideration in the contract to the lease and non lease components based on their relative standalone prices.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payment:-

a) Fixed payments (including in substance fixed payments) less any lease incentive receivable.

b) Variable lease payment that are based on an index or a rate, initially measured using the index or a rate at the commencement date.

c) Amount expected to be paid by the Group as under residual value guarantees.

d) Exercise price of a purchase option if the Group is reasonably certain to exercise that option.

e) Payment of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

To determine the incremental borrowing rate, the Group:

a) Where possible, use recent third party financing received by the individual lessee as a starting point, adjusted to reflect changes in the financing conditions since third party financing was received

b) use a built up approach that starts with risk free interest rate adjusted for credit risk of leases held by Group, which does not have recent third party financing.

Lease payments are allocated between principal and finance cost. The finance cost is charged to Statement profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following :-

i) the amount of the initial measurement of lease liability

ii) any lease payment made at or before the commencement date less any lease incentive received

iii) any initial direct cost and

iv) restoration costs.

Right of use of assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight line basis.

Payment associated with short-term leases of equipment and all the leases of low value assets are recognised on a straight line basis as an expenses in the statement of profit and loss. Short term leases are leases with a lease term of less than 12 months or less.

As a Lessor

Lease income from operating leases where the group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature. The Group did not need to make any adjustments to the accounting for assets held as lessor as a result of adopting the new leasing standard.

2.9 Investments and Other Financial Assets

(i) Classification

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

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

- those to be measured at amortised cost.

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

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

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

(ii) Measurement

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

Debt Instruments

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

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

Equity Instruments

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

(iii) Impairment of Financial Assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments, if any. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 42(II)details how the Group determines whether there has been a significant increase in credit risk.

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

(iv) Modification of Financial Instruments

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

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

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

(v) Derecognition of Financial Assets

A financial asset is derecognised only when

-the Group has transferred the rights to receive cash flows from the financial asset or

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

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

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

(vi) Income Recognition

Interest Income

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

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

Dividends

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

(vii) Fair Value of Financial Instruments

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

2.10 Trade Receivables

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

2.11 Trade and Other Payables

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

2.12 Borrowings

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

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

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of liability for at least 12 months after the reporting period.

2.13 Other Financial Liabilities

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

2.14 Derivative Instruments

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

2.15 Offsetting Financial Instruments

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

2.16 Financial Guarantee Contracts

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

2.17 Cash and Cash Equivalents

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

2.18 Borrowing Costs

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

2.19 Revenue Recognition

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

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

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

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

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

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

Revenue is recognised either at point of time and over a period of time based on various conditions as included in the contracts with customers.

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

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

<u>Sale of Products</u>

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

<u>Revenue from sale of specialized products</u>

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

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

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

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that is probably recoverable. Contract costs are recognised as expenses in the period in which they are incurred.When contract costs incurred to date plus recognised profit less recognised losses exceed progress billing, the surplus is shown as unbilled revenue. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as liability as advance from customer. Amounts received before the related work is performed are included as a liability as advance from customer. Amounts billed for work performed but not yet paid by customer are included under trade receivables.

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

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

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

Sale of Services

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

Other Operating Revenues

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

2.20 Foreign Currency Transactions and Translation

(i) Functional and Presentation Currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian Rupee (Rs.), which is the Parent Company's and some subsidiaries functional and the Group's presentation currency.

(ii) Transactions and Balances

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

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

(iii) Group Companies

The results and financial position of foreign operations (none of which has a currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet

- income and expenses are translated at average exchange rates

- all resulting exchange differences are recognised in other comprehensive income When a foreign operation is sold, the associated exchange difference are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

2.21 Employee Benefits

(i) Short-term Employee Benefits

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

(ii) Post-employment Benefits

Defined Benefit Plans

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

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

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

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

Defined Contribution Plans

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

(iii) Other Long-term Employee Benefits

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

(iv) Termination Benefits

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

2.22 Share Based Payments

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

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

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

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

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

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

2.23 Income Taxes

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

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

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

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

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

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

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

2.24 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expenses relating to a provision is recognised in the statement of profit and loss net of any reimbursement.

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

Warranties

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

Liquidated Damages

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

Litigations, Claims and Contingencies

The management estimates the provisions for pending litigations, claims and demands based on its assessment of probability for these demands crystalising against the Group in due course. Also refer Note 2.25.

Onerous Contract

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

2.25 Contingencies

A disclosure for contingent liabilities is made when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources embodying economic benefits will be required to settle or a reliable estimate of the amount cannot be made.

2.26 Earnings / (Loss) Per Equity Share

(i) Basic Earnings / (Loss) Per Equity Share

Basic earnings / (loss) per equity share is calculated by dividing:

- the profit / (loss) attributable to owners of the Parent Company
- by the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted Earnings / (Loss) Per Equity Share

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

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

2.27 Segment Reporting

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

The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments and has been identified as the Board of Directors of the Parent Company. Refer Note 39 for segment information presented.

2.28 Business Combinations

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

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

2.29 Government Grants

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

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

2.30 Dividends

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

2.31 Exceptional items

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

2.32 Embedded derivatives

Derivatives embedded in a host contract that is an asset within the scope of Ind AS 109 are not separated. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

Derivatives embedded in all other host contract are separated only if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Embedded foreign currency derivatives

Embedded foreign currency derivatives are not separated from the host contract if they are closely related. Such embedded derivatives are closely related to the host contract, if the host contract is not leveraged, does not contain any option feature and requires payments in one of the following currencies:

(a) the functional currency of any substantial party to that contract,

(b) the currency in which the price of the related good or service that is acquired or delivered is routinely denominated in commercial transactions around the world,

(c) a currency that is commonly used in contracts to purchase or sell non-financial items in the economic environment in which the transaction takes place (i.e. relatively liquid and stable currency)

Foreign currency embedded derivatives which do not meet the above criteria are separated and the derivative is accounted for at fair value through profit and loss. The Group currently does not have any such derivatives which are not closely related.

2.33 Critical Estimates and Judgements

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

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

The areas involving critical estimates or judgements are:

- **Employee Benefits (Estimation of Defined Benefit Obligations) — Notes 2.21 and 32**

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

- **Impairment of Trade and Other Receivables — Notes 2.9(iii) and 42(II)(c)**

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

- **Estimation of Expected Useful Lives of Property, Plant and Equipment and Intangible Assets— Notes 2.3, 2.4, 4.1 and 4.2**

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

- **Accounting for revenue from contracts wherein Group satisfies performance obligation and recognises revenue over time- Notes 2.19 and 21**

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

- **Litigations, Claims and Contingencies — Notes 2.24, 2.25 and 37**

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

- **Valuation of Deferred Tax Assets — Notes 2.23 and 18**

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

- **Warranties and Liquidated Damages— Notes 2.24 and 17.1**

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

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

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

- **Fair Value Measurements — Notes 2.9(vii), 2.22, 34 and 41**

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

3 Interest in Other Entities

(a) Information required by Schedule III to the Act

Name of the entity	As at/ For the year ended March 31, 2020							
	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (Rs in lacs)	As % of Consolidated Profit or Loss	Amount (Rs in lacs)	As % of Consolidated Other Comprehensive Income	Amount (Rs in lacs)	As % of Consolidated Total Comprehensive Income	Amount (Rs in lacs)
Parent								
Titagarh Wagons Limited	98.83%	83,565.04	-235.22%	8,501.49	-81.76%	(431.93)	-261.50%	8,069.56
Subsidiaries								
Foreign								
Titagarh Firema S.p.A	-4.53%	(3,833.49)	38.90%	(1,406.06)	161.02%	850.65	18.00%	(555.41)
Titagarh Singapore Pte Limited	-3.63%	(3,070.25)	30.26%	(1,093.52)	20.62%	108.95	31.91%	(984.57)
Non-controlling Interests in all Subsidiaries	9.33%	7,886.73	5.41%	(195.39)	0.12%	0.61	6.31%	(194.78)
Joint Venture (Investments as per the Equity Method)								
Indian								
Matiere Titagarh Bridges Pvt Ltd	-	-	0.27%	(9.68)	-	-	0.31%	(9.68)
Titagarh Mermec Pvt Ltd	-	-	0.01%	(0.50)	-	-	0.02%	(0.50)
Discontinued Operation	-	-	260.37%	(9,410.55)	-	-	304.95%	(9,410.55)
TOTAL	**100.00%**	**84,548.03**	**100.00%**	**(3,614.21)**	**100.00%**	**528.28**	**100.00%**	**(3,085.93)**

Name of the entity	As at / For the year ended March 31, 2019							
	Net Assets, i.e., Total Assets minus Total Liabilities		Share in Profit or Loss		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
	As % of Consolidated Net Assets	Amount (Rs in lacs)	As % of Consolidated Profit or Loss	Amount (Rs in lacs)	As % of Consolidated Other Comprehensive Income	Amount (Rs in lacs)	As % of Consolidated Total Comprehensive Income	Amount (Rs in lacs)
Parent								
Titagarh Wagons Limited	104.84%	93,182.26	-286.56%	6,455.11	-0.01%	0.08	-216.77%	6,455.19
Subsidiaries								
Foreign								
Titagarh Firema S.p.A	-3.69%	(3,278.08)	53.44%	(1,203.73)	70.38%	(510.44)	57.56%	(1,714.17)
Titagarh Singapore Pte Limited	-2.35%	(2,085.68)	29.06%	(654.52)	-76.74%	556.55	3.29%	(97.97)
Non-controlling Interests in all Subsidiaries	8.17%	7,262.14	-26.62%	599.70	-0.18%	1.27	-20.18%	600.97
Joint Venture (Investments as per the Equity Method)								
Indian								
Matiere Titagarh Bridges Pvt Ltd	-	-	0.16%	(3.64)	-	-	0.12%	(3.64)
Titagarh Mermec Pvt Ltd	-	-	*	*	-	-	*	*
Discontinued Operations	-6.98%	(6,200.93)	330.53%	(7,445.53)	106.54%	(772.69)	275.98%	(8,218.22)
TOTAL	**100.00%**	**88,879.71**	**100.00%**	**(2,252.61)**	**100.00%**	**(725.23)**	**100.00%**	**(2,977.84)**

* Below rounding off norms adopted by the Group

(b) Non-controlling Interest (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amount disclosed for each subsidiary are before inter-company elimination.

(Rs. In Lacs)

Summarised Balance Sheet	Cimmco Limited	
	March 31, 2020	March 31, 2019
Current Assets	19,796.67	20,584.00
Current Liabilities	19,079.73	16,670.06
Net Current Assets / (Liabilities)	716.94	3,913.94
Non-current Assets	27,282.28	27,696.95
Non-current Liabilities	9,760.04	12,592.66
Net Non-current Assets	17,522.24	15,104.29
Net Assets	18,239.18	19,018.23
Accumulated NCI	7,886.73	7,262.14

Summarised Statement of Profit and Loss	Cimmco Limited	
	March 31, 2020	March 31, 2019
Revenue	31,220.12	27,391.92
Profit / (Loss) for the Year	(781.55)	2,780.68
Other Comprehensive Income / (Loss)	2.45	6.24
Total Comprehensive Income / (Loss)	(779.10)	2,786.92
Profit / (Loss) allocated to NCI	(194.78)	600.97

Summarised Cash Flows	Cimmco Limited	
	March 31, 2020	March 31, 2019
Cash Flows From / (Used in) Operating Activities	4,528.79	(992.60)
Cash Flows From / (Used in) Investing Activities	192.77	(620.75)
Cash Flows From / (Used in) Financing Activities	(4,716.38)	1,565.40
Net Increase / (Decrease) in Cash and Cash Equivalents	5.18	(47.95)

(c) Transactions with Non-controlling Interests **(Rs. In Lacs)**

	March 31, 2020	March 31, 2019
Carrying Amount of Non- controlling Interest transferred/(acquired)	819.37	305.01
Consideration received/(paid) from/(to) Non-controlling Interest	365.23	200.55
Excess of Consideration received Recognised in Retained Earnings within Equity	454.14	104.46

(d) Interests in Joint Venture

The Group has formed a Joint Venture Company 'Matiere Titagarh Bridges Pvt Ltd' with Matiere SAS, France on January 2, 2017 to carry the business of manufacturing, marketing and selling Matiere panel bridges, unibridges, and other auxiliary products.

The Group has formed a Joint Venture Company 'Titagarh Mermec Pvt Ltd.' on May 17, 2018 for development and manufacture of cost effective diagnostic solutions for signalling and safety for Indian railways. However, as on March 31, 2019 there has been no transactions in the joint venture company.

Summarised Financial Information for Joint Venture“The tables below provides summarised financial information for the joint venture Matiere Titagarh Bridges Pvt Ltd and Titagarh Mermec Pvt Ltd. The information disclosed reflects the amounts presented in the financial statements of the Joint Venture and not Group's share of those amounts. They have been amended to re+B138flect adjustments made by the entity when using the equity method.

Summarised Balance Sheet		Matiere Titagarh Bridges Pvt Ltd		Titagarh Mermec Pvt Ltd	
		As at March 31, 2020 (Rs in Lacs)	As at March 31, 2019 (Rs in Lacs)	As at March 31, 2020 (Rs in Lacs)	As at March 31, 2019 (Rs in Lacs)
Non-Current Assets					
Inventory		21.08	-		
Other Financial Assets		2.29	-		
Total	(A)	**23.37**	-		
Current Assets					
Cash and Cash Equivalents		231.10	85.92	1.00	-
Other Current Assets		97.82	110.10		-
Total	(B)	**328.92**	**196.02**	**1.00**	-
Current Liabilities					
Financial Liabilities					
Trade Payables		3.94	9.65	4.24	-
Other Current Liabilities		300.30	118.96		-
Total	(C)	**304.24**	**128.61**	**4.24**	-
Net Assets	(A+B-C)	**48.05**	**67.41**	**-3.24**	-

Summarised Statement of Profit and Loss	Matiere Titagarh Bridges Pvt Ltd		Titagarh Mermec Pvt Ltd	
	For the year ended (Rs in Lacs)	For the year ended (Rs in Lacs)	For the year ended (Rs in Lacs)	For the year ended (Rs in Lacs)
Income				
Revenue from Operation	21.79			
Other Income	0.32	61.05	-	-
	22.11	**61.05**	-	-
Expenses				
Project Development Expenses	17.84	-	-	
Change in Inventory	-21.08	-	-	
Employee Benefits Expense	12.57	24.15	-	
Finance Costs	0.10	0.23	-	
Other Expenses	32.04	43.95	2.02	
Total Expenses	**41.47**	**68.33**	**2.02**	-
Loss for the Period/Year	**(19.36)**	**(7.28)**	**(2.02)**	-
Other Comprehensive Income for the Period/ year	-	-	-	-
Total Comprehensive Income for the period/year	**(19.36)**	**(7.28)**	**(2.02)**	-
Group Share in %	50.00	50.00	50.00	
Group Share of Loss for the Period/Year	**(9.68)**	**(3.64)**	**(1.01)**	

Reconciliation to Carrying Amounts		Matiere Titagarh Bridges Pvt Ltd		Titagarh Mermec Pvt Ltd	
		(Rs in Lacs)	(Rs in Lacs)	(Rs in Lacs)	(Rs in Lacs)
Opening Net Assets		67.37	74.65	-	-
Profit for the Year		(19.36)	(7.28)	(2.02)	-
Issue of Equity Share Capital		-	-		
Closing Net Assets		**48.01**	**67.37**	**(2.02)**	-
Group Share in %		50.00	50.00	50.00	-
Cost of Investments	(A)	39.49	43.13	0.50	-
Group Share of Loss for the Period/Year	(B)	9.68	3.64	0.50	-
Carrying Amount	(A- B)	**29.81**	**39.49**	-	-

The Group has no contingent liability and capital commitments relating to its interest in Matiere Titagarh Bridges Pvt Ltd and Titagarh Mermec Pvt Ltd as at March 31, 2019 (March 31, 2018: Rs. Nil).

4.1 Property, Plant and Equipment

	Freehold Land [Refer (a) below]	Leasehold Land	Leasehold Improvement	Buildings [Refer (a) below]	Plant and Equipments	Railway Wagons #	Railway Sidings	Furniture and Fixtures	Office Equipments	Computers	Vehicles	Total
Gross Carrying Amount												
As at March 31, 2018	34,312.96	20,059.70	70.94	27,398.21	20,410.57	691.68	347.70	351.72	69.67	257.84	220.24	1,04,191.23
Additions	-	-	-	391.54	2,379.55	-	61.62	9.46	58.32	33.40	98.67	3,032.56
Disposals	-	-	-	-	-	-	-	-	-	-	40.23	40.23
Exchange Differences on Consolidation	(394.46)	-	-	(630.16)	(519.81)	-	-	-	-	-	-	(1,544.43)
As at March 31, 2019	33,918.50	20,059.70	70.94	27,159.59	22,270.31	691.68	409.32	361.18	127.99	291.24	278.68	1,05,639.13
Additions	-	-	-	954.62	741.16	-	-	20.80	30.41	24.46	13.43	1,784.88
Disposals	-	-	-	181.91	-	-	-	-	-	-	15.58	197.49
Transfer to Discontinued Operations	740.42	-	-	5,040.89	7,437.53	-	-	-	-	-	-	13,218.84
Exchange Differences on Consolidation	671.44	-	-	968.78	469.23	-	-	-	-	-	-	2,109.45
As at March 31, 2020	33,849.52	20,059.70	70.94	23,860.19	16,043.17	691.68	409.32	381.98	158.40	315.70	276.53	96,117.13
Accumulated Depreciation & Impairment												
As at March 31, 2018	-	500.06	49.06	3,192.08	8,525.60	49.01	88.52	93.96	67.23	130.72	61.83	12,758.07
Charge for the year	-	166.21	3.21	579.78	1,129.33	-	23.54	38.14	37.79	19.28	37.35	2,034.63
Charge for the year- Under Discontinued Operation	-	-	-	28.24	590.66	-	-	-	-	-	-	618.90
Disposals	-	-	-	-	-	-	-	-	-	-	32.23	32.23
Exchange Differences on Consolidation	-	-	-	(91.70)	(264.32)	-	-	-	-	-	-	(356.02)
As at March 31, 2019	-	666.27	52.27	3,708.40	9,981.27	49.01	112.06	132.10	105.02	150.00	66.95	15,023.35
Charge for the year	-	166.13	3.21	530.23	941.84	-	12.51	39.31	7.70	99.79	35.58	1,836.30
Disposals	-	-	-	9.25	-	-	-	-	-	-	6.12	15.37
Transfer to Discontinued Operations	-	-	-	534.31	3,154.64	-	-	-	-	-	-	3,688.95
Exchange Differences on Consolidation	-	-	-	145.45	278.93	-	-	-	-	-	-	424.38
As at March 31, 2020	-	832.40	55.48	3,840.52	8,047.40	49.01	124.57	171.41	112.72	249.79	96.41	13,579.71
Impairment [Refer (c) below]	-	-	-	-	-	-	-	-	-	-	-	-
As at March 31, 2018	-	-	-	-	2.36	-	-	-	-	-	-	2.36
Charge for the year [Also Refer Note 29(a)]	-	-	-	2,138.90	-	-	-	-	-	-	-	2,138.90
As at March 31, 2019	-	-	-	2,138.90	2.36	-	-	-	-	-	-	2,141.26
Charge for the year	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to Discontinued Operations	-	-	-	2,138.90	-	-	-	-	-	-	-	2,138.90
As at March 31, 2020	-	-	-	-	2.36	-	-	-	-	-	-	2.36
Net Carrying Amount												
As at March 31, 2019	**33,918.50**	**19,393.43**	**18.67**	**21,312.29**	**12,286.68**	**642.67**	**297.26**	**229.08**	**22.97**	**141.24**	**211.73**	**88,474.52**
As at March 31, 2020	**33,849.52**	**19,227.30**	**15.46**	**20,019.67**	**7,993.41**	**642.67**	**284.75**	**210.57**	**45.68**	**65.91**	**180.12**	**82,535.06**

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

Particulars	No. of Cases		Gross Carrying Amount (Rs. in Lacs)		Net Carrying Amount (Rs. in Lacs)		Remarks
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	
Freehold Land	2	2	14,144.61	14,144.61	14,144.61	14,144.61	Original copy of title deeds not available with the Parent Company / Subsidiary Company. The Parent Company / Subsidiary Company has photocopy of the same.
Freehold Land	1	1	3,391.29	3,391.29	3,391.29	3,391.29	Title deeds not in the name of the Parent Company
Freehold Land	1	-	97.96	-	97.96	-	Title deed not found
Buildings	-	1	-	181.91	-	173.67	Registration of title deeds is pending
Buildings	1	2	117.04	572.04	105.12	532.32	Title deeds not in the name of the Parent Company

b) The Group, based on technical evaluation, has revised estimated useful life of Plant & Equipment, Building and Railway Siding during the previous year being effective from January 01, 2019. As a result, the depreciation expense and profit before tax for the year ended March 31, 2019 was lower by Rs. 1,342.60.42 Lacs (Plant & Equipment - Rs. 908.47 lacs, Railway Siding - Rs. 4.16 lacs, Building - 429.97 lacs).

c) Impairment represents:

(i) Current year: Nil

(ii) Previous year: Impairment done for building in Titagarh Wagons AFR, a subsidiary considering the current market value of the assets.

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

e) Refer Note 36 for disclosure of contractual commitments for acquisition of Property, Plant and Equipment.

f) Refer Note 15 for information on Property, Plant and Equipment pledged as security by the Group.

Erstwhile Titagarh Capital Private Limited (TCPL)(since merged with the Parent Company)had given 887 wagons to erstwhile Cimmco Limited (since merged with the Parent Company) which in turn has sub-leased those Wagons to Indian Railways. Due to various dispute matter was referred to the sole Arbitration of Hon'ble Mr. Justice (Retd.) S.S.Nijjar. The sole Arbitrator vide its award dated 03/07/2019 has restricted the Indian Railways for further using the Wagons and allowed the repossession of said Wagons by Titagarh Capital Private Limited (TCPL) (since merged with the Parent Company) being the sole and beneficial owner of said wagons. The realisable value of 887 wagons as per management estimate is estimated to be more than the book value of Rs. 642.67 Lacs.

4.2 Intangible Assets

	Goodwill on Consolidation [Refer (a) below]	Other Intangible Assets						
		Computer Software	Patents	Project Development	Brand	Design and Drawings	Prototype	Total
Gross Carrying Amount								
As at March 31, 2018	402.25	873.14	801.87	2,201.16	227.79	1,279.62	880.39	6,263.97
Additions	-	1,873.08	-	7.92	-	258.24	-	2,139.24
Transfer Pursuant to Amalgamation	-							
Others including Exchange Differences on Consolidation	-	-	(120.35)	(80.03)	-	-	-	(200.38)
As at March 31, 2019	**402.25**	2,746.22	681.52	2,129.05	227.79	1,537.86	880.39	8,202.83
Additions	-	1,207.27	-	-	-	-	-	1,207.27
Written-off	(24.85)	-	-	-	-	-	-	-
Transfer to Discontinued Operations	-	-	681.52	2,129.05	-	-	-	2,810.57
Others including Exchange Differences on Consolidation	-	213.40	-	-	-	18.60	-	232.00
As at March 31, 2020	**377.40**	4,166.89	-	0.00	227.79	1,556.46	880.39	6,831.53
Accumulated Amortisation								
As at March 31, 2018	**-**	329.90	303.15	1,430.26	28.47	173.83	396.17	2,661.78
Charge for the year	-	224.11	-	-	-	140.36	-	364.47
Charge for the year- Under Discontinued Operation	-	-	34.01	562.78	-	-	-	596.79
Others including Exchange Differences on Consolidation	-	-	(25.28)	(74.23)	-	-	-	(99.51)
As at March 31, 2019	**-**	554.01	311.88	1,918.81	28.47	314.19	396.17	3,523.53
Charge for the year	-	557.97	-	-	56.95	461.46	-	1,076.38
Transfer to Discontinued Operations	-	-	311.88	1,918.81	-	-	-	2,230.69
Others including Exchange Differences on Consolidation	-	49.52	-	-	28.47	72.04	-	150.03
As at March 31, 2020	**-**	1,161.50	-	-	113.89	847.69	396.17	2,519.25
Impairment								
As at March 31, 2018	**-**	22.54	-	-	-	-	484.22	506.76
Charge for the year	377.40	-	**-**	**-**	**-**	**-**	-	-
As at March 31, 2019	377.40	22.54	**-**	**-**	**-**	**-**	**484.22**	**506.76**
Charge for the year	-	-	**-**	**-**	**-**	**-**	-	-
Transfer to Discontinued Operations	377.40	-	-	-	-	-	-	-
As at March 31, 2020	-	22.54	-	-	-	-	484.22	506.76
Net Carrying Amount								
As at March 31, 2019	**24.85**	**2,169.67**	**369.64**	**210.24**	**199.32**	**1,223.67**	**-**	**4,172.54**
As at March 31, 2020	**377.40**	**2,982.85**	**-**	**0.00**	**113.90**	**708.77**	**-**	**3,805.52**

a) Goodwill on Consolidation represents:

(i) Current Year: Rs. Nil Lacs

(ii) Previous Year: Rs. 24.85 Lacs arising from erstwhile Titagarh Capital Private Limited (since merged with the Parent Company).

b) The Group, has revised estimated useful life of Brand and Design & Drawings effective from January 01, 2020. As a result, the depreciation expense and profit before tax for the year ended March 31, 2020 is higher by Rs. 260.64 Lacs (Brand - Rs. 28.47 lacs, Design & Drawings effective - Rs. 232.17 lacs).

4.3 Investment Properties

	(Rs. in Lacs)
	Freehold Land
Carrying Amount as at March 31, 2018	**821.24**
Additions/(Deletion)	-
Carrying Amount as at March 31, 2019	**821.24**
Additions/(Deletion)	-
Carrying Amount as at March 31, 2020	**821.24**

The original title deeds in respect of above Investment Properties are not traceable. However, the Group has the photo copy of the same.

Information regarding Investment Properties

"The Group's Investment Properties consists of two parcels of land situated at Bharatpur and Malanpur respectively. As at March 31, 2020, fair Valuation of the two properties is estimated to be Rs. 977.55 Lacs (March 31, 2019: Rs. 919.09 Lacs). These valuations are based on valuations performed by an independent valuer who holds recognised and relevant professional qualifications. The fair value was derived using the market comparable approach based on recent market prices and the fair value measurement categorised within Level-3.

The Group has no restrictions on the realisability of its Investment Properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance and enhancements. There is no income earned or expenditure incurred by the Group in relation to the Investment Properties.

Significant Increase/(Decrease) in circle rate of land will result in significant higher/(lower) fair valuation of properties.

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2020 and March 31, 2019 are as shown below:

Significant unobservable inputs	Sensitivity of the input to Fair Value
For 5% change in Circle Rate for Land owned by the Group	5% Increase (Decrease) in the Circle Rate would result in Increase (Decrease) in fair value by Rs 48.88 Lacs (March 31, 2018: Rs 45.95 Lacs)

4.4 Capital Work-in-Progress **(Rs. In Lacs)**

	As at March 31, 2020	As at March 31, 2019
Total	-	3,323.92

a) Capital work in progress as on March 31, 2020 Rs. Nil Lacs (March 31, 2019 are in respect of Plant and Equipment Rs. 2,682.43 Lacs and Building Rs. 641.49 Lacs).

4.5 Intangible Assets under Development **(Rs. In Lacs)**

	As at March 31, 2020	As at March 31, 2019
Total	-	241.76

a) Intangible assets under development as on March 31, 2020 Rs. Nil Lacs [March 31, 2019 are in respect of new accounting software]

CONSOLIDATED NOTE TO ACCOUNTS *(Contd.)*

5 Investments (Non-current)

	No of Shares/Units As at March 31, 2020	2019	Face value per share/ unit (Rs.)	As at March 31, 2020 Rs. In Lacs	As at March 31, 2019 Rs. In Lacs
Investments in Equity Instruments					
In Others (Quoted) (at FVTPL) (a)					
Orissa Sponge Iron & Steel Limited #	550	550	10	0.05	0.05
Arshiya Limited	8,98,562	-	2	60.83	-
In Others (Unquoted) (at FVTPL) (a)					
Titagarh Enterprises Limited	49,33,000	49,33,000	10	2,746.28	2,752.97
Traco International Investment Private Limited	6,85,000	6,85,000	10	18.32	24.22
Titagarh Industries Limited	50,000	50,000	10	32.20	31.02
Continental Valves Limited	-	1,60,000	10	-	30.09
Investment in Tax Free Bonds (Quoted) (at Amortised Cost)					
7.40% India Infrastructure Finance Company Limited***	-	1,40,000	1,000	-	1,481.41
7.04% Indian Railways Finance Corporation Limited***	-	50	10,00,000	-	508.16
7.38% Indian Railways Finance Corporation Limited***	-	100	10,00,000	-	1,106.55
7.39% National Highway Authority of India***	-	1,80,000	1,000	-	1,960.46
7.39% National Highway Authority of India***	-	50	10,00,000	-	526.24
8.67% Power Finance Corporation Limited***	-	20,000	1,000	-	236.68
National Savings Certificate (at Amortised Cost) (Unquoted) @				0.20	0.20
Total				**2,857.88**	**8,658.05**
Aggregate amount of quoted investments				60.88	5,819.55
Aggregate amount of unquoted investments				2,797.00	2,838.50
Aggregate market value of quoted investments				60.88	5,800.02

Quotation not available since suspended due to penal reasons.

***All the units are pledged against the working capital loan taken by Parent Company during the year ended March 31, 2019.

@ Pledged with the Commercial Tax Officer, Bharatpur as Security Deposit.

(a) Refer Note 41 for determination of fair values and Note 42 for credit risk and market risk on investments.

6 Trade Receivables (At Amortised Cost)

(Unsecured, Considered Good unless stated otherwise)	Non-Current		Current	
	As at March 31, 2020 Rs. In Lacs	As at March 31, 2019 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs	As at March 31, 2019 Rs. In Lacs
Trade Receivables				
Secured, Considered Good	-	-	-	24.56
Unsecured, Considered Good	142.99	269.17	26,586.75	35,325.88
Unsecured, Considered Doubtful	117.67	117.63	463.53	2,252.02
Having Significant Increase in Credit Risk	-	-	-	-
Credit Impaired	-	-	1,676.59	-
	260.66	**386.80**	**28,726.87**	**37,602.46**
Less: Loss Allowances [Refer Note 42 (II) (c)]	117.67	117.63	2,140.12	2,252.02
Less: Liquidated Damages [Refer note 42 (II) (c)]	-	-	1,354.52	943.62
	142.99	**269.17**	**25,232.23**	**34,406.82**

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

b) Refer Note 15 for information on Trade Receivables pledged as security by the Group and Note 42 for credit risk and market risk on Trade Receivables.

c) Trade Receivables- Considered Good include dues from related parties of Rs. 1.40 Lacs (March 31, 2019 Rs. Nil Lacs). Refer Note 40 for details.

7 Other Financial Assets

(Unsecured, Considered Good unless stated otherwise)	Non-Current		Current	
	As at March 31, 2020 Rs. In Lacs	**As at March 31, 2019 Rs. In Lacs**	**As at March 31, 2020 Rs. In Lacs**	**As at March 31, 2019 Rs. In Lacs**
Measured at Amortised Cost				
Bank Deposits with Remaining Maturity of More than Twelve Months#	4,278.61	20.23	-	-
Receivable from Related Parties				
Considered Good	-	-	25.51	-
Considered Doubtful	-	-	-	-
	-	-	25.51	-
Less: Provision for Doubtful Recoverable from Related Parties	-	-	-	-
	-	-	25.51	-
Interest Accrued on:				
Fixed Deposits with Banks and Tax Free Bonds	-	-	135.70	176.93
Claims Receivable [Refer (a) below]	-	-	2,361.23	2,361.23
Unbilled Revenue (Refer Note 46)	-	-	24,443.47	21,453.71
Subsidy Receivable [Refer (b) below]	-	-	1,044.78	1,568.59
Other Receivable	-	-	3,191.76	-
Charges Recoverable				
Considered Good	-	-	385.94	1,538.17
Considered Doubtful	-	-	40.88	24.48
	4,278.61	20.23	31,629.27	27,123.11
Less: Provision for Doubtful Charges Recoverable	-	-	40.88	24.48
	4,278.61	20.23	31,588.39	27,098.63
Total	**4,278.61**	**20.23**	**31,588.39**	**27,098.63**

Includes deposits held as Margin money whose receipts are lying with banks as security against loans, guarantees/letters of credits issued by them.

(a) The erstwhile Cimmco Ltd (since merged with the Company) had taken on lease 1,200 wagons from four lessors and given the same on sub-lease for a period of ten years to Indian Railways under four separate Sub-Lease Agreements, one dated May 28, 1997 and the other three dated October 20, 1997. During the subsistence of the sub-lease, erstwhile Cimmco Ltd (since merged with the Company) had initiated arbitration proceedings against Indian Railways in respect of disputes relating to the amount of sub-lease rentals for the first seven years of primary lease, considering the terms and conditions of the agreement. The Arbitrator, vide its award dated February 3, 2016 had rejected the claim of erstwhile Cimmco Ltd (since merged with the Company) for the aforesaid period, however had noted that the amount of sub-lease rental paid by the Indian Railways for balance three years of the primary sub-lease period was not justified keeping in view the terms of the agreement. The award also states the basis of interest to be charged. Accordingly, considering the arbitration award which is reaffirmed by the High Court of Delhi vide its order dated March 15, 2019, and based on legal advice obtained, erstwhile Cimmco Ltd (since merged with the Company) had recognized an income of Rs. 2,361.23 Lacs in the previous year being the differential sub-lease rental receivables of earlier years Rs. 898.32 lakhs (disclosed under “Revenue from Operations”) and interest thereon of Rs.1,462.91 lakhs (disclosed under “Other Income”).

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

CONSOLIDATED NOTE TO ACCOUNTS *(Contd.)*

8. Loans and Deposits (At Amortised Cost)

(Unsecured, Considered Good unless stated otherwise)

	Non-Current		Current	
	As at March 31, 2020 Rs. In Lacs	**As at March 31, 2019 Rs. In Lacs**	**As at March 31, 2020 Rs. In Lacs**	**As at March 31, 2019 Rs. In Lacs**
Security Deposits				
Considered Good	358.24	306.34	4,957.56	4,569.77
Having Significant Increase in Credit Risk	-	-	-	-
Credit Impaired	-	-	-	-
Considered Doubtful	66.72	64.45	40.75	-
	424.96	**370.79**	**4,998.31**	**4,569.77**
Less: Loss Allowances	66.72	64.45	40.75	-
	358.24	306.34	4,957.56	4,569.77
	358.24	**306.34**	**4,957.56**	**4,569.77**

9. Tax Assets (Net)

	Non-Current		Current	
	As at March 31, 2020 Rs. In Lacs	**As at March 31, 2019 Rs. In Lacs**	**As at March 31, 2020 Rs. In Lacs**	**As at March 31, 2019 Rs. In Lacs**
Advance Tax including Tax Deducted at Source (Net of Provision for Taxation)	2,914.51	2,848.70	-	-
(Net of provision for tax Rs. 20,841.32 Lacs; March 31, 2019 Rs. 6,984.59)				
	2,914.51	**2,848.70**	**-**	**-**

10. Other Assets

(Unsecured, Considered Good unless stated otherwise)

	Non-Current		Current	
	As at March 31, 2020 Rs. In Lacs	**As at March 31, 2019 Rs. In Lacs**	**As at March 31, 2020 Rs. In Lacs**	**As at March 31, 2019 Rs. In Lacs**
Capital Advances	199.96	58.55	-	-
Security Deposits	317.60	284.16	-	10.00
Advances Recoverable in Cash or Kind				
Considered Good - Related Parties [Refer (a) below]	-	-	45.31	34.47
Considered Good - Others	2.55	4.20	5,640.18	11,072.17
Considered Doubtful - Others	88.40	88.40	100.74	43.00
	90.95	**92.60**	**5,786.23**	**11,149.64**
Less: Provision for Doubtful Advances - To Others	88.40	88.40	100.74	43.00
	2.55	**4.20**	**5,685.49**	**11,106.64**
Balances with Government Authorities				
Considered Good	-	-	12,702.72	16,186.90
Considered Doubtful	-	-	103.18	141.67
	-	**-**	**12,805.90**	**16,328.57**
Less: Provision for Doubtful Balances	-	-	103.18	141.67
	-	**-**	**12,702.72**	**16,186.90**
Prepaid Expenses	469.26	119.73	1,052.33	1,037.23
Total	**989.37**	**466.64**	**19,440.54**	**28,340.77**

a) Represents recoverable from Officers of the Parent Company. Also Refer Note 40.

(Rs. in Lacs)

	As At March 31, 2020	As At March 31, 2019
11. Inventories		
(Valued at Lower of Cost and Net Realisable Value)		
Raw Materials and Components [Includes Goods in Transit Rs Nil lacs (March 31, 2019: Rs 336.38 lacs)]	27,570.18	36,241.49
Work-in-progress	7,041.71	12,567.03
Finished Goods	912.85	1,214.33
Saleable Scrap	981.17	621.03
Stores and Spares	1,123.39	1,482.13
Total	**37,629.30**	**52,126.01**

(a) Refer Note 15 for information on inventories pledged as security by the Group.

(b) Work in progress includes project work in progress of Rs. 956.16 Lacs (March 31, 2019- Rs Nil)

(c) Write-downs of inventories to net realisable value amounted to Rs. 24.65 lacs (March 31, 2019: Rs 265.98 lacs).

12. Cash and Bank Balances		
12.1 Cash and Cash Equivalents		
Balances with Banks:		
On Current Accounts	2,836.19	9,827.03
Deposits with Original Maturity of Less Than Three Months @	48.45	20.82
Cash on Hand	12.54	17.40
	2,897.18	**9,865.25**
12.2 Other Bank Balances		
Balances with Banks:		
On Unpaid Dividend Accounts	19.26	18.59
Deposits @	2,689.75	2,062.68
	2,709.01	**2,081.27**
Total	**5,606.19**	**11,946.52**

@ Includes deposits held as Margin money whose receipts are lying with banks as security against loans, guarantees/letters of credits issued by them as mentioned below:

13 Equity Share Capital

	As at March 31, 2020		As at March 31, 2019	
	No. of shares in lacs	Rs. In Lacs	No. of shares in lacs	Rs. In Lacs
Authorised Shares				
Equity shares of Rs. 2/- each	12,905.00	25,810.00	12,905.00	25,810.00
Preference shares of Rs. 10/- each	1,270.00	12,700.00	1,270.00	12,700.00
		38,510.00		**38,510.00**
Issued, Subscribed and Paid-up Shares				
Equity Shares of Rs. 2/- (March 31, 2019: Rs. 2/-) each, fully paid-up	1,156.06	2,312.12	1,155.28	2,310.56
		2,312.12		**2,310.56**

CONSOLIDATED NOTE TO ACCOUNTS *(Contd.)*

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

	For the year ended March 31, 2020		For the year ended March 31, 2019	
	No. of shares in lacs	Rs. In Lacs	No. of shares in lacs	Rs. In Lacs
Equity Shares				
At the Beginning of the Year	1,155.28	2,310.56	1,155.00	2,310.01
Shares Issued Pursuant to the Employee Stock Option Scheme @	0.78	1.56	0.28	0.55
Outstanding at the end of the Year	**1,156.06**	**2,312.12**	**1,155.28**	**2,310.56**

@ During the year, 78,250 equity shares (March 31, 2019: 27,500 equity shares) of Rs 2 each were issued and allotted to the eligible employees of the Parent Company under the Employee Stock Option (ESOP) Scheme.

b) Shares reserved for issue under Employee Stock Options

For details of shares reserved for issue under ESOP of the Parent Company, Refer Note 34.

c) Terms and rights attached to Equity Shares

The Parent Company has only one class of equity shares having a par value of Rs. 2/- (March 31, 2019: Rs. 2/-) per share. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

In the event of liquidation of the Parent Company, the holders of equity shares will be entitled to receive remaining assets of the Parent Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Details of Shareholders holding more than 5% shares in the Parent Company

Name of the Shareholder	As at March 31, 2020		As at March 31, 2019	
	No. of shares	% holding	No. of shares	% holding
Equity shares of Rs 2 (March 31, 2019: Rs. 2) each fully paid				
Titagarh Capital Management Services Private Limited	2,16,70,165	18.74%	2,16,70,165	18.76%
Savitri Devi Chowdhary	1,24,66,034	10.78%	1,81,16,035	15.68%
Rashmi Chowdhary	1,28,16,105	11.09%	1,28,16,105	11.09%
HDFC Trustee Company Limited - HDFC Capital Builder Fund	61,51,556	5.32%	1,07,42,012	9.30%

As per records of the Parent Company, including its register of shareholders/ members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents legal ownership of shares.

(Rs. in Lacs)

	As At March 31, 2020	As At March 31, 2019
14 Other Equity		
-Reserves and Surplus		
A. Securities Premium Account		
Premium received on Equity Shares issued are recognised in the Securities Premium Account. This reserve may be utilised in accordance with the provisions of Section 52 of the Act.		
Balance as per the last Financial Statements	40,632.78	40,596.60
Premium on Issue of Equity Shares Pursuant to ESOP Scheme [Refer Note 13(b)]	33.02	11.62
Transfer from ESOPs Outstanding Account on Exercise and Lapse	74.70	24.56
	40,740.50	**40,632.78**

CONSOLIDATED NOTE TO ACCOUNTS *(Contd.)*

(Rs. in Lacs)

		As At March 31, 2020	As At March 31, 2019
B.	**General Reserve (Refer Note 14.1)**		
	Balance as per the last financial statements	5,411.39	5,411.39
	Movement during the year	-	-
		5,411.39	**5,411.39**
C.	**Capital Reserve (as per the Last Financial Statements)**		
	Balance as per the last Financial Statements	9.18	9.18
	Movement during the year	-	-
		9.18	**9.18**
D.	**Reserve Fund**		
	According to Section 45-IC of the Reserve Bank of India Act, 1934, every NBFC shall create a Reserve Fund and transfer therein a sum not less than twenty per cent of its Net Profit every year as disclosed in the Statement of Profit and Loss and before dividend is declared.		
	Balance as per the last Financial Statements	15.62	15.62
	Movement during the year	-	-
		15.62	**15.62**
E.	**Legal Reserve**		
	Legal Reserve represents reserve created as per the local laws in certain foreign subsidiaries out of the profits for the year		
	Balance as per the last Financial Statements	55.33	**55.33**
	Add: Transfer during the year	(55.33)	-
		-	**55.33**
F.	**Employee Stock Options Outstanding (Refer Note 34)**		
	Employee Stock Options Outstanding Account relates to stock options granted by the Parent Company to employees under the Parent Company's ESOP Scheme. This Account is transferred to Securities Premium Account or Retained Earnings on exercise or lapse of vested options.		
	Balance as per the last Financial Statements	353.96	273.87
	Recognition of Share Based Payment (Refer Note 34)	67.81	133.02
	Transfer from ESOPs Outstanding Account on Exercise and Lapse	(171.93)	(52.93)
		249.84	**353.96**
G.	**Retained Earnings**		
	Balance as per the last Financial Statements	30,804.07	34,058.91
	Arisen Pursuant to the Scheme of Amalgamation	-	-
	Adjustment to retained earnings from adoption of Ind AS 115	-	90.61
	Restated balance at April 1, 2018	30,804.07	34,149.52
	Loss for the Year	(3,418.82)	(2,852.31)

(Rs. in Lacs)

	As At March 31, 2020	As At March 31, 2019
Transactions with Non-controlling Interests	(454.14)	(104.46)
Transfer from ESOPs Outstanding Account on Exercise and Lapse	(97.23)	28.37
-Remeasurements Losses on Defined Benefit Plan (Net of Tax)	(12.36)	0.08
Final Dividend for the Year ended March 31, 2018 [Refer Note 43(b)]	-	(346.58)
Final Dividend for the Year ended March 31, 2019 [Refer Note 43(b)]	(346.83)	-
Dividend Distribution Tax on above	(71.29)	(70.55)
	26,597.86	**30,804.07**
-Other Reserve		
H. Foreign Currency Translation Reserve (FCTR)		
Exchange difference arising from translation of foreign operations are recognised in other comprehensive income asdescribed in accounting policies [Refer Note 2.19(iii)] and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss on disposal of the net investment.		
Balance as per the last Financial Statements	2,009.21	2,735.79
Exchange Differences on Translation of Foreign Operations during the year	(684.43)	(726.58)
	1,324.78	**2,009.21**
I. Share Application Money Pending Allotment	-	15.47
Total Other Equity (A+B+C+D+E+F+G+H+I)	**74,349.18**	**79,307.01**

14.1 **General Reserve :-** Under the erstwhile Indian Companies Act, 1956, a general reserve was created in the books of the Parent Company through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to introduction of Companies Act, 2013, the requirement to mandatorily transfer a specified percentage of the net profit to general reserve has been withdrawn though the Parent Company may transfer such percentage of its profits for the financial year as it may consider appropriate. Declaration of dividend out of such reserve shall not be made except in accordance with rules prescribed in this behalf under the Act.

15. Borrowings (At Amortised Cost)	**Non-Current**		**Current**	
	As at		**As at**	
	As at March 31, 2020 Rs. In Lacs	**As at March 31, 2019 Rs. In Lacs**	**As at March 31, 2020 Rs. In Lacs**	**As at March 31, 2019 Rs. In Lacs**
Secured				
Deferred Payment Liabilities [Refer (a) below]	-	45.83	-	45.16
Term Loan from Banks [Refer (b) below]	55,346.44	56,206.73	100.31	1,305.01
Cash Credits & Working Capital Demand Loan from Banks [Refer (c) below]	-	-	17,526.89	11,005.13
Working Capital Demand Loans / Short-term Loans from Banks [Refer (d) below]	-	-	-	18,434.60

Unsecured				
Term Loan from Banks [Refer (g) below]	-	1,112.28	-	520.34
Loan against Research & Development Tax Credits [Refer (h) below]	-	193.93	-	780.67
	55,346.44	57,558.77	17,627.20	32,090.91
Amount disclosed under other current financial liabilities (Refer Note 16)	-	-	(100.31)	(2,651.18)
Total	**55,346.44**	**57,558.77**	**17,526.89**	**29,439.73**

Secured Borrowings

a) Deferred Payment Liabilities

i) In case of Titagarh Wagons AFR, deferred payment credit of Rs. Nil Lacs (31st March 2019: Rs. 90.99 Lacs) represents certain assets taken on deferred payment from Crédit du Nord. The loan is repayable within three years and carries an interest rate ranging between 1.20% - 1.99%.

b) Term Loan from Banks

i) In case of Parent Company:

a) Term Loan of Rs. 9,023.35 Lacs (March 31, 2019: Rs. Nil Lacs) carries interest @ 10.20% to 11.25% p.a (March 31, 2019: Rs. Nil Lacs) linked to 1 year MCLR and is repayable in 8 quarterly installments starting from April 2020 to October 2023.

Above term loan is secured by first charge over Immovable property (including land) at Gwalior and Bhind Districts, Madhya Pradesh owned by the Company and exclusive security interest of 100% share of TSPL and TFA. The loan is further subservient charge over movable fixed assetsof the borrower.

b) Term Loan of Rs. 5,825.94 Lacs (March 31, 2019: Rs. 9,333.89 Lacs) carries interest @ 9.85% to 11.75% p.a (March 31, 2019: 9.2% to 9.85%) linked to 1 year MCLR and is repayable in 22 quarterly installments starting from September 2018 to September 2023.

Above term loan is secured by a first pari-passu charge by way of mortgage upon all fixed assets including land and building, plant and machinery and other movable/immovable assets at Company's Bharatpur Plant. The loan is further secured by the second charge on the Company's current assets relating to Bharatpur Plant.

ii) In case of Titagarh Singapore Pte Limited:

Term loan of Rs. Nil Lacs (March 31, 2019: Rs. 10,354.94 Lacs) carries an interest rate of Euribor + 4% and is repayable over a period of 8 years, beginning on October 9, 2018 and the last repayment is on October 5, 2023. The loan is secured against pledge of investment of 26% of the equity shares of TWA and 88% equity shares of TFA held by Titagarh Singapore PTE Limited and 100% shares of Titagarh Singapore PTE Limited held by Titagarh Wagons Limited.

iii) In case of Titagarh Firema S.p.A (TFA)

Term Loan from Bank of Baroda (UK Branch) of Rs. 40,597.46 Lacs (March 31, 2019: Rs. 37,822.90 Lacs) carries an interest rate of Euribor +265 bps. The facility is secured by first pari passu charge on the entire fixed assets (movable and immovable) & current assets of the company.

c) Cash Credits and Working Capital Demand Loan from Banks:

i) In case of Parent Company:

a) Cash Credits and Working Capital Demand Loans of Rs. 2,918.19 Lacs (March 31, 2019: Rs. 17,593.04 Lacs) are secured by first charge on the Company's current assets, present and future and by way of collateral charge on Property, Plant and Equipment of the Company except at Bharatpur Plant, both present and future and investment in equity shares of Titagarh Enterprises Limited, Traco International Investment Private Limited and Titagarh Industries Limited. All the mortgages and charges created in favour of the above lenders rank pari passu with consortium member banks.

b) Cash Credits and Working Capital Demand Loans of Rs. 3,412.40 Lacs (March 31, 2019: Rs. 3,018.00 Lacs) are secured by first charge on the Company's current assets relating to Bharatpur Plant, present and future and by way of collateral charge on Property, Plant and Equipment of the Company's at Bharatpur Plant, both present and future. All the mortgages and charges created in favour of the above lenders rank pari passu with other member banks.

c) Cash Credits is repayable on demand and carry an interest rate ranging between 8.80 % to 12.45 % p.a. linked with MCLR.

d) Working Capital Demand Loans carry interest at Bank's MCLR plus spread ranging from 0.85 % to 2.8% p.a (effectively 8.2 % to 10.5 % p.a.) and are repayable within six months.

ii) In case of Titagarh Firema S.P.A (TFA):

Short term loan from banks represents overdraft facility from Bank of Baroda (Uk Branch) of Rs.11,196.30 Lacs (March 31, 2019: Rs. Nil Lacs). The facility is secured by First Pari Passu Charge on the entire fixed assets (movable and immovable) and current assets of the Company. The short term loan bears interest rate of Euribor + 300 bps and is repayable on demand.

iii) In case of Titagarh Wagons AFR(TWA):

Cash credit of Rs Nil lacs (March 31, 2019; Rs. 2,565.88 Lacs) is secured by first charge on the Company's current assets, present and future and by way of collateral charge on fixed assets of the Company, both present and future. In addition, the holding company has also pledged over 90% of the shares of the Company held by the Holding Company. The above facility carries interest at LIBOR + 3.75% p.a. and are repayable on demand.

iv) In case of Titagarh Singapore Pte Limited (TSPL):

a) Rs. Nil lacs (March 31, 2019: Rs 6,262.81 lacs) represents loan taken from RBL Bank for working capital requirement of TFA. The loan is secured by the corporate guarantee from the holding company.

The above loan is short term revolving loan.

Unsecured Borrowings

a) Term Loan from Banks

In case of Titagarh Wagon AFR

Term Loan of Rs. Nil Lacs (March 31, 2019: Rs. 1,632.62 Lacs) represents long-term working capital loan received. The loan is repayable by 2022 and carries an interest rate of Euribor plus spread ranging from 1.50% - 2.65%.

b) In the previous financial year- Loan against research and development tax credits represents, research and development tax credits receivable from the income tax authority. The loan instalments would be repaid through the refund of tax credit on research and development as and when collected from the tax department and carries an interest rate of 1month Euribor plus 2%.

i) Refer Note 42 for information about market risk and liquidity risk on borrowings.

16. Other Financial Liabilities

	Non-current		Current	
	As at March 31, 2020 Rs. In Lacs	As at March 31, 2019 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs	As at March 31, 2019 Rs. In Lacs
Current Maturities of Long Term Debt (Refer Note 15) #	-	-	100.31	2,651.18
Measured at Fair Value through Profit and Loss				
Derivative Instruments at Fair Value through Profit and Loss:				
Foreign Exchange Forward Contracts / Currency and Interest Rate Swap [Refer (a) below]	-	187.01	-	44.69
Measured at Amortised Cost				
Interest Accrued on Borrowings	-	-	220.22	872.37
Interest Free Deposits from Dealers	-	-	-	60.52
Unpaid Dividends	-	-	19.26	18.59

Others				
Employee Related Liabilities	-	-	652.86	2,412.65
Payable for Purchase of Property, Plant and Equipment [Refer (b) below] :-				
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 38)	-	-	-	-
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	-	1,613.22	12.31	1,331.60
Other Liabilities	-	-	2,559.24	94.69
Total Other Financial Liabilities	**-**	**1,800.23**	**3,564.20**	**7,486.29**

This amount refers to the amortisation within next one year of upfront processing fees paid to bank in respect of long term loan.

(a) While the Group entered into foreign exchange forward contracts/currency and interest rate swap with the intention of reducing the foreign exchange risk / variable interest rate risk of expected sales and purchases/long-term borrowings, these contracts are not designated in hedge relationships and are measured at Fair Value through Profit and Loss.

(b) In case of TFA, the payable for purchase of Property, Plant and Equipment represents amount payable to Firema Trasporti SPA in AS (FAS) towards acquisition of the real estate as per the business purchase agreement. The amount is payable in four equal annual instalments of Rs. 1,554.05 Lacs each by July 2020. However, the same has been paid in full during the year.

17.1 Provisions

	Non-current		Current	
	As at March 31, 2020 Rs. In Lacs	**As at March 31, 2019 Rs. In Lacs**	**As at March 31, 2020 Rs. In Lacs**	**As at March 31, 2019 Rs. In Lacs**
Provisions for Employee Benefits:				
Gratuity [Refer Note 32(i)]	349.29	313.51	119.87	117.34
Leave Benefits [Refer Note 32(iii)]	-	-	1,560.95	1,505.69
	349.29	**313.51**	**1,680.82**	**1,623.03**
Other Provisions:				
Warranties	-	-	3,964.35	6,924.13
Loss on Onerous Contract	-	-	2,093.00	2,923.88
Litigation, Claims and Contingencies	-	-	2,083.87	462.76
Contingency Provision against Standard Assets	-	-	-	4.84
	-	**-**	**8,141.22**	**10,315.61**
Total	**349.29**	**313.51**	**9,822.04**	**11,938.64**

a) Movement of provisions for warranties and liquidated damages are as follows:

	Warranties		Loss on Onerous Contract	
	2019-20 Rs. In Lacs	**2018-19 Rs. In Lacs**	**2019-20 Rs. In Lacs**	**2018-19 Rs. In Lacs**
At the Beginning of the Year	6,924.13	3,540.77	2,923.88	2,318.23
Made during the Year	124.29	4,644.81	786.39	5,076.46
Transfer to Discontinued Operations	(65.06)	-	-	-
Re-classified from Trade Payable	(1,079.63)	-	-	-
Utilised during the Year	(1,939.37)	(1,261.45)	(1,617.27)	(4,470.81)
At the End of the Year	**3,964.36**	**6,924.13**	**2,093.00**	**2,923.88**

CONSOLIDATED NOTE TO ACCOUNTS *(Contd.)*

b) **Movement of Provisions for Litigation, Claims and Contingencies and Loss on Onerous Contract are as follows:**

	Litigations, Claims and Contingencies		Contingency Provision against Standard Assets	
	2019-20 Rs. In Lacs	**2018-19 Rs. In Lacs**	**2019-20 Rs. In Lacs**	**2018-19 Rs. In Lacs**
At the Beginning of the Year	462.76	412.13	4.84	1.25
Made during the Year	1,881.69	50.63	-	3.59
Utilised during the Year	(173.23)	-	-	-
Unused Amounts Reversed	(87.35)	-	(4.84)	-
At the End of the Year	**2,083.87**	**462.76**	**-**	**4.84**

Information about individual provisions and significant estimates

Warranties

Warranties represents provision made for estimated warranty Claims in respect of products sold and annual maintenance (AMC) to be provided after the sale of coaches to the customer over the period as agreed in the contract which are under warranty / AMC at the end of the reporting period. Management estimates the provision based on contractual terms, historical warranty claims information and any recent trends that may suggest future claims could differ from historical amounts.

Litigation, claims and contingencies

The amounts represent best possible estimates of pending litigations / claims filed by vendors, customers, labours etc and probable claims arising out of certain tax matters. The timing and probability of outflow and expected reimbursements, if any, with regard to these matters depends on the ultimate outcome of the legal process or settlement / conclusion of the matter with the relevant authorities / customers / vendors etc.

Onerous contract

Onerous contract represents provision made towards excess of contract costs over contract revenues pertaining to one of the subsidiary company "Titagarh Firema S.p.A".

Contingency against standard assets

Provision made for standard assets at 0.25 percent of the balance of such assets as at year end based on The Reserve Bank of India Master Directions in the erstwhile Titagarh Capital Private Limited (since merged with the Parent Company).

17.2 Current Tax Liabilities

(Rs. in Lacs)

	As At March 31, 2020	**As At March 31, 2019**
Provision for Income Tax (Net of Advance Tax including Tax Deducted at Source)	22.90	100.82
(Net of Advance tax and TDS Rs. Nil Lacs ; March 31, 2019 Rs. 9,642.93 Lacs)		
Total	**22.90**	**100.82**

18. Deferred Tax Liabilities (Net)

Deferred Tax Liabilities		
Arising out of Temporary Differences in Depreciable & Non-Depreciable Assets	(6,329.91)	(7,748.08)
Unrealised Gain on FVTPL Equity Investments	(294.81)	(332.85)
Others	(68.54)	-
Gross Deferred Tax Liabilities (A)	**(6,693.26)**	**(8,080.93)**
Deferred Tax Assets		
Provision for fall in value of Investments	4,998.95	-
Provision for Doubtful Debts, Advances and Claims Receivable	744.28	954.51
Provision for Warranties and Liquidated Damages	3,921.67	3,638.25

CONSOLIDATED NOTE TO ACCOUNTS *(Contd.)*

(Rs. in Lacs)

	As At March 31, 2020	As At March 31, 2019
Provision for Litigations, Claims and Contingencies	750.54	161.71
Provision for Employee Benefits	176.17	290.45
MAT Credit Entitlement	-	839.84
Fair Valuation of Derivative Instruments	-	15.63
Carried Forward Business Losses and Unabsorbed Depreciation	85.17	5,148.10
Gross Deferred Tax Assets	**10,676.78**	**11,048.49**
Deferred Tax Assets Not Recognised [Refer (a) below]	-	2,377.49
Deferred Tax Assets (B)	**10,676.78**	**8,671.00**
Deferred Tax Liabilities (Net) (A-B)	**(3,983.52)**	**(590.07)**
Reflected in the Consolidated Balance Sheet as:		
Deferred Tax Assets	3,983.52	3,469.76
Deferred Tax Liabilities	-	(2,879.69)
Deferred Tax Liabilities (Net)	**3,983.52**	**590.07**

(a) In absence of reasonable certainty supported with convincing evidence, the Group has not recognised the deferred tax assets on unabsorbed depreciation, carried forward business losses and other items relating to certain subsidiary companies.

The movement in deferred tax assets and liabilities during the year ended March 31, 2020 and March 31, 2019:

	As at April 1, 2018 Deferred tax asset/(Liability)	Credit/ (Charge) in Statement of Profit and Loss #	As at March 31, 2019 Deferred tax asset/(Liability)	Credit/ (Charge) in Statement of Profit and Loss #	As at March 31, 2020 Deferred tax asset/(Liability)
Arising out of Temporary Differences in Depreciable & Non-Depreciable Assets	(5,159.92)	2,588.16	(7,748.08)	(1,418.17)	(6,329.91)
Unrealised Gain on FVTPL Equity Investments	(242.25)	90.60	(332.85)	(38.04)	(294.81)
Others	-	-	-	68.54	(68.54)
Total Deferred Tax Liabilities	**(5,402.17)**	**2,678.76**	**(8,080.93)**	**(1,387.67)**	**(6,693.26)**
Provision for fall in value of Investments	-	-	-	4,998.95	4,998.95
Provision for Doubtful Debts and Advances	1,364.80	(410.29)	954.51	(210.23)	744.28
Provision for Warranties & Liquidated Damages	242.31	3,395.94	3,638.25	283.42	3,921.67
Provision for Financial Assets	-	-	-	-	-
Provision for Litigation, Claims & Contingencies	33.25	128.46	161.71	588.83	750.54
Provision for Employee Benefits	359.36	(68.91)	290.45	(114.28)	176.17
MAT Credit Entitlement	703.51	136.33	839.84	(839.84)	-
Fair Valuation of Forward Contract	40.46	(24.83)	15.63	(15.63)	-
Carried Forward Business Losses and Unabsorbed Depreciation	3,771.57	1,376.53	5,148.10	(5,062.93)	85.17
Gross Deferred Tax Assets	**6,515.26**	**4,533.23**	**11,048.49**	**(371.71)**	**10,676.78**
Deferred Tax Assets Not Recognised	4,427.78	(2,050.29)	2,377.49	(2,377.49)	-
Deferred Tax Assets	**2,087.48**	**6,583.52**	**8,671.00**	**2,005.78**	**10,676.78**
Deferred Tax Asset / (Liabilities) (Net)	**(3,314.69)**	**3,904.76**	**590.07**	**3,393.45**	**3,983.52**

CONSOLIDATED NOTE TO ACCOUNTS *(Contd.)*

Includes income tax impact on remeasurement gains/(losses) on defined benefit plan amounting to Rs. 3.95 Lacs [March 31, 2019 Rs. (0.73) Lacs] included in Other Comprehensive Income, impact of IND AS 115 of Rs. Nil Lacs [March 31, 2019 Rs. (9.73) Lacs] included in retained earning and impact of exchange difference on consolidation of Rs. 467.59 lacs (March 31, 2019 Rs. 441.30 Lacs) included in foreign currency translation reserve and Rs. Nil Lacs (March 31, 2019 Rs. 8.71 Lacs) included in discontinued operation.

19. Trade Payables (At Amortised Cost)

(Rs. in Lacs)

	As At March 31, 2020	As At March 31, 2019
Trade Payables		
Total outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 38)	158.31	80.12
Total outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	34,957.17	53,435.60
	35,115.48	**53,515.72**

a) Refer Note 42 for information about market risk and liquidity risk on trade payables.

20. Other Current Liabilities

	Non-current		Current	
	As at March 31, 2020 Rs. In Lacs	As at March 31, 2019 Rs. In Lacs	As at March 31, 2020 Rs. In Lacs	As at March 31, 2019 Rs. In Lacs
Advances from Customers	14,406.29	-	5,932.57	16,040.12
Statutory Dues	-	-	147.57	1,656.59
Other Liabilities	-	-	389.26	15.91
	14,406.29	**-**	**6,469.40**	**17,712.62**

	As at March 31, 2020	As at March 31, 2019
21. Revenue from Operations		
Sale of Products		
Finished Goods	1,68,614.41	1,41,101.38
Sale of Raw Materials and Components	7,277.59	11,280.44
Other Operating Revenues		
Scrap Sales	291.31	753.34
Subsidy Income	331.01	1,568.59
Export Entitlement (MEIS Benefit, etc.)	24.52	175.94
Claims in respect of lease rentals [Refer note 7(a)]	-	898.32
Others	93.59	150.83
Total	**1,76,632.43**	**1,55,928.84**

CONSOLIDATED NOTE TO ACCOUNTS *(Contd.)*

Revenue from operation includes revenue from contract with customers under IND AS 115 amounting to Rs. 175,892.00 Lacs (March 31, 2019 Rs 152,381.82 Lacs). The details of which are given below:-

(Rs. in Lacs)

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Revenue recognised at a point in time	1,38,074.96	**81,639.82**
Revenue recognised over time	37,817.04	**70,742.00**
	1,75,892.00	**1,52,381.82**
Reconciliation of revenue recognised with contract price:		
Contract price	**1,73,499.36**	**1,50,673.79**
Adjustment for:		
Liquidated Damages	**(1,695.50)**	**(1,551.14)**
Escalation	**4,088.14**	**3,259.17**
Revenue from continuing operation	**1,75,892.00**	**1,52,381.82**
22. Other Income		
22.1 Interest Income		
From Financial Assets at Amortised Cost - Bank Deposits	392.36	549.36
On Others [Refer Note 7 (a)]	-	1,462.91
From Income Tax Refunds	1.70	106.87
	394.06	**2,119.14**
22.2 Others		
Unspent Liabilities / Provisions No Longer Required Written Back	552.02	244.51
Net Gain on Disposal of Property, Plant and Equipment	18.00	-
Other Non-operating Income	2,290.24	77.41
	2,860.26	**321.92**
22.3 Other Gains / (Losses)		
Fair Value Gain / (Loss) on Investment in Equity Securities at FVTPL	(89.86)	416.46
Foreign Exchange Fluctuations and Fair Value (Gain)/ Loss on Derivatives Not Designated as Hedges @	-	405.18
Net Gain on Sale of Investments	237.74	-
	147.88	821.64
Total	**3,402.20**	**3,262.70**
@ Includes unrealised Fair Value Gain on Derivatives Not Designated as Hedges Rs. Nil (March 31, 2019: Rs. 231.70 Lacs)		
23. Cost of Raw Materials and Components Consumed		
Inventories at the Beginning of the Year	34,775.26	25,340.19
Add: Purchases	1,12,024.69	1,09,411.69
	1,46,799.95	1,34,751.88
Less: Inventories at the End of the Year	27,570.18	34,775.26
Cost of Raw Materials and Components Consumed	**1,19,229.77**	**99,976.62**

CONSOLIDATED NOTE TO ACCOUNTS *(Contd.)*

24. Changes in Inventories of Finished Goods, Work-in-progress, Trading Goods and Saleable Scrap

(Rs. in Lacs)

		For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Inventories at the end of the year			
Finished Goods		912.85	1,214.33
Work-in-Progress		7,035.71	7,720.03
Saleable Scrap		981.17	621.03
	(A)	**8,929.73**	**9,555.39**
Inventories at the beginning of the year			
Finished Goods		1,214.33	1,816.33
Work-in-Progress		7,720.03	6,713.63
Saleable Scrap		621.03	242.99
	(B)	**9,555.39**	**8,772.95**
Decrease in Inventories	(A-B)	**625.66**	**(782.44)**
Inventories Transferred to Property, Plant & Equipment		906.39	-
		(280.73)	**(782.44)**
Adjustment of Ind AS 115		-	**1,151.36**
Less: Reversal of provision for onerous contract & warranty cost		3,799.80	4,470.81
Foreign Currency Translation Adjustment		-	9.35
		(4,080.53)	**(6,395.26)**

25. Employee Benefits Expense

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Salaries, Wages and Bonus	14,579.81	17,007.51
Employee Stock Options Expense (Refer Note 34)	67.81	133.01
Contribution to Provident & Other Funds [Refer Note 32(ii)]	230.57	205.81
Gratuity Expense [Refer Note 32(i)]	70.89	71.45
Staff Welfare Expenses	228.36	194.97
Total	**15,177.44**	**17,612.75**

26. Finance Costs

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Interest Expenses on Financial Liabilities Carried at Amortised Cost		
- Borrowings, etc.#	7,252.07	5,106.22
Other Borrowing Costs (Bank Charges, etc.)	1,575.22	1,411.54
Total	**8,827.29**	**6,517.76**

Includes Rs.820.41 Lacs (March 31, 2019: Rs. Nil) in Parent Company in respect of significant financing component arising from a revenue contract.

CONSOLIDATED NOTE TO ACCOUNTS *(Contd.)*

(Rs. in Lacs)

			For the Year Ended March 31, 2020		For the Year Ended March 31, 2019
27.	**Depreciation and Amortisation Expense**				
	Depreciation on Property, Plant and Equipments (Refer Note 4.1)		1,836.30		2,034.63
	Amortisation on Intangible Assets (Refer Note 4.2)		1,076.38		364.47
	Total		**2,912.68**		**2,399.10**
28.	**Other Expenses**				
	Consumption of Stores and Spare Parts		5,802.42		4,285.27
	Job Processing and Other Machining Charges (including Contract Labour Charges)		13,576.18		12,441.29
	Power and Fuel		4,557.78		3,503.53
	Design and Development Expenses		332.58		222.29
	Repairs				
	Plant and Machinery		447.67		1,502.57
	Buildings		77.18		63.93
	Others		538.24		20.18
	Rent and Hire Charges (Refer Note 35)		720.27		434.69
	Rates and Taxes		1,208.68		869.44
	Insurance		463.29		595.40
	Security Services		468.01		501.96
	Freight and Forwarding Charges [Net of Recovery Rs. Nil Lacs (March 31, 2019 : Rs 64.20 Lacs)]		-		490.67
	Advertising and Sales Promotion		107.29		176.00
	Brokerage and Commission		208.85		722.26
	Travelling and Conveyance		721.57		1,281.50
	Legal and Professional Fees		1,508.80		1,486.76
	Directors Sitting Fees		33.88		42.65
	Payment to Auditors:				
	As Auditors				
	Audit Fee	37.92		32.78	
	Limited Review	12.00		12.06	
	Other Certification Services	22.75		4.45	
	In other capacity				
	Reimbursement of Expenses	6.81	79.48	4.55	53.84
	Warranty Claims	1,939.37		1,261.45	
	Less: Adjusted with Provision	1,939.37	-	1,261.45	-
	Provision for Warranties		124.29		4,149.16
	Irrecoverable Debts/ Advances Written Off	249.36		1,022.23	
	Less: Adjusted with Provision	-	249.36	42.27	979.96
	Provision for Doubtful Debts and Advances		495.34		354.43

Goodwill Written-off	24.85	-
Net Loss on Disposal of Property, Plant and Equipment	-	3.35
Net Loss on Foreign Currency Transactions and Translation	168.74	-
Corporate Social Responsibility Expenses (Refer Note 28.1)	34.57	32.19
Miscellaneous Expenses	2,262.69	2,185.84
Total	**34,212.01**	**36,399.16**

(Rs. in Lacs)

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
28.1 Corporate Social Responsibility Expenses		
(a) Amount required to be spent by the Parent Company during the year	-	29.63
(b) Amount spent during the year by the Parent Company on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above (fully paid)	34.57	32.19
Others		
Total	**34.57**	**32.19**
29. Exceptional Items		
Restructuring Cost [Refer Note (a) below]	-	356.17
Settlement of claims [Refer Note (b) below]	-	428.36
	-	**784.53**

Exceptional items represents following:

a) Rs. Nil Lacs (March 31, 2019: Rs.356.17 Lacs), represents various expenses incurred at Titagarh Firema SPA towards separation cost paid to the employees in line with the overall restructuring scheme.

b) Rs. Nil Lacs (March 31, 2019: Rs.428.36 Lacs) mainly represents certain one time settlement cost incurred relating to contracts.

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
30. Income Tax Expense / (Benefit)		
(A) **Amount Recognised in the Statement of Profit and Loss**		
Current Tax	-	182.95
Adjustment of Tax relating to Earlier Years	871.36	-
Deferred Tax	(2,921.91)	(3,482.63)
Total Income Tax Expense Recognised in Profit and Loss	**(2,050.55)**	**(3,299.68)**
(B) **Numerical Reconciliation of Income Tax Expense to Prima Facie Tax Payable**		
Accounting Profit /(Loss) before Tax	(5,664.76)	(5,549.41)
At India's Statutory Income Tax Rate of 25.168% (March 31, 2019: 34.944%)	(1,425.71)	(1,939.19)
Adjustments:		
Non-deductible Income / (Expenses) for Tax Purposes		

(Rs. in Lacs)

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Expenses not allowed as deductions	1,464.26	494.11
Income not taxable	(177.54)	(238.97)
Share of Losses in Joint Venture	-	1.27
Adjustment relating to earlier years	504.93	(333.81)
Impact of lower tax rate (capital gains tax rate) on the fair valuation of land and Investment in equity shares through FVTPL	(24.04)	(96.46)
Adjustment for change in tax rate	(842.80)	14.95
Effect of Different Tax Rate for Foreign Subsidiaries	561.79	(738.82)
MAT Credit written-off	(839.84)	-
Impact on Intercompany Elimination	(1,150.70)	-
Recognition of Deferred Tax Assets relating to earlier years	-	(2,572.70)
Losses and Deductible Temporary Difference against which no Deferred Tax Asset created for some subsidiaries	-	2,377.49
Others	(120.90)	(267.55)
	(2,050.55)	**(3,299.68)**

Section 115BAA has newly been inserted in the Income Tax Act, 1961 vide Taxation Laws (Amendment) Ordinance, 2019 (subsequently enacted on December 11, 2019 as The Taxation Laws (Amendment) Act, 2019) which provides a domestic company with an irrevocable option to pay tax at a lower rate of 22% (effective rate of 25.168%) for any previous year relevant to the assessment year beginning on or after April 1, 2020. The lower rate shall be applicable subject to certain conditions, including that the total income should be computed without claiming specific deduction or exemptions. MAT would be inapplicable to companies opting to apply the lower tax rate. The Parent Company has elected to exercise the option of lower tax rates permitted under new tax rate regime during the financial year ended March 31, 2020 and has accordingly remeasured the tax liabilities.

(Rs. in Lacs)

			For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
31.	**Earnings/(Loss) Per Equity Share**			
	(A)	**Basic**		
	(i)	Number of Equity Shares at the Beginning of the Year	115,527,920	115,500,370
	(ii)	Number of Equity Shares at the End of the Year	115,606,170	115,527,920
	(iii)	Weighted Average Number of Equity Shares Outstanding during the year	115,596,762	115,519,885
	(iv)	Face Value of Each Equity Share (Rs)	2.00	2.00
	(v)	Profit / (Loss) after Tax Available for Equity Shareholders of the Parent Company:		
		From Continuing Operation (Rs.in Lacs)	5,991.73	4,593.22
		From Discontinuing Operation (Rs.in Lacs)	(9,410.55)	(7,445.53)
		From Continuing and Discontinuing Operation (Rs.in Lacs)	(3,418.82)	(2,852.31)
	(vi)	Basic Earnings/(Loss) per Equity Share (Rs.) [(v)/(iii)]		
		From Continuing Operation	5.18	3.98
		From Discontinuing Operation	(8.14)	(6.45)
		From Continuing and Discontinuing Operation	(2.96)	(2.47)
	(B)	**Diluted**		
	(i)	Dilutive Potential Equity Shares on account of Employee Stock Options Outstanding	36,336	269,940

CONSOLIDATED NOTE TO ACCOUNTS *(Contd.)*

(Rs. in Lacs)

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
(ii) Weighted Average Number of Equity Shares Outstanding during the year for Diluted Earnings per Equity Share	115,633,098	115,789,825
(iii) Diluted Earnings/(Loss) per Equity Share (Rs) [A(v)/B(ii)] #		
From Continuing Operation	5.18	3.97
From Discontinuing Operation	(8.14)	(6.45)
From Continuing and Discontinuing Operation	(2.96)	(2.47)
# Basic and Diluted earning per share are same as the potential dilutive equity shares are anti-dilutive.		

32. Employee Benefits:

(i) Post-employment Defined Benefit Plans:

Gratuity

The Parent Company and a subsidiary in India has a defined benefit gratuity plan which is unfunded (except for one unit where it is administered through a trust and funded with a bank through its special deposit scheme with State Bank of Bikaner and Jaipur). Every employee who has completed five years or more of service is entitled to gratuity on terms not less favourable than the provisions of the Payment of Gratuity Act, 1972.

The following tables sets forth the particulars in respect of the gratuity plan.

(Rs. in Lacs)

	Gratuity (Funded)		Gratuity (Unfunded)	
	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Statement of Profit and Loss				
Net Employee Benefits Expense recognised in the Employee Cost				
Current Service Cost	5.30	5.01	35.19	33.55
Net Interest Cost / (Income) on the Net Defined Benefit Liability / (Asset)	4.12	4.76	26.28	28.13
Total	**9.42**	**9.77**	**61.47**	**61.68**
Expenses Recognised in Other Comprehensive Income (OCI)				
Remeasurements (Gains) / Losses	2.04	(10.57)	13.66	8.49
Total	**2.04**	**(10.57)**	**13.66**	**8.49**
Net Liability Recognised in Balance Sheet				
Benefit liability				
Present value of Defined Benefit Obligation	120.40	118.95	395.43	368.58
Fair value of Plan Assets	46.67	56.68	-	-
Net Liability	**73.73**	**62.27**	**395.43**	**368.58**
Bifurcation of Net Liability at the end of the year as per revised Schedule III of the Companies Act, 2013				
Current Liability (Short term)	23.24	16.08	96.63	101.26
Non-Current Liability (Long term)	50.49	46.19	298.80	267.32
	73.73	**62.27**	**395.43**	**368.58**

CONSOLIDATED NOTE TO ACCOUNTS *(Contd.)*

(Rs. in Lacs)

	Gratuity (Funded)		Gratuity (Unfunded)	
	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Changes in the Present Value of the Defined Benefit Obligation are as follows:				
Opening Defined Benefit Obligation	118.95	119.52	368.58	333.44
Current Service Cost	5.30	5.01	35.19	33.55
Interest Cost	7.87	9.08	26.28	28.13
Past Service Cost	-	-	-	-
Benefits Paid	(17.87)	(20.68)	(48.28)	(35.03)
Remeasurement (Gains)/ Losses				
Financial Assumptions Changes	0.96	4.28	2.03	12.16
Demographic Assumptions	4.53	3.91	22.60	18.56
Experience Variance	0.66	(2.17)	(10.97)	(22.23)
Closing Defined Benefit Obligation	**120.40**	**118.95**	**395.43**	**368.58**
Changes in the Fair Value of Plan Assets are as follows:				
Fair value of plan assets at the beginning of the year	56.68	56.91		
Return on Plan Assets	4.11	(4.55)		
Benefits Paid	(17.87)	-		
Investment Income	3.75	**4.32**		
Fair Value of Plan Assets at the end of the year	**46.67**	**56.68**		
The major categories of Plan Assets as a percentage of the Fair Value of Total Plan Assets are as follows:				
Special Deposit Scheme with State Bank of Bikaner and Jaipur	100%	100%		
Maturity Profile of the Defined Benefit Obligation				
Weighted Average Duration of the Defined Benefit Obligation	2 years	4 years	3/4 years	4 years
Expected Benefit Payments for the year ending				
Not later than 1 year	69.90	72.75	96.64	32.97
Later than 1 year and not later than 5 years	53.86	56.41	231.85	29.03
Later than 5 year and not later than 10 years	5.98	2.15	119.31	28.52
More than 10 years	31.51	0.64	62.94	26.91
The principal assumptions used in determining gratuity obligation are shown below:				
Discount Rate	5.50%	6.60%	5.50-5.60%	7.05-7.55%
Rate of increase in Salary	6.44%	5.00%	3.00-4.80%	5.00%

Assumptions regarding future mortality experience are based on mortality tables of Indian Assured Lives Mortality (2006-2008) published by the Institute of Actuaries of India.

The estimate of future salary increase, considered in actuarial valuation, takes account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The Parent Company expects to contribute Rs.77.53 Lacs (March 31, 2019 Rs.65.44 Lacs) to the funded gratuity plans during the next financial year.

CONSOLIDATED NOTE TO ACCOUNTS *(Contd.)*

A quantitative sensitivity analysis of impact on defined benefit obligations for significant assumption on the gratuity plan is as shown below:

(Rs. in Lacs)

Sensitivity level	Gratuity (Funded)				Gratuity (Unfunded)			
	As at March 31, 2020		As at March 31, 2019		As at March 31, 2020		As at March 31, 2019	
	Decrease	Increase	Decrease	Increase	Decrease	Increase	Decrease	Increase
Discount Rate (-/+ 1%)	122.76	118.13	120.86	117.09	412.35	379.83	385.73	352.87
Salary Growth Rate (-/+1%)	118.13	122.76	117.04	120.86	379.83	411.81	352.73	385.36

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit obligation recognised in the Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(ii) Post-employment Defined Contribution Plans:

(A) **Provident Fund and Employee State Insurance Scheme (ESI)**

Certain categories of employees of the Parent Company receive benefits from a provident fund and ESI, a defined contribution plan. Both the employee and employer make monthly contributions to a government administered fund at specified percentage of the covered employee's qualifying salary. The Parent Company and the subsidiary have no further obligations under the plan beyond its monthly contributions.

The amounts paid to Defined Contribution Plans are as follows:

(Rs. in Lacs)

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Provident Fund	190.47	164.45
ESI	29.29	37.78
Total	**219.76**	**202.23**

(iii) Leave Benefits

The Parent Company and a subsidiary provide for accumulation of leave by its employees. The employees can carry forward a portion of the unutilised leave balances and utilise it in future periods or receive cash in lieu thereof as per the respective company's policy. The Parent Company and the subsidiary record a provision for leave benefits in the period in which the employee renders the services that increases this entitlement. This is an unfunded plan.

The total provision recorded by the Parent Company and a subsidiary towards these benefits was Rs. 1,560.95 lacs (March 31, 2019: Rs. 416.03 lacs). The amount of the provision is presented as current, since the Parent Company and the subsidiary does not have an unconditional right to defer settlement for any of these benefits. However, based on past experience, the Parent Company and the subsidiary does not expect all employees to take the full amount of accrued leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

(Rs. in Lacs)

	As at March 31, 2020	As at March 31, 2019
Leave provision not expected to be settled within the next 12 months	253.47	255.29

(iv) Risk Exposure

Through its defined benefit plans, the Parent Company and the subsidiary is exposed to some risks, the most significant of which are detailed below:

(a) **Discount Rate Risk**

The Parent Company and the subsidiary is exposed to the risk of fall in discount rate. A fall in discount rate will eventually increase the ultimate cost of providing the above benefit thereby increasing the value of the liability.

(b) **Salary Growth Risks**

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. An increase in the salary of the plan participants will increase the plan liability.

(c) **Demographic Risk**

In the valuation of the liability, certain demographic (mortality and attrition rates) assumptions are made. The Parent Company and the subsidiary are exposed to this risk to the extent of actual experience eventually being worse compared to the assumptions thereby causing an increase in the benefit cost.

33. Research and Development expenditure of revenue nature recognised in profit and loss during the year amounts to Rs. 7.10 Lacs (March 31, 2019 : Rs. 21.17 Lacs)

34. Employee Stock Option Plan (ESOP)

The Parent Company provides share-based payment schemes to its employees. On September 11, 2014, the shareholders, by way of a special resolution passed at the Annual General Meeting, approved the issue of shares to eligible employees under Employee Stock Option Scheme (Scheme 2014). The Scheme has been approved by the authorized Compensation Committee pursuant to a resolution passed at its meeting held on March 4, 2015. According to the Scheme 2014, the employee selected by the ESOS Compensation Committee from time to time will be entitled to the stock options. The total number of options granted should not exceed 25,00,000 options and will be granted in one or more tranches over a period of 5 years. Each option, when exercised, will be converted into 1 equity share of Rs 2 each fully paid up.

Tranche 1 - First Allotment

a)	Vesting period	As stated below
	Exercise period	Within a period of 6 months from the date of vesting
	Grant Date	March 4, 2015
	Exercise price	Rs 44.20
	Market price at March 4, 2015	Rs 135.60
	The vesting schedule of the options is as follows:	
	At the end of first year from the date of grant	10%
	At the end of second year from the date of grant	15%
	At the end of third year from the date of grant	25%
	At the end of fourth year from the date of grant	50%

The movement of the option is summarised below:

(Rs. in Lacs)

	For the Year Ended March 31, 2020		**For the Year Ended March 31, 2019**	
	No. of Options	**Weighted Average Exercise Price (WAEP) (Rs)**	**No. of Options**	**Weighted Average Exercise Price (WAEP) (Rs)**
Outstanding at the beginning of the year	1,27,500	44.20	1,71,250	44.20
Lapsed during the year	77,500	44.20	12,500	44.20
Forfeited during the year	-	44.20	21,250	44.20
Exercised during the year	47,500	44.20	10,000	44.20
Outstanding at the end of the year	2,500	44.20	1,27,500	44.20
Exercisable at the end of the year	2,500	44.20	1,27,500	44.20

The weighted average fair value of the option as on the grant date is Rs. 97.36 (March 31, 2019: Rs.102.55) and weighted average contractual life of the option as at March 31, 2020 is 1.60 years (March 31, 2019: 3.95 years).

The weighted average fair value of stock options granted was Rs. 2.44 lacs (March 31, 2019: Rs. 130.76 lacs). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

CONSOLIDATED NOTE TO ACCOUNTS *(Contd.)*

The share prices on the date of exercise are:

Date of Exercise	**Share Price (Rs.)**
September 12, 2018	87.20

	Grant Date-March 4, 2015			
Share price (Rs)	135.60	135.60	135.60	135.60
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	7.70%	7.70%	7.70%	7.70%
Expected volatility	67.00%	58.00%	51.00%	47.00%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

Tranche 1 - Second Allotment

b) Vesting period — As stated below

Vesting period	As stated below
Exercise period	Within a period of 6 months from the date of vesting
Grant Date	May 19, 2017
Exercise price	Rs 44.20
Market price at May 19, 2017	Rs 122.80

The vesting schedule of the options is as follows:

At the end of first year from the date of grant	10%
At the end of second year from the date of grant	15%
At the end of third year from the date of grant	25%
At the end of fourth year from the date of grant	50%

The movement of the option is summarised below:

(Rs. in Lacs)

	For the Year Ended March 31, 2020		For the Year Ended March 31, 2019	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	1,03,500	44.20	1,15,000	-
Granted during the year	-	-	-	44.20
Lapsed during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Exercised during the year	17,250	44.20	11,500	-
Outstanding at the end of the year	86,250	44.20	1,03,500	44.20
Exercisable at the end of the year	-	44.20	-	-

The weighted average fair value of the option as on the grant date is Rs. 90.05 (March 31, 2019: Rs 89.10) and weighted average contractual life of the option as at March 31, 2020 is 3.67 years (March 31, 2019: 3.39 years).

The weighted average fair value of stock options granted was Rs. 61.73 Lacs (March 31, 2019: Rs 53.75 lacs). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

The share prices on the date of exercise are:

Date of Exercise	**Share Price (Rs.)**
June 6, 2018	95.80

	Grant Date-May 19, 2017			
Share price (Rs)	122.80	122.80	122.80	122.80
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	6.70%	6.70%	6.70%	6.70%
Expected volatility	35.68%	47.71%	54.92%	55.08%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

Tranche 2 - First Allotment

c)	Vesting period	As stated below
	Exercise period	Within a period of 6 months from the date of vesting
	Grant Date	May 19, 2017
	Exercise price	Rs 44.20
	Market price at May 19, 2017	Rs 122.80

The vesting schedule of the options is as follows:

At the end of first year from the date of grant	2%
At the end of second year from the date of grant	10%
At the end of third year from the date of grant	28%
At the end of fourth year from the date of grant	60%

The movement of the option is summarised below:

(Rs. in Lacs)

	For the Year Ended March 31, 2020		For the Year Ended March 31, 2019	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	3,06,250	44.20	3,82,500	-
Granted during the year	-	-	-	44.20
Lapsed during the year	17,000	44.20	1,600	-
Forfeited during the year	20,550	44.20	69,200	-
Exercised during the year	13,500	44.20	5,450	-
Outstanding at the end of the year	2,55,200	44.20	3,06,250	44.20
Exercisable at the end of the year	-	44.20	-	-

The weighted average fair value of the option as on the grant date is Rs. 90.09 (March 31, 2019: Rs 89.51) and weighted average contractual life of the option as at March 31, 2020 is 3.68 years (March 31, 2018: 3.51).

The weighted average fair value of stock options granted was Rs. 181.86 Lacs (March 31, 2019: 155.82 lacs). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

The share prices on the date of exercise are:

Date of Exercise	**Share Price (Rs.)**
June 20, 2018	96.35
September 12, 2018	87.20

	Grant Date-May 19, 2017			
Share price (Rs)	122.80	122.80	122.80	122.80
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	6.70%	6.70%	6.70%	6.70%
Expected volatility	35.68%	47.71%	54.92%	55.08%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

Tranche 2 - Second Allotment

d)	Vesting period	As stated below
	Exercise period	Within a period of 6 months from the date of vesting
	Grant Date	November 9, 2017
	Exercise price	Rs 44.20
	Market price at November 9, 2017	Rs 146.75

The vesting schedule of the options is as follows:

At the end of first year from the date of grant	2%
At the end of second year from the date of grant	10%
At the end of third year from the date of grant	28%
At the end of fourth year from the date of grant	60%

The movement of the option is summarised below:

(Rs. in Lacs)

	For the Year Ended March 31, 2020		For the Year Ended March 31, 2019	
	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)	No. of Options	Weighted Average Exercise Price (WAEP) (Rs)
Outstanding at the beginning of the year	29,400	44.20	55,000	-
Granted during the year	-	-	-	44.20
Forfeited during the year	24,500	44.20	25,000	-
Exercised during the year	-	44.20	600	-
Outstanding at the end of the year	4,900	44.20	29,400	44.20
Exercisable at the end of the year	500	44.20	-	-

The weighted average fair value of the options as on the grant date is Rs. 112.20 (March 31, 2019: Rs 112.20) and weighted average contractual life of the option as at March 31, 2020 is 3.51 years (March 31, 2019: 3.51 years).

The weighted average fair value of stock options granted was Rs. 3.81 Lacs (March 31, 2019: Rs 13.66 Lacs). The Black-Scholes valuation model has been used for computing the weighted average fair value considering the below mentioned inputs.

The share prices on the date of exercise are:

Date of Exercise	**Share Price (Rs.)**
December 12, 2018	74.70

	Grant Date-November 9, 2017			
Share price (Rs)	146.75	146.75	146.75	146.75
Exercise price (Rs)	44.20	44.20	44.20	44.20
Risk-free interest rate	6.50%	6.50%	6.50%	6.50%
Expected volatility	35.68%	47.71%	54.92%	55.08%
Dividend yield	0.59%	0.59%	0.59%	0.59%
Term to maturity	1.00	2.00	3.00	4.00

The expected life of the stock Option is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

During the year ended the Parent Company recorded an employee compensation expense of Rs. 67.81 (March 31, 2019 : Rs 133.01 lacs) in the Statement of Profit and loss.

35. Leases

Certain office premises, land and machineries are obtained by the Group on operating lease. The lease term is for 1-10 years and renewable for further period on mutual consent. These are cancellable by giving a notice period ranging from one month to three months. Lease agreements have price escalation clause and rent is not based on any contingencies. There is no restriction under the lease agreement. There are no subleases. The aggregate lease rentals are charged as 'Rent and Hire Charges' in Note 28.

(Rs. in Lacs)

		As at March 31, 2020	As at March 31, 2019
36.	**Commitments**		
	Estimated amount of contracts remaining to be executed on capital accounts and not provided for (net of advances)	684.20	196.20
37.	**Contingent Liabilities**		
(i)	**Claims against the Group not acknowledged as debt**		
	Disputed claims contested by the Group and pending at various courts/arbitration*	3,199.86	3,720.24
	Matters under appeal with:		
	Sales tax authorities	2,608.49	1,350.81
	Income tax authorities	3,063.80	316.06
	Customs and Excise Authorities	15,258.62	21,646.86
	Custom Duty on import of equipments and spare parts under EPCG scheme	1,190.54	1,193.25
		25,321.31	**28,227.22**

* Includes Rs 1,360.45 Lacs (March 31, 2019: Rs 1,360.45 Lacs) which in terms of BIFR order, even if decided against the Group, would stand at Rs 136.04 Lacs (March 31, 2019: Rs 136.04 Lacs) only.

In respect of above cases based on favourable decisions in similar cases/legal opinions taken by the Group/discussions with the solicitors etc., the management is of the opinion that it is possible, but not probable, that the action will succeed and accordingly no provision for any liability has been made in the consolidated financial statements.

In respect of above contingent liabilities, it is not practicable for the Group to estimate the timings of cash outflows, if any, pending resolution of the respective proceedings. The Group does not expect any reimbursements in respect of the above.

(ii) Further:

(a) Erstwhile Cimmco Limited (Since merged with the Parent Company) had prior to year 2000, obtained certain advance licenses for making duty free import of inputs subject to fulfilment of export obligation (EO) within the specified time limit/extended time limit (as extended pursuant to sanctioned scheme of BIFR) from the date of issuance of such licenses. However, in absence of complete list of licenses along with the imports made against each license, the amount of contingent liability towards custom duty saved on unfulfilled export obligations and penal interest if any, is presently unascertainable.

(b) SBI Caps has raised a claim of Rs. 1,128.95 lacs on erstwhile Cimmco Limited (since merged with the Parent Company) on account of disallowance of depreciation by the income tax authorities on the wagons leased by SBI Caps to erstwhile Cimmco Limited (since merged with the Parent Company) which in turn has been sub leased to Indian Railways. The same pertains to the assessment year 1998-99 to 2004-05 (period prior to change of management in terms of the BIFR order) and the matter is pending with ITAT Mumbai. As per the separate lease agreements entered between SBI CAPS, erstwhile Cimmco Limited (since merged with the Parent Company) and Indian Railways, any claims, charges, duties taxes and penalties as may be levied by the Government or any other authority pertaining to leased wagons shall be borne by the Indian Railways. Considering the above terms contained in the above agreements and also favourable ITAT judgements regarding the admissibility of the depreciation on the leased assets the Company believes that there would not be any liability that would crystallise on account of the above.

(Rs. in Lacs)

		As at March 31, 2020	As at March 31, 2019
38.	**Information relating to Micro and Small Enterprises (MSEs):**		
	(i) The Principal amount and Interest due thereon remaining unpaid to any supplier at the end of the accounting year		
	Principal	158.31	80.12
	Interest	2.39	-
	(ii) The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 along with the amount of the payment made to the supplier beyond the appointed day during the year.		
	Principal	-	-
	Interest	-	-
	(iii) Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year.	-	-
	(iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act.		
	Principal	208.27	645.86
	Interest	3.76	2.52
	(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	6.15	2.52
	The above particulars, as applicable, have been given in respect of MSEs to the extent they could be identified on the basis of the information available with the Group.		

39. Segment Information

The Parent Company's Board of Directors being the Chief Operating Decision Maker examines the Group's performance on the basis of its business and has identified the following reportable segments:

a) Wagons & Coaches – Consists of manufacturing of wagons, coaches, bogies, couplers and crossings as per customer specification.

b) Specialised Equipments & Bridges - Consists of bailey / other modular bridges, nuclear biological shelters and other defence related products

c) Shipbuilding - Consists of manufacturing of barges, research vessels and other fabrication of blocks

d) Others - Consists of miscellaneous business like heavy earth moving machineries, tractors, etc which comprises less than 10% revenue on individual basis.

Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the consolidated financial statements. Also, the Group's borrowings (includes finance costs), income taxes, investments and derivative instruments are managed at head office and are not allocated to operating segments.

Segment revenue is measured in the same way as in the Statement of Profit and Loss.

Segment assets and liabilities are measured in the same way as in the consolidated financial statements. These assets and liabilities are allocated based on the operations of the segment and the physical location of assets.

CONSOLIDATED NOTE TO ACCOUNTS *(Contd.)*

Information about Operating Segments
For the year ended March 31, 2020

(Rs. in Lacs)

	Wagons & Coaches	Specialised Equipments & Bridges	Shipbuilding	Others	Total
Revenue from Operations					
Segment Revenue (External)	**172,000.03**	**2,112.33**	**2,520.07**	**-**	**176,632.43**
Segment Profit/(Loss)	**14,853.39**	**345.82**	**318.21**	**-**	**15,517.42**
Unallocated (Income) / Expenses					
Finance Costs					7,252.07
Interest Income					(394.06)
Depreciation and Amortisation Expense					20.00
Other Corporate Income					(3,008.14)
Other Corporate Expenses					7,901.76
Profit before Tax from Continuing Operations					**3,745.79**
Tax Expenses (Credit)					(2,050.55)
Profit for the year from Continuing Operations					**5 ,796.34**
Loss from Discontinued Operations before Taxes					**(9,410.55)**
Tax Expenses on Discontinued Operation					-
Loss from Discontinued Operations after Taxes					**(9,410.55)**
Loss for the year					**(3,614.21)**
Material Non-cash (Income) / Expenses:					
Depreciation and Amortisation Expense	2,812.68	30.00	50.00	20.00	2,912.68
Provision for Doubtful Debts and Advances	435.80	59.54	-	-	495.34
Unspent Liabilities / Provisions No Longer Required Written Back	549.88	-	2.14	-	552.02
Segment Assets	**186,205.32**	**3,689.36**	**3,112.32**	**479.88**	**193,486.88**
Unallocated Assets					
Investments					2,857.88
Cash and Cash Equivalents					2,897.18
Other Bank Balances					2,709.01
Non-current / Current Tax Assets (Net)					2,914.51
Deferred Tax Assets (Net)					3,983.52
Other Unallocated Assets					18,321.98
Total Assets					**227,170.96**
Segment Liabilities	**114,742.73**	**1,102.86**	**268.17**	**13.75**	**116,127.51**
Unallocated Liabilities					
Borrowings					72,873.33
Current Tax Liabilities (Net)					22.90
Other Unallocated Liabilities					(46,400.81)
Total Liabilities					**142,622.93**

CONSOLIDATED NOTE TO ACCOUNTS *(Contd.)*

For the year ended March 31, 2019

(Rs. in Lacs)

	Wagons & Coaches	Specialised Equipments & Bridges	Shipbuilding	Others	Total
Revenue from Operations					
Segment Revenue (External)	**1,35,389.76**	**7,352.70**	**13,151.65**	**34.73**	**1,55,928.84**
Segment Profit/(Loss)*	**5,942.20**	**978.27**	**3,195.69**	**(218.88)**	**9,897.28**
Unallocated (Income) / Expenses					
Finance Costs					5,106.22
Interest Income					(2,119.14)
Depreciation and Amortisation Expense					52.89
Other Corporate Income					(1,143.56)
Other Corporate Expenses					6,107.63
Profit before Taxes					**1,893.24**
Tax Expenses (Credit)					(3,299.68)
Profit for the year from Continuing Operations					**5,192.92**
Loss from Discontinued Operations before Taxes					**(7,442.65)**
Tax Expenses on Discontinued Operation					**2.88**
Loss from Discontinued Operations after Taxes					**(7,445.53)**
Loss for the year					**(2,252.61)**
Non-cash (Income) / Expenses:					
Depreciation and Amortisation Expense	2,017.42	60.14	186.46	135.08	2,399.10
Provision for Doubtful Debts and Advances	316.96	37.47	-	-	354.43
Unspent Liabilities / Provisions No Longer Required Written Back	(363.90)	-	-	119.39	(244.51)
Segment Assets	**2,28,893.96**	**4,792.26**	**7,672.36**	**1,010.91**	**2,42,369.49**
Unallocated Assets					
Investments					8,658.05
Cash and Cash Equivalents					9,865.25
Other Bank Balances					2,081.27
Non-current / Current Tax Assets (Net)					2,848.70
Deferred Tax Assets (Net)					3,469.76
Other Unallocated Assets					2,333.21
Total Assets					**2,71,625.73**
Segment Liabilities	**84,433.78**	**1,664.53**	**1,093.40**	**158.89**	**87,350.60**
Unallocated Liabilities					2,879.69
Borrowings					86,998.50
Current Tax Liabilities (Net)					100.82
Other Unallocated Liabilities					5,416.41
Total Liabilities					**1,82,746.02**

Entity-wide Disclosures:-

(a) The Parent Company is domiciled in India. The amount of Group's revenue from external customers broken down by location of the customers is shown below:-

Rs. in Lacs

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
India	1,46,888.60	99,137.67
Italy	28,210.94	47,650.73
Rest of the World	1,532.89	9,140.44
Total	**1,76,632.43**	**1,55,928.84**
(b) Non-current assets (excluding Financial Assets) by location of assets is shown below:		
India	58,960.98	64,239.32
Italy	32,134.53	26,497.23
France	-	9,677.11
Total	**91,095.51**	**100,413.66**

(c) Total revenue from external customers includes sales to Indian Railways of Rs. 92,529.68 Lacs (March 31, 2019: Rs. 54,339.01 Lacs) and Regione Campania of Rs. 977.98 Lacs (March 31, 2019: Rs. 21,245.86 Lacs) which represents more than 10% of the total revenue from external customers of the Group.

40. Related Party Disclosures

Names of Related Parties and Related Party Relationship

Other Related Parties with whom transactions have taken place during the year:

Joint Venture Companies:	Matiere Titagarh Bridges Pvt Ltd
	Titagarh Mermec Private Limited (Jointly controlled Entity w.e.f May 17, 2018)
Key Management Personnel (KMPs):	Mr. J P Chowdhary – Executive Chairman
	Mr. Umesh Chowdhary – Vice Chairman & Managing Director
	Mr. Prithish Chowdhary - Vice President (w.e.f. July 08, 2019)
	Mr. Dharmendar Nath Davar - Independent Director (upto September 13, 2019)
	Mr. Manoj Mohanka - Independent Director
	Mrs. Rashmi Chowdhary - Non-Executive Director
	Mr. Ramsebak Bandyopadhyay - Independent Director
	Mr. Atul Ravishanker Joshi - Independent Director
	Mr. Sunirmal Talukdar - Independent Director (upto October 13, 2018; Re-appointed w.e.f. December 10, 2019)
	Mr. Sudipta Mukherjee - Director (Whole-time Director)
	Mr. Anil Kumar Agarwal - Chief Financial Officer (upto May 28, 2019), Director (Finance) & Chief Financial Officer (w.e.f. May 29, 2019)
	Mr. Dinesh Arya - Company Secretary
	Mr. Vinod Kumar Sharma (w.e.f August 29, 2019 to February 28, 2020)
	Dr. G.B. Rao - Independent Director [Erstwhile Cimmco Ltd (since merged with the Parent Company)]
	Mr. J.K.Shukla - Independent Director [Erstwhile Cimmco Ltd (since merged with the Parent Company)]
	Mr. Kanwar Satya Brata Sanyal - Independent Director [Erstwhile Cimmco Ltd (since merged with the Parent Company)]
	Mr. Matblubul Jamil Zillay Mowla - Independent Director [Erstwhile Cimmco Ltd (since merged with the Parent Company)]

	Mr. Nandan Bhattacharya - Independent Director [Erstwhile Cimmco Ltd (since merged with the Parent Company)] write (upto June 09, 2019)
	Mr. Nikhil Kumar Barat- Independent Director [Erstwhile Titagarh Capital Private Limited (since merged with the Parent Company)] (from August 3, 2019)
	Mr. R.N.Tiwari - Director [Erstwhile Cimmco Ltd (since merged with the Parent Company)] (till February 24, 2019)
Close Family Members of the KMPs:	Ms. Savitri Devi Chowdhary, Wife of Mr. J P Chowdhary Ms. Rashmi Chowdhary, Wife of Mr. Umesh Chowdhary Ms. Vinita Bajoria, Daughter of Mr. J P Chowdhary Ms. Sumita Kandoi, Daughter of Mr. J P Chowdhary Mrs. Bimla Devi Kajaria, Mother of Mrs. Rashmi Chowdhary
Enterprises over which KMP/ Shareholders/Close Family Members of the KMPs have significant influence:	Titagarh Capital Management Services Private Limited Titagarh Enterprises Limited Titagarh Industries Limited Traco International Investment Private Limited

Details of transactions between the Group and Related Parties and outstanding balances as at the year end are given below:

(Rs. in Lacs)

Nature of transactions	Year	Joint ventures	Enterprise over which KMP/ shareholders/ relatives have significant influence	KMP	Relatives of KMPs	Total
In relation to the Consolidated Statement of Profit and Loss						
Purchase of Raw Materials and Components						
Titagarh Industries Limited	2019-20	-	-	-	-	-
	2018-19	-	-	-	-	-
Reimbursement of Expenses Received						
Titagarh Enterprises Limited	2019-20	-	19.57	-	-	19.57
	2018-19	-	24.88	-	-	24.88
Matiere Titagarh Bridges Pvt Ltd	2019-20	9.24	-	-	-	9.24
	2018-19	-	-	-	-	24.88
Rent Paid to						
Titagarh Enterprises Limited	2019-20	-	513.30	-	-	513.30
	2018-19	-	246.76	-	-	246.76
Other Income from						
Matiere Titagarh Bridges Pvt Ltd	2019-20	2.75	-	-	-	2.75
	2018-19	3.54	-	-	-	3.54
Dividend paid to						
Ms. Savitri Devi Chowdhary	2019-20	-	-	-	54.35	54.35
	2018-19	-	-	-	54.35	54.35
Ms. Rashmi Chowdhary	2019-20	-	-	38.45	-	38.45
	2018-19	-	-	38.45	-	38.45
Mr. J P Chowdhary	2019-20	-	-	0.47	-	0.47
	2018-19	-	-	0.47	-	0.47
Mr. Umesh Chowdhary	2019-20	-	-	0.23	-	0.23
	2018-19	-	-	0.23	-	0.23
Ms. Vinita Bajoria	2019-20	-	-	-	*	*
	2018-19	-	-	-	*	*
Ms. Sumita Kandoi	2019-20	-	-	-	*	*
	2018-19	-	-	-	*	*
Mr. Anil Agarwal	2019-20	-	-	0.17	-	0.17
	2018-19	-	-	0.08	-	0.08

Mr. Dinesh Arya	2019-20	-	-	0.09	-	0.09
	2018-19	-	-	0.04	-	0.04
Mr. Sudipta Mukherjee	2019-20	-	-	0.04	-	0.04
	2018-19	-	-	0.04	-	0.04
Titagarh Capital Management Services Private Limited	2019-20	-	65.01	-	-	65.01
	2018-19	-	65.01	-	-	65.01
Bimla Devi Kajaria	2019-20	-	-	-	*	*
	2018-19	-	-	-	0.01	0.01

*Amounts are below the rounding off norm adopted by the Group.

(Rs. in Lacs)

Nature of transactions	Year	Joint ventures	Enterprise over which KMP/ shareholders/ relatives have significant influence	KMP	Relatives of KMPs	Total
In relation to the Consolidated Statement of Profit and Loss						
Remuneration (Excluding Employee Stock Option Expense) [Refer (b) below]						
Mr. J P Chowdhary	2019-20	-	-	257.28	-	257.28
	2018-19	-	-	257.28	-	257.28
Mr. Umesh Chowdhary	2019-20	-	-	257.28	-	257.28
	2018-19	-	-	257.28	-	257.28
Mr. Prithish Chowdhary	2019-20	-	-	16.33	-	16.33
	2018-19	-	-	-	-	-
Ms. Vinita Bajoria	2019-20	-	-	-	27.64	27.64
	2018-19	-	-	-	27.64	27.64
Mr. Anil Agarwal	2019-20	-	-	58.51	-	58.51
	2018-19	-	-	58.51	-	58.51
Mr. Dinesh Arya	2019-20	-	-	25.59	-	25.59
	2018-19	-	-	25.59	-	25.59
Mr. Sudipta Mukherjee	2019-20	-	-	36.14	-	36.14
	2018-19	-	-	36.14	-	36.14
Mr. R.N. Tiwari	2019-20	-	-	-	-	-
	2018-19	-	-	21.80	-	21.80
Employee Stock Option Expense						
Mr. Anil Agarwal	2019-20	-	-	11.23	-	11.23
	2018-19	-	-	20.25	-	20.25
Mr. Sudipta Mukherjee	2019-20	-	-	11.23	-	11.23
	2018-19	-	-	20.25	-	20.25
Mr. Dinesh Arya	2019-20	-	-	6.74	-	6.74
	2018-19	-	-	11.44	-	11.44
Sitting Fees to Directors						
Mr. Dharmendar Nath Davar	2019-20	-	-	1.40	-	1.40
	2018-19	-	-	4.50	-	4.50
Mr. Manoj Mohanka	2019-20	-	-	7.20	-	7.20
	2018-19	-	-	8.50	-	8.50
Mr. Atul Ravishanker Joshi	2019-20	-	-	4.60	-	4.60
	2018-19	-	-	5.30	-	5.30
Mr. Ramsebak Bandyopadhyay	2019-20	-	-	6.80	-	6.80
	2018-19	-	-	7.90	-	7.90

Mrs. Rashmi Chowdhary	2019-20	-	-	2.40	-	2.40
	2018-19	-	-	1.20	-	1.20
Mr. Sunirmal Talukdar	2019-20	-	-	1.20	-	1.20
	2018-19	-	-	2.95	-	2.95
Mr. Vinod Kumar Sharma	2019-20	-	-	1.20	-	1.20
	2018-19	-	-	-	-	-
Mrs. Vinita Bajoria	2019-20	-	-	-	1.00	1.00
	2018-19	-	-	-	1.20	1.20
Mr. Anil Agarwal	2019-20	-	-	0.30	-	0.30
	2018-19	-	-	0.40	-	0.40
Mr. Dinesh Arya	2019-20	-	-	0.25	-	0.25
	2018-19	-	-	0.40	-	0.40
Dr. G.B. Rao	2019-20	-	-	1.20	-	1.20
	2018-19	-	-	1.20	-	1.20
Mr. J.K. Shukla	2019-20	-	-	2.60	-	2.60
	2018-19	-	-	3.20	-	3.20
Mr. Kanwar Satya Brata Sanyal	2019-20	-	-	1.00	-	1.00
	2018-19	-	-	1.20	-	1.20
Mr. Matlubul Jamil Zillay Mowla	2019-20	-	-	2.40	-	2.40
	2018-19	-	-	2.20	-	2.20
Mr. Nandan Bhattacharya	2019-20	-	-	-	-	-
	2018-19	-	-	2.50	-	2.50
Mr. Nikhil Kumar Barat	2019-20	-	-	0.33	-	0.33
	2018-19	-	-	-	-	-
Legal and Professional Fees						
Mr. Dharmendar Nath Davar	2019-20	-	-	1.70	-	1.70
	2018-19	-	-	1.20	-	1.20
In relation to the Consolidated Balance Sheet						
Investment Made						
Titagarh Mermec Pvt Ltd	2019-20	0.50	-	-	-	0.50
	2018-19	-	-	-	-	-
Security Deposit Given						
Titagarh Enterprises Ltd	2019-20		207.64			207.64
	2018-19		57.10			57.10
Balances Outstanding as at the Year end						
Trade Receivable						
Matiere Titagarh Bridges Pvt Ltd	2019-20	1.40	-	-	-	1.40
	2018-19	-	-	-	-	-
Receivable from Related Party						
Matiere Titagarh Bridges Pvt Ltd	2019-20	25.51	-	-	-	25.51
	2018-19	1.96	-	-	-	1.96
Advances Recoverable in Cash or Kind						
Mr. Anil Agarwal	2019-20	-	-	30.00	-	30.00
	2018-19	-	-	34.50	-	34.50
Mr. Sudipta Mukherjee	2019-20	-	-	15.31	-	15.31
	2018-19	-	-	-	-	-
Advances from Customers						
Matiere Titagarh Bridges Pvt Ltd	2019-20	41.05	-	-	-	41.05
	2018-19	41.05	-	-	-	41.05

Investments						
Matiere Titagarh Bridges Pvt Ltd	2019-20	29.81	-	-	-	29.81
Net of share of Loss Rs. 22.12 Lacs (March 31, 2020: Rs. 36 Lacs)	2018-19	39.49	-	-	-	39.49
Titagarh Mermec Pvt Ltd	2019-20	*	-	-	-	*
Net of share of Loss Rs. 0.50 Lacs (March 31, 2020: Rs. Nil Lacs)	2018-19	-	-	-	-	-
Titagarh Enterprises Limited	2019-20	-	2,746.28	-	-	2,746.28
	2018-19	-	2,752.97	-	-	2,752.97
Traco International Investment Private Limited	2019-20	-	18.32	-	-	18.32
	2018-19	-	24.22	-	-	24.22
Titagarh Industries Limited	2019-20	-	32.20	-	-	32.20
	2018-19	-	31.02	-	-	31.02
Employee Related Liabilities						
Mr. J P Chowdhary	2019-20	-	-	-	-	-
	2018-19	-	-	12.10	-	12.10
Mr. Umesh Chowdhary	2019-20	-	-	-	-	-
	2018-19	-	-	12.14	-	12.14
Ms. Vinita Bajoria	2019-20	-	-	-	-	-
	2018-19	-	-	-	1.56	1.56
Mr. Anil Agarwal	2019-20	-	-	-	-	-
	2018-19	-	-	1.88	-	1.88
Mr. Dinesh Arya	2019-20	-	-	-	-	-
	2018-19	-	-	1.23	-	1.23
Mr. Sudipta Mukherjee	2019-20	-	-	-	-	-
	2018-19	-	-	1.99	-	1.99
Security Deposit						
Titagarh Enterprises Limited	2019-20	-	321.84	-	-	321.84
	2018-19	-	114.20	-	-	114.20
Trade Payables						
Titagarh Enterprises Limited	2019-20	-	60.83	-	-	60.83
	2018-19	-	20.57	-	-	20.57

Notes :

a) Terms and Conditions of Transactions with Related Parties

The sales/services to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest-free and settlement occurs in cash. The Group has not recorded any impairment of investments relating to amounts owed by related parties. This assessment is undertaken in each financial year through examining the financial position of the related party and the market in which the related party operates.

Rs. in Lacs

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
b) Remuneration of Key Management Personnel		
Short-term employee benefits	607.79	613.70
Contribution to provident and other funds	43.34	42.90
Share-based payment transactions	29.20	51.94
	680.33	**708.54**

The remuneration to key management personnel does not include provisions made for gratuity and leave benefits as they are determined on an actuarial basis for the Parent Company as a whole.

CONSOLIDATED NOTE TO ACCOUNTS *(Contd.)*

41. Fair Values

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the consolidated financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into three levels prescribed under the accounting standard. An explanation of each level follows below.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities included in level 3.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period. There are no transfers between level 1 and level 2 fair value measurements during the year ended March 31, 2020 and March 31, 2019.

(Rs. in Lacs)

		Level 1	Level 2	Level 3	Total
Quantitative disclosures Fair Value Measurement hierarchy for Assets:	**Date of Valuation**				
Assets Measured at Fair Value:					
Investments	March 31, 2020	60.83	-	2,796.85	2,857.68
	March 31, 2019	-	-	2,838.35	2,838.35
Total Financial Assets		**60.83**	**-**	**5,635.20**	**5,696.03**
Quantitative disclosures Fair Value Measurement hierarchy for Liabilities:					
Liabilities Measured at Fair Value:					
Liability for Derivatives	March 31, 2020	-	-	-	-
	March 31, 2019	-	231.70	-	231.70
Total Financial Liabilities		**-**	**231.70**	**-**	**231.70**

Fair valuation of unquoted equity investments is based on valuation done by an external valuer using discounted cash flow method. A change in significant unobservable inputs used in such valuation (mainly earnings growth rate and risk adjusted discount rate) is not expected to have a material impact on the fair values of such assets as disclosed above.

(ii) Fair value measurements using significant unobservable inputs (Level 3)

The significant unobservable inputs used in the fair value measurement categorised within Level 3 of the fair value hierarchy -(FVTPL assets in unquoted equity shares/units valued using Discounted Cash Flow method) together with a quantitative sensitivity analysis as at March 31, 2020 and March 31, 2019 are as shown below:

(Rs. in Lacs)

	March 31, 2020	March 31, 2019
Significant Unobservable Input - Weighted Average Cost of Capital		
Impact of 1% Increase	(233.68)	(245.06)
Impact of 1% Decrease	315.07	336.59
Significant Unobservable Input - Circle Rate for land owned by the respective Investee Company		
Impact of 5% Increase	58.59	68.59
Impact of 5% Decrease	(58.59)	(68.59)

(iii) Reconciliation of fair value measurement of financial instruments classified as FVTPL assets: **(Rs. in Lacs)**

Particulars	**Investment in unquoted equity shares**
Closing Balance as on March 31, 2018	**2,421.89**
Re-measurement recognised in Consolidated Statement of Profit and Loss	416.46
Closing Balance as on March 31, 2019	**2,838.35**
Addition during the period	139.28
Deletion during the period	(30.09)
Re-measurement recognised in Consolidated Statement of Profit and Loss	(89.86)
Closing Balance as on March 31, 2020	**2,857.68**

(iv) Fair value of financial assets and liabilities

The fair values of financial assets and liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2019.

The methods and assumptions were used to estimate the fair values:

(a) The fair value of foreign exchange forward contracts is determined using forward exchange rates at the Balance Sheet date.

(b) The management assessed that the carrying amount of long-term borrowing which are at floating interest rate are a reasonable approximation of their fair value and the difference between their carrying amount and the fair value is not expected to be significant.

(c) The management assessed that the fair values of remaining financial assets and liabilities at amortised cost approximate to their carrying amounts largely due to the short-term maturities of these instruments.

(d) For financial assets / liabilities carried at fair value, the carrying amounts are equal to their fair values.

(e) Management uses its best judgement in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimate technique. Therefore, for substantially all financial instruments, the fair value estimates are not necessarily indicative of the amounts that the Group could have realised or paid in sale transactions as of respective dates. As such, fair value of financial instruments subsequent to the reporting dates may be different from the amounts reported at each reporting date.

42. Financial Risk Management Objectives and Policies

The Group's financial liabilities comprise borrowings, trade payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's financial assets include trade and other receivables, cash and cash equivalents, investments, loans and deposits and other financial assets.

The Parent Company's Board of Directors ensures that risks are identified, measured and managed in accordance with Risk Management Policy of the Group. The Board of Directors also review these risks and related risk management policy which are summarised below:

I) Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk and other price risk, such as commodity price risk and equity price risk and interest rate risk. Financial instruments affected by market risk include FVTPL investments, trade payables, trade receivables, borrowings, other receivables etc

(i) Foreign currency risks

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities and borrowings. Such foreign currency exposures are primarily hedged by the Group through use of foreign exchange forward contracts. The Group has a treasury team which monitors the foreign exchange fluctuations on the continuous basis and advises the management of any material adverse effect on the Group, and any additional remedial measures to be taken.

CONSOLIDATED NOTE TO ACCOUNTS *(Contd.)*

The Group's foreign currency exposure at the end of the reporting period are as follows:

(Rs. in Lacs)

PARTICULARS	March 31, 2020			
	NPR	**USD**	**EURO**	**NOK**
Financial Assets				
Trade Receivables #	408.07	565.40	-	5.07
Other Financial Assets #	-	25.00	2,661.25	
Cash & Cash Equivalents		294.87		19.19
Derivative Assets				
Foreign exchange forward contracts	-	-	-	-
Net exposure to Foreign Currency Risk (Assets)	**408.07**	**885.27**	**2,661.25**	**24.27**
Financial Liabilities				
Trade Payables	-	-	886.68	13.58
Provisions	-	-	2,559.26	-
Other Liabilities	-	-	15.41	-
Derivative Liabilities				
Foreign Exchange Forward Contracts and Currency and Interest Rate Swap	-	-	-	-
Net exposure to Foreign Currency Risk (Liabilities)	**-**	**-**	**3,461.35**	**13.58**
Net exposure to Foreign Currency Risk (Assets less Liabilities)	**408.07**	**885.27**	**(800.10)**	**10.68**

(Rs. in Lacs)

PARTICULARS	March 31, 2019		
	NPR	**USD**	**EURO**
Financial Assets			
Trade Receivables #	35.51	1,206.58	1,371.00
Other Financial Assets #	-	-	582.00
Cash & Cash Equivalents			
Derivative Assets			
Foreign exchange forward contracts	-	(603.48)	-
Net exposure to Foreign Currency Risk (Assets)	**35.51**	**603.10**	**1,953.00**
Financial Liabilities			
Trade Payables	-	1,033.39	552.15
Provisions	-	-	-
Other Liabilities	-	-	-
Derivative Liabilities			
Foreign Exchange Forward Contracts and Currency and Interest Rate Swap	-	(1,031.21)	(197.21)
Net exposure to Foreign Currency Risk (Liabilities)	**-**	**2.18**	**354.94**
Net exposure to Foreign Currency Risk (Assets less Liabilities)	**35.51**	**600.92**	**1,598.06**

The above balances does not include balances pertaining to Titagarh Wagon AFR (TWA) which has been transferred to discountinued oepration by the management.

Foreign Currency Sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in USD, Euro, NPR & NOK exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities. The Group's exposure to foreign currency changes for all other currencies is not material.

	Changes in Euro rate	Foreign currency (Payable) / Receivable (net)	Effect on Profit before Tax	Changes in USD rate	Foreign currency (Payable) / Receivable (net)	Effect on Profit before Tax
	%	Rs in Lacs	Rs in Lacs	%	Rs in Lacs	Rs in Lacs
March 31, 2020	5%	(800.10)	(40.01)	5%	885.27	44.26
	-5%		40.01	-5%		(44.26)
March 31, 2019	5%	1,598.06	79.90	5%	600.92	30.05
	-5%		(79.90)	-5%		(30.05)
	Changes in NPR rate	**Foreign currency (Payable) / Receivable (net)**	**Effect on Profit before Tax**	**Changes in NOK rate**	**Foreign currency (Payable) / Receivable (net)**	**Effect on Profit before Tax**
	%	Rs in Lacs	Rs in Lacs	%	Rs in Lacs	Rs in Lacs
March 31, 2020	5%	408.07	20.40	5%	10.68	0.53
	-5%		(20.40)	-5%		(0.53)
March 31, 2019	5%	35.51	1.78	5%	-	-
	-5%		(1.78)	-5%		-

(ii) Equity price risks

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

The Group only invests in the equity shares of some of the group companies as part of the Group's overall business strategy and policy. The Group manages the equity price risk through placing limits on individual and total equity investment in each of group companies based on the respective business plan of each of the companies. Reports on the investment portfolio alongwith the financial performance of the group companies are submitted to the Group's management on a regular basis. The Parent Company's Board of Directors reviews and approves all investment decisions.

The Group's investment in quoted equity instruments is not material. For sensitivity analysis of Group's investments in equity instruments, Refer Note 41(ii).

(iii) Interest rate risks

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to risk of changes in market interest rates relates primarily to the Group's debt interest obligation. Further the Group engages in financing activities at market linked rates, any changes in the interest rate environment may impact future rates of borrowings. The Group continuously monitor the situation and takes remedial actions if required.

The Group manages its cash flow interest rate risk inter alia by using floating-to-fixed interest rate swaps. The Group's investments in bonds and term deposits with banks are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of changes in market interest rates.

Interest rate risk exposure

The exposure of the Group' s borrowings to interest rate changes at the end of the reporting period are as follows:

(Rs. in Lacs)

Particulars	**As at March 31, 2020**	**As at March 31, 2019**
Variable Rate Borrowings - Covered by Interest Rate Swap	-	10,354.95
Variable Rate Borrowings - Others	72,973.64	79,294.73
Total Borrowings	**72,973.64**	**89,649.68**

CONSOLIDATED NOTE TO ACCOUNTS *(Contd.)*

Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

(Rs. in Lacs)

Particulars	Impact on Profit before Tax	
	March 31, 2020	March 31, 2019
Interest Rates - Increase by 100 basis points *	729.74	792.95
Interest Rates - Decrease by 100 basis points *	(729.74)	(792.95)

* Holding all other variables constant and on the assumption that amount outstanding as at reporting dates were utilised for full financial year.

II) Credit Risks

Credit Risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables and loans / deposits) and from its investing activities (primarily deposits with banks and investments in tax free bonds). The Group's maximum exposure to credit risk for the components of the Balance Sheet as at March 31, 2020 and March 31, 2019 is their carrying amounts.

(a) **Trade and Other Receivables**

Customer credit risk is managed by the Group through established policy and procedures and control relating to customer credit risk management. Trade receivables are non-interest bearing. The Group has a detailed review mechanism of overdue customer receivables at various levels within organisation to ensure proper attention and focus for realisation.

The Group uses specific identification method in determining the allowance for credit losses of trade and other receivables considering historical credit loss experience and is adjusted for forward looking information.

Receivables are deemed to be past due or impaired with reference to the Group's normal terms and conditions of business. These terms and conditions are determined on a case to case basis with reference to the customer's credit quality and prevailing market conditions.

(b) **Other Financial Assets and Deposits**

Credit Risk from Balances with Banks, deposits, etc. is managed by the Group's finance department. Investments of Surplus funds are made only with approved counterparties in accordance with the Group's policy.

(c) **Reconciliation of Impairment Provision** (Rs. in Lacs)

Particulars	Claim Receivables #	Loan and Deposits	Trade Receivables	Other Financial Assets
Opening Balance as at March 31, 2018	3,097.53	64.45	618.72	24.48
Provision made during the year ended March 31, 2019	-	-	1,815.52	-
Provision adjusted with corresponding receivable balance during the year ended March 31, 2019	(3,097.53)	-	-	-
Provision written back during the year ended March 31, 2020	-	-	(64.59)	-
Closing Balance as at March 31, 2019	**-**	**64.45**	**2,369.65**	**24.48**
Provision made during the year ended March 31, 2020	-	46.65	345.94	40.87
Provision adjusted with corresponding receivable balance during the year ended March 31, 2020	-	-	(362.01)	(24.47)
Provision written back during the year ended March 31, 2020	-	(3.63)	(95.79)	-
Closing Balance as at March 31, 2020	**-**	**107.47**	**2,257.79**	**40.88**

The impairment provision as disclosed above are based on assumptions about risk of default and expected credit losses rates. The Group uses judgement in making these assumptions based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Refer Note 7(a)

Movement of Liquidated Damages:

Particulars	Liquidated Damages
Opening Balance as at March 31, 2018	9,163.75
Provision made during the year ended March 31, 2019	1,551.14
Provision utilized / reversed during the year ended March 31, 2019	(9,771.27)
Opening Balance as at March 31, 2019	**943.62**
Provision made during the year ended March 31, 2020	1,695.50
Provision utilized / reversed during the year ended March 31, 2020	(1,284.60)
Closing Balance as at March 31, 2020	**1,354.52**

III) Liquidity Risks

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to dynamic nature of the underlying businesses, Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

The Group has obtained fund and non-fund based working capital lines from various banks. The Group invests its surplus funds in bank fixed deposits, which carry no market risk. Management monitors the Group's net liquidity position through rolling forecasts on the basis of expected cash flows.

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

Maturity profile of Financial liabilities

Maturity profile of all financial liabilities is as under: **(Rs. in Lacs)**

As at March 31, 2020	Upto 1 Year	2-3 years	More than 3 years
Non-derivative Financial Liabilities			
Borrowings (including interest thereon)*			
- Revolving Credit Facility	17,526.89	-	-
- Term Loan	2,182.78	33,189.49	28,925.08
Trade Payables	35,115.48	-	-
Other Financial Liabilities	3,243.67	-	-
	58,068.82	**33,189.49**	**28,925.08**
As at March 31, 2019			
Non-derivative Financial Liabilities			
Borrowings (including interest thereon)*			
- Revolving Credit Facility	30,347.91	-	-
- Term Loan	5,569.37	22,508.96	41,146.21
Trade Payables	53,515.72	-	-
Other Financial Liabilities	3,918.05	1,613.22	-
Derivative Financial Liabilities			
Derivative Instruments at Fair Value	44.69	187.01	-
	93,395.74	**24,309.19**	**41,146.21**

* Includes transaction cost adjustment on borrowings and contractual interest payment based on interest rate prevailing at the end of the reporting period.

43. Capital Management

(a) Risk Management

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

CONSOLIDATED NOTE TO ACCOUNTS *(Contd.)*

The Group monitors capital on the basis of the net debt to equity ratio. Net debt are borrowings as reduced by cash and cash equivalents. The Group is not subject to any externally imposed capital requirements.

The following table summarises the capital of the Group:

(Rs. in Lacs)

	As at March 31, 2020	As at March 31, 2019
Total Borrowings	72,973.64	89,649.68
Less: Cash and Cash Equivalents	2,897.18	9,865.25
Net Debt	**70,076.46**	**79,784.43**
Equity	**76,661.30**	**81,617.57**
Total Capital (Equity + Net Debt)	**1,46,737.76**	**1,61,402.00**
Net Debt to Equity Ratio	**91.41%**	**97.75%**

(b) Dividends on Equity Shares

(Rs. in Lacs)

	For the Year Ended March 31, 2020	For the Year Ended March 31, 2019
Dividend Declared and Paid during the year		
Final Dividend for the year ended March 31, 2019 of Rs. 0.30 (March 31, 2018 of Rs. 0.30) per fully paid share	346.83	346.58
Dividend Distribution Tax on above	71.29	70.55
Proposed Dividend Not recognised at the End of the Reporting Period		
In addition to the above dividend, since year end the directors have recommended the payment of final dividend of Rs. Nil (March 31, 2019- Rs. 0.30) per fully paid share. This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.	-	346.58
Dividend Distribution Tax on above	-	70.56

44. Debt Reconciliation

This section sets out an analysis of debt and the movement in debt during the year :

(Rs. in Lacs)

	As at March 31, 2020	As at March 31, 2019
Non- current Borrowings	55,346.44	57,558.77
Current Maturities of Long-term Debt	100.31	2,651.18
Current Borrowings	17,526.89	29,439.73
Interest accrued	220.22	872.37
Total	**73,193.86**	**90,522.05**

(Rs. in Lacs)

Particulars	Non- current Borrowings	Current Borrowings	Total
Debt as at March 31, 2018 (including interest accrued)	**23,851.75**	**38,920.94**	**62,772.69**
Finance Costs	2,267.96	4,569.63	6,837.59
Cash Flows			
Proceeds from Long-term Borrowings from Banks	41,172.90	-	41,172.90
Repayment of Long-term Borrowings from Banks	(4,051.29)	-	(4,051.29)
Short-term Borrowings - Receipts/(Payments)	-	(9,245.86)	(9,245.86)
Finance Costs Paid	(1,755.66)	(4,569.63)	(6,325.29)

Non-cash Transactions			
Unrealised Foreign Exchange Fluctuation Loss on Borrowings	(389.13)	(235.35)	(624.48)
Unspent Liabilities / Provisions no longer required Written Back	(14.21)	-	(14.21)
Debt as at March 31, 2019 (including interest accrued)	**61,082.32**	**29,439.73**	**90,522.05**
Finance Costs	3,971.07	4,856.22	8,827.29
Less: Finance cost Capitalised in Inventory	(820.41)	-	(820.41)
Cash Flows			
Proceeds from Long-term Borrowings from Banks	10,987.38	-	10,987.38
Repayment of Long-term Borrowings from Banks	(15,833.88)	-	(15,833.88)
Short-term Borrowings - Receipts/(Payments)	-	(9,346.95)	(9,346.95)
Finance Costs Paid	(3,845.72)	(4,636.00)	(8,481.72)
Non-cash Transactions			
Unrealised Foreign Exchange Fluctuation Loss on Borrowings	2,604.20	-	2,604.20
Impairment of Discontinued Operation Borrowings	(2,698.21)	(2,565.89)	(5,264.10)
Debt as at March 31, 2020 (including interest accrued)	**55,446.75**	**17,747.11**	**73,193.86**

45. Change in accounting policy

The impact on the retained earnings as at April 01, 2018 as follows:

Effective April 1, 2018, the Group has adopted IND AS 115 “Revenue from Contracts with Customers” using the modified retrospective approach which is applied to contracts that were not completed as of April 1, 2018. The comparatives for the year ended March 31, 2018 have not been restated and accordingly the results for the year ended March 31, 2019 are not comparable with the above periods reported. As a result of adoption of the new standard, an amount of Rs 90.61 lacs (net of tax), has been adjusted against retained earnings as on April 1, 2018. Further, the change in the timing of revenue recognition for certain contracts has following impact on statement of Consolidated Profit and Loss for the year ended March 31, 2019:

(Rs. in Lacs)

Particulars	**Year Ended March 31, 2020**	**Year Ended March 31, 2019**
Increase/(Decrease) in Revenue from Operations	-	3,989.19
Decrease/(Increase) in Changes in Inventories of Finished Goods, Work-in-progress and Saleable Scrap.	-	(3,516.43)
(Increase) / Decrease in Loss before tax	-	472.76
(Increase) / Decrease in Tax expense	-	(165.20)
(Increase) / Decrease in Loss for the period and Total comprehensive income	-	307.56
(Increase) / Decrease in Loss Per Equity Share (of Rs 10/- each) (Not Annualised) - Basic and Diluted (Rs.)	-	0.27

Also refer Note 21 “Revenue from Operations” and note 6 “Trade Receivables”

(Rs. in Lacs)

	As at March 31, 2020	**As at March 31, 2019**
46. Assets and liabilities related to contract with customers		
Contract Assets		
Unbilled Revenue	24,443.47	21,453.71
Total Contract assets	**24,443.47**	**21,453.71**
Contract Liabilities		
Advance from customers	20,338.86	16,040.12
Total Contract Liabilities	**20,338.86**	**16,040.12**

CONSOLIDATED NOTE TO ACCOUNTS *(Contd.)*

(Rs. in Lacs)

	As at March 31, 2020	As at March 31, 2019
Revenue recognised in relation to contract liability		
Revenue recognised that was included in the contract liability balance at the beginning of the period	18,017.48	12,809.51

Trade receivables in respect of contract with customers has been included in Note-6

47. The Reporting Package as of 31 March 2020 shows a net loss for some 2,3 million of euro. The Company has significant financial liabilities for some 62,4 million of euro, of which 48,9 million of Euro as non-current. In particular, the financial liabilities as of 31 March 2020 are exclusively due to the banking institution "Bank of Baroda" and they are structured in the form of medium-long term financing for some 5o million of Euro and in the form of short-term credit line for the residual part (12,4 million of Euro). The aforementioned loan agreement has a pre-amortization period of 39 months and will enter into amortization as a capital quota in September 2021 for an amount equal to Euro 3,5 million, in quarterly installments.

The Company recorded a significant cash absorption, equal to approximately 9,6 million during the year ended as of 31 March 2020. The directors prepared a Budget/Plan 2021-2025 (the "Budget/Plan"), approved by the Board of Directors on 18 June 2020 which provides for a substantial financial balance of the Company, also considering the effects deriving from Covid-19. The Budget/Plan was examined also with regard to the reasonableness of the assumptions underlying the projections made by the directors, by a qualified independent external firm. In particular, the Company expects to achieve, in the next 12 months (period 1/04/2020 - 31/03/2021), an important growth plan in terms of turnover volumes, which will entail a significant cash absorption originating from the start of the new orders including Ferrovie Circumetena whose contract does not provide for the advance payment. This absorption has been estimated at some 19,8 million of Euro.

"In order to be able to meet this financial requirement, the directors have launched a series of initiatives, some of which have not yet been completed and in particular:

- further use of the short-term credit line (so-called ""Facility C"") in place with Bank of Baroda, as per the contract stipulated on 27 March 2019;
- assignment of factoring receivables for advance invoices, as per the contract stipulated with Unicredit / MCC on 11 June 2020, for approximately 3 million of Euro;
- a new loan agreement, for which negotiations are currently underway with a primary banking institution, for some 2,5 million of Euro;
- release of a security deposit in place with the Trenitalia customer, against which all the necessary procedures for the release have been initiated, for approximately 5 million of Euro;
- further actions may be sought in the context of the measures introduced by the recent Liquidity Decree as well as other sources of funding of a self-liquidating nature."

The directors have a reasonable expectation that Titagarh Firema SpA can be equipped with adequate capital and financial resources to continue ordinary operations and to meet its obligations for the next twelve months on condition that the aforementioned actions are implemented. The Reporting Package as of 31 March 2020 was therefore prepared on the assumption of going concern, for the reasons outlined above, which are based substantially on the implementation of the 2020/2021 budget and on the actual short-term implementation of the actions listed above.

48. The Group has evaluated the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/ Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the aforesaid matter is not likely to have a significant impact and accordingly, no provision has been made in these Consolidated Financial Statements.

49. The Company has assessed and concluded that there is no impact on IND AS 116 (Leases) at the date of transition as well as balancesheet date.

50. "The Hon'ble National Company Law Tribunal, Kolkata Bench by an order dated September 30, 2020 has sanctioned the Scheme of Amalgamation (the ""Scheme"") filed by Titagarh Wagons Limited (the Company or the Parent Company) and it's subsidiary Cimmco Limited (Cimmco), and its wholly owned subsidiary Titagarh Capital Private Limited (TCPL) for amalgamation of aforesaid subsidiaries with the Parent Company with effect from April 1, 2019, being the appointed date as per the Scheme. The certified true copy of the said Order has been received and filed with the Ministry of Company Affairs on October 2, 2020.

CIMMCO and TCPL were already consolidated as subsidiaries in these consolidated financial statements prior to the amalgamation in accordance with Indian Accounting Standard (IND AS) 110 Consolidated Financial Statements and accordingly amalgamation did not result in any significant impact on the consolidated financial statements. In terms of the Scheme, the Company is required to issue 13 equity share of face value of Rs. 2/- each of the Company for every 24 equity shares of face value of Rs. 10/- each held in Cimmco by its non-controlling shareholders as on the record date stated therein. Pending allotment of such shares to the non-controlling shareholders of Cimmco on date of these financial results, the non-controlling interest pertaining to Cimmco continues to be recognised in these consolidated financial statements under Equity.

Pursuant to the aforesaid Scheme, the Authorised Share Capitals of the Cimmco and TCPL as on the Appointed Date stand merged with the Authorised Share Capital of the Company. Accordingly, the Authorised Share Capital of the Company stands increased to Rs. 3,85,10,00,000/- (Rupees Three hundred eighty five crore ten lakhs only) divided into 1,29,05,00,000 Equity Shares of Rs. 2/- each and 12,70,00,000 preference shares of Rs. 10/- each. However, there is an inadvertent typographical error in the amount of Authorised Share Capital in numeric figures as set out in Clause 17.1 of the Scheme, while the amount of Authorised Share Capital has been correctly recorded in words and also the division/classification of revised Authorised Share Capital does not reflect the above figures. While filing the certified copy of the Order with the Ministry of Corporate Affairs (MCA) on October 2, 2020, the Company has stated the correct amount of Authorised Share Capital therein."

51 Discontinued Operations:

On 4th June 2019, the commercial court of Paris has approved the start of Rehabilitation Procedure and from said date, Parent Company was no longer in control of TWA, under French law. The Commercial Court of Paris vide its judgement dated August 13, 2019 has approved a plan for transfer of business and assets of TWA to another bidder and ordered for liquidation of TWA. While the Group had provided for its investments and other intercompany receivables in TWA in its standalone financial statements in the previous year ended March 31, 2019, it has derecognized the net assets value of Rs.5,122.43 lacs (net of reversal of foreign currency translation reserve) following the principles of accounting standard during the year ended March 31, 2020. The net assets value as on 4th June 2019 has been considered as the same value as appearing on 31st March 2019 since complete financial information including the financial statements from 1st April 2019 till 4th June 2019 is not available for TWA on account of reasons stated above. However, management believes that de-recognition based on the net asset value as on 31st March 2019, instead of 4th June 2019 will not have any material impact on the total consolidated profit / (loss) before tax except disclosure under respective line items.

The results of discontinued operations are set out below: **(Rs. in lacs)**

(Rs. in Lacs)

Particulars	**Year Ended March 31, 2020**	**Year Ended March 31, 2019**
Income		
Revenue from Operations	-	15,148.66
Other Income	-	2,074.13
Total Income	**-**	**17,222.79**
Expenses		
Cost of Raw Materials and Components Consumed	-	9,873.69
Changes in Inventories of Finished Goods, Work-in-progress, Trading Goods and Saleable Scrap	-	2,044.81
Employee Benefits Expense	-	4,893.23
Finance Costs	-	319.83
Depreciation and Amortisation Expense	-	1,215.69
Other Expenses	-	3,270.17
Total Expenses	**-**	**21,617.42**
Profit before exceptional items & tax from discontinued operation	**-**	**(4,394.63)**
Exceptional Items	-	3,048.02

CONSOLIDATED NOTE TO ACCOUNTS *(Contd.)*

Profit / (Loss) before Tax	**-**	**(7,442.65)**
Tax Expense:		
Current Tax	-	(5.83)
Deferred Tax	-	8.71
Total Tax Expense	**-**	**2.88**
Profit / (Loss) after tax from discontinued operations	**-**	**(7,445.53)**
Other Comprehensive Income		
Item that will not be Reclassified to Profit or Loss in Subsequent Periods:		
Remeasurement Gain / (Losses) on Defined Benefit Plans	-	-
Income Tax on above	-	-
Item that will be Reclassified to Profit or Loss in Subsequent Periods:		
Exchange Differences on Translation of Foreign Operations	-	(772.69)
Income tax relating to above	-	-
Other Comprehensive Income for the Year (Net of Tax)	-	(772.69)
Total Comprehensive Income for the Year from discontinued operations	**-**	**(8,218.22)**

52. Due to the impact of Covid-19 pandemic and also the time taken in passing of the final order by the Hon'ble National Company Law Tribunal ("NCLT") sanctioning the Scheme of Amalgamation of two subsidiaries namely, Cimmco Limited and Titagarh Capital Private Limited with the Company ("Scheme"), the financial statement for the year ended March 31, 2020 ("FS") could not be approved within the stipulated date of July 31, 2020 (extended timeline by SEBI). While the Scheme was approved by the shareholders and creditors of the Company by a resolution passed on April 29, 2020, the final hearing on the confirmation petition filed on May 11, 2020 took place on August 17, 2020 and thereafter on September 7, 2020 order was reserved and the final order approving the Scheme was passed and uploaded on September 30, 2020, the certified copy whereof was received by the Parent Company on October 01, 2020. Since the appointed date as per the Scheme was April 1, 2019, for sake of due clarity for the benefit of shareholders and investors, the Parent Company decided to wait for publishing the FS till receipt of final order so that effect of amalgamation can be taken in FS. BSE and NSE on August 18, 2020 wrote to the Parent Company to pay fine of Rs. 80,000 upto the said date to each for delay in submission of FS and the Parent Company has in reply sought waiver of the same and their response is awaited. For this delay, the Parent Company has represented to the SEBI in August, 2020 and September, 2020 and applied for extension of time till October 15, 2020 for submission of FS, the response to which is awaited. Pending response, necessary provision has been considered in the FS.

53. Due to the lockdown imposed by the Government across various territories, as part of pre-emptive measures to combat the COVID-19 pandemic, the operations of the Group were temporarily suspended. The operations were resumed in phased manner from May, 2020. As at balance sheet date, the Group has made detailed assessment of the recoverability of the carrying values of its assets like property, plant and equipment, investments, trade receivables etc, its liquidity position including ability to pay its debt obligations and effectiveness of internal financial controls as at the balance sheet date, and has concluded that all impacts have been considered in the consolidated financial results and no other adjustments are required to be considered in these consolidated financial results. However, given the uncertainties associated with its nature and duration, the eventual outcome of the impact of COVID-19 pandemic may be different from those estimated as on the date of approval of these financial results and the Company continues to closely monitor the situation including any material changes to future economic conditions and consequential impact, if any on its financial results.

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

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

J P Chowdhary
Executive Chairman
DIN: 00313685

Umesh Chowdhary
Vice Chairman and Managing Director
DIN: 00313652

Pramit Agrawal
Partner
Membership No. 099903

Atul Joshi
Director
DIN: 03557435

Manoj Mohanka
Director
DIN: 00128593

Place : Gurgaon
Date : October 08, 2020

Anil Kumar Agarwal
Director (Finance) and Chief Financial Officer
DIN: 01501767

Dinesh Arya
Company Secretary

Place : Kolkata / Mumbai
Date : October 08, 2020

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

BUSINESS RESPONSIBILITY REPORT

SECTION A – GENERAL INFORMATION ABOUT THE COMPANY

1.	Corporate Identity Number (CIN) of the Company	L27320WB1997PLC084819
2.	Name of the Company	Titagarh Wagons Limited
3.	Registered Address	756 Anandapur, E.M. Bypass, Kolkata - 700107
4.	Website	www.titagarh.in
5.	E-mail ID	corp@titagarh.in
6.	Financial Year reported	2019-20
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	Rail Rolling Stock, Defence, Shipbuilding, Heavy Engineering and Infrastructure Wagons & Coaches: NIC Code - 3020 Specialized Equipments & Bridges: NIC Code - 4210
8.	List three key products / services that the Company manufactures / provides (as in balance sheet)	Railway Wagons Passenger Rolling Stock Bailey Bridge
9.	Total number of locations where business activity is undertaken by the Company	
	i. Number of International Locations	**One**
	ii. Number of National Locations	**Registered & Corporate Office:** 756, Anandapur, E.M. Bypass, Kolkata – 700107
		Regional Offices: i. Delhi ii. Mumbai
		Plant Locations: **West Bengal:** i. Wagons Division, Titagarh - 700119 ii. Steel Castings Division, Titagarh - 700119 iii. Coaches/Heavy Engineering Division (HED), Uttarpara - 712233 **Bharatpur (Rajasthan):** iv. Bharatpur - 321001
10.	Markets served by the Company	National / International

SECTION B – FINANCIAL DETAILS OF THE COMPANY

1.	Paid up Capital (₹)	23,12,12,340/-
2.	Total Turnover (₹)	1,48,421 lakhs
3.	Total Profit after Taxes (₹)	(7,992.49) lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of average Net profit of the Company for last 3 financial years (₹)	Notwithstanding the average net profit for the last three financial years being negative and there being no CSR spend mandatorily required the Company voluntarily spent an amount of Rs. 37.21 lakhs as CSR expenditure during 2019-20.
5.	List of activities in which expenditure in 4 above has been incurred:	Please refer Annexure DR-6 to Board's Report for financial year ended 31.03.2020 for the details on CSR initiatives undertaken by the Company

SECTION C – OTHER DETAILS

1.	Does the Company have any Subsidiary Company/ Companies?	Yes. The Company has 3 (three) subsidiaries, namely: i. Titagarh Firema SpA, Italy ii. Titagarh Singapore Pte. Limited, Singapore iii. Titagarh Bridges and International Private Limited (Formerly: Matiere Titagarh Bridges Pvt. Ltd.)
2.	Do the Subsidiary Company / Companies participate in the Business Responsibility (BR) initiatives of the Parent Company? If yes, then indicate the number of such subsidiary company(ies)?	The Subsidiaries are encouraged to participate in the BR initiatives of the Company by adhering to the BR initiatives of the Company.
3.	Do any other entity / entities (e.g. suppliers, distributors, etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity / entities? [Less than 30%, 30-60%, More than 60%]	No

During the year, Cimmco Limited and Titagarh Capital Private Limited, subsidiaries of the Company, were amalgamated into and with the Company in terms of the Scheme of Amalgamation duly approved by the Hon'ble National Company Law Tribunal, Kolkata Bench vide order dated 30th September, 2020.

SECTION D – BUSINESS RESPONSIBILITY ('BR') INFORMATION

Details of Directors Responsible for BR

The Managing Director/Whole-time Directors are empowered to look after the BR of the Company. The Company is in the process of assigning the responsibility for the implementation and review of the BR Policy / Initiatives of the Company as may be required from time to time to a Committee of the Board / Managerial Personnel, as may be decided by the Board. The details of Managing Director(s)/ Whole-time Director of the Company as on date of this report are as follows:

Name	Designation	DIN No.	Telephone No.	Email ID
Shri J.P. Chowdhary	Executive Chairman	00313685	033-40140800	corp@titagarh.in
Shri Umesh Chowdhary	Vice Chairman & Managing Director	00313652	033-40140800	corp@titagarh.in
Shri Sudipta Mukherjee	Whole-time Director	06871871	033-40140800	corp@titagarh.in
Shri Anil Kumar Agarwal	Director (Finance) & CFO	01501767	033-40140800	corp@titagarh.in

Principle-wise BR Policy as per National Voluntary Guidelines:

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
P2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
P3	Businesses should promote the well-being of all employees.
P4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.
P5	Businesses should respect and promote human rights.
P6	Businesses should respect, protect and make efforts to restore the environment.
P7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
P8	Businesses should support inclusive growth and equitable development.
P9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

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 motives of your Company while fulfilling its responsibilities. Your Company believes in maintaining the highest standards of corporate behavior towards people / entities it works with, the communities it has a "connect" with, and the environment it thrives on.

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy / policies for…	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify?	The policies are based on the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business' released by the Ministry of Corporate Affairs.								
4.	Has the policy been approved by the Board? If yes, has it been signed by MD / owner / CEO / appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the Company have a specified Committee of the Board / Director / Official to oversee the implementation of the policy?	The Executive Directors, which is empowered to look after the BR initiatives of the Company, periodically reviews the policies whenever required.								
6.	Indicate the link for the policy to be viewed online	View restricted to employees								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to key internal stakeholders of the Company. The communication is under an on-going process to cover all stakeholders with the best efforts 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.								

Governance related to BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

As this is our first BR report, our BR performance will be reviewed annually moving forward. We believe that such an annual review of BR performance will play a crucial role in enabling enhanced performance and alignment of business with stakeholder needs year on year.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

We are publishing our first BR report as part of our annual report disclosures which is published annually, and is available online at https://titagarh.in/investors-information.

SECTION E – PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH ETHICS, TRANSPARENCY AND ACCOUNTABILITY.

The Company has defined the Code of Conduct for its Directors and employees that cover issues related to ethics, workplace responsibilities and conflict of interest. It also covers dealings with suppliers, customers and other business associates. The Company has also put in place a Whistle Blower Policy in order to enable employees and others to bring to the notice of Board and management, any wrongdoing or unethical practices observed in the Company. The suppliers / contractors / business associates dealing with the Company are also encouraged to maintain ethical standards in all their practices.

During the financial year 2019-20, the Company has not received any complaints in relation to ethics, bribery and corruption.

PRINCIPLE 2: BUSINESSES SHOULD PROVIDE GOODS AND SERVICES THAT ARE SAFE AND CONTRIBUTE TO SUSTAINABILITY THROUGHOUT THEIR LIFE CYCLE.

The Company is engaged in the business sector of Rail Rolling Stock, Defence, Shipbuilding, Heavy Engineering and Infrastructure.

Creating sustainable products is a part of the Company's endeavour towards responsible product stewardship. Your Company ensures to design its products in a manner which caters to social responsibility of creating safe and environment friendly products. It is the Company's diligent exertion to design or manufacture products taking cognizance of the environmental risks and concerns. Your Company's motto is to establish a long-term relationship with its external stakeholders including the customers, vendors, etc. and work towards building an inclusive growth environment. Your Company places high premium on techno commercial aspects and the Company's procedures with regard to finalising vendors emphasises on safe working practices, technical certifications, prevention of child labour and general housekeeping, etc. The selection procedure of the Company's transport vendors (Trucks and Containers) involves scrutiny at various levels like age of vehicle / container fleet, well laid out systems of mandatory inspections, and safe driving procedures. It is also ensured that to the extent possible, the transporter dwells into the integrities of minimising environmental pollution caused by its vehicles. Your Company places high credence to sustainability in its supply chain management.

The Company has in September 2020, signed a power purchase Agreement with Fourth Partner Energy to procure 4.8 MW of solar power for its manufacturing facilities at Titagarh and passenger coach and propulsion unit at Uttarpara, to effectively replace approximately 25% of its current annual electricity demand with clean energy. All three power plants are expected to be commissioned by March 2021. Raw materials, components, stores and packing materials are generally procured from vendors close to the manufacturing units, wherever feasible. Your Company has a zero tolerance policy on safety compromise. In addition, with an endeavour to boost the "Make In India" initiative and "Atma Nirbhar" program, your Company ensures that most of the raw materials are sourced from within India / locally which again helps the growth of local vendors and society, and further contributes to the country's GDP. Your Company ensures that majority of the scrap materials generated during the process of manufacturing are recycled. Presently, the Company recycles majority of its scrap materials. Adequate practices are adopted in order to mitigate the impact of other waste generations and these wastes are disposed off in due compliance with the local rules & regulations and taking utmost care of environment.

PRINCIPLE 3: BUSINESSES SHOULD PROMOTE THE WELL-BEING OF ALL EMPLOYEES

Spirituality and well-being at work place are 2 necessary components. The Company believes that well-being is the key for sustenance for both, the Company and the Employees. A healthy workforce is in the Company's best interest and serves as a strategic asset and hence the Company endeavours to keep its people well.

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

- Total number of employees- 565
- Total number of employees hired on temporary / contractual / casual basis - Variable
- Number of permanent women employees - 15
- Number of permanent employees with disabilities- Nil
- Percentage of permanent employees is members of this recognized employee association - N.A.
- Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the financial year and pending, as on the end of the financial year - Nil.
- Percentage of under mentioned employees that were given safety & skill up-gradation training in the last year - Permanent Employees - 40%; Permanent Women Employees - 50%; Casual/ Temporary/ Contractual Employees - Variable; Employees with disabilities - N.A.

The Company has also invested significantly into preventive wellness for its employees. The range of services includes on-site complimentary health check-ups, health camps, discounted health check-up plans etc. To generate awareness among the employees, the Company keeps on organising health talks where eminent medical stalwarts are invited to share from their rich experience.

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

PRINCIPLE 4: BUSINESSES SHOULD RESPECT THE INTERESTS OF, AND BE RESPONSIVE TOWARDS ALL STAKEHOLDERS, ESPECIALLY THOSE WHO ARE DISADVANTAGED, VULNERABLE AND MARGINALIZED.

1. Has the company mapped its internal and external stakeholders?

Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders:

Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.:

The Company is committed to make differences in the lives of under privileged and economically challenged citizens. In line with the Company's CSR philosophy and policy, it takes various initiatives in the area of Health, Education, Sports, Women Empowerment and Skill Development for betterment of such stakeholders.

PRINCIPLE 6: BUSINESSES SHOULD RESPECT, PROTECT AND MAKE EFFORTS TO RESTORE THE ENVIRONMENT.

Your Company recognises that environmental conservation is one of the important issues of our community. Hence, the importance of maintaining a high standard of environmental care in conducting our activities is well-observed by your Company.

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

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

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

PRINCIPLE 7: BUSINESSES, WHEN ENGAGED IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A RESPONSIBLE MANNER.

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

Your Company aims to create an environment that encourages supportive deliberations made in a responsible way. Your Company has its representation in several business and industrial associations such as Federation of Indian Chambers of Commerce and Industry, Confederation of Indian Industry, Indo-American Chamber of Commerce, International Chamber of Commerce, PHD Chamber of Commerce and Industry, The Owners Forum, etc.

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

PRINCIPLE 8: BUSINESSES SHOULD SUPPORT INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

Your Company does take care of its social obligations towards maintaining high standards of business practices. While the growth of business of the Company is the primary objective of the Management, the Company does promote the concept of inclusive growth. The endeavour continues towards improving the Quality of Life of the people and motivating them to deliver their best.

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

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

PRINCIPLE 9: BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CUSTOMERS AND CONSUMERS IN A RESPONSIBLE MANNER.

1. **What percentages of customer complaints/ consumer cases are pending as on the end of financial year?**
   No complaints are pending as at the end of Financial Year 2019-20.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/no/N.A./Remarks(additional information)**
   Yes, the Company adheres to all legal statutes with respect to product labeling and display of product information. The Company also displays all the requisite information and safety guidance which are specific to its product.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**
   No cases were filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years.

4. **Did your Company carry out any consumer survey/consumer satisfaction trends?**
   TWL believes in providing best services to its customers. Time to time meeting(s) with customers are organized to understand their expectation and essentially to gauge our competitiveness in the business. TWL leverages its presence across the country to remain consistently in touch with the customers through its business unit and mitigate their issues promptly. Feedbacks received from customers are implemented to further enhance quality of service.

"AAPKA VIKAAS HAMAARA PRAYAAS"
is TITAGARH's pledge to contribute to society by way of Corporate Social Responsibility
CSR initiatives under four themes styled:
"JEEVAN NIROG", "GYAN JYOTI", "SHAIL GANGA" & PARVAAH"
have been undertaken as projects

Titagarh Wagons Limited ("Titagarh") took up its corporate social responsibility long before it became mandatory by law and continues endeavour to make significant contributions to its social footprint. Titagarh believes that Corporate Social Responsibility (CSR) enables the underprivileged section of the society also to participate in overall development of the nation.

TITAGARH

Registered & Corporate Office
TITAGARH WAGONS LIMITED
Titagarh Towers, 756, Anandapur, EM Bypass
Kolkata - 700107, West Bengal, India